Man Shing Global Holdings Limited
萬成環球控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code : 8309)

2018 Interim Report

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean it is a market more suited to professional and other sophisticated investors.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the "Directors") of Man Shing Global Holdings Limited (the "Company" and together with its subsidiaries, the "Group") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to Man Shing Global Holdings Limited. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Chong Shing *(Chairman)*
Mr. Wong Man Sing
Mr. Wong Chi Ho

Independent Non-Executive Directors

Mr. Lee Pak Chung
Mr. Au Yeung Tin Wah
Mr. Chiu Ka Wai

COMPANY SECRETARY

Mr. Chan Shiu Kwong Stephen

AUDIT COMMITTEE

Mr. Au Yeung Tin Wah *(Chairman)*
Mr. Lee Pak Chung
Mr. Chiu Ka Wai

REMUNERATION COMMITTEE

Mr. Chiu Ka Wai *(Chairman)*
Mr. Lee Pak Chung
Mr. Wong Man Sing

NOMINATION COMMITTEE

Mr. Wong Chong Shing *(Chairman)*
Mr. Chiu Ka Wai
Mr. Lee Pak Chung

RISK MANAGEMENT COMMITTEE

Mr. Wong Chong Shing *(Chairman)*
Mr. Lee Pak Chung
Mr. Au Yeung Tin Wah

AUTHORISED REPRESENTATIVES

Mr. Wong Chong Shing
Mr. Wong Man Sing

REGISTERED OFFICE

PO BOX 309
Ugland House, Grand Cayman
KY1-1104, Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 10, 11/F Trans Asia Centre
18 Kin Hong Street
Kwai Chung, N.T.

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square, Grand Cayman
KY1-1102, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

COMPLIANCE ADVISER

Changjiang Corporate Finance (HK) Limited

COMPLIANCE OFFICER

Mr. Wong Chong Shing

AUDITORS

SHINEWING (HK) CPA Limited

PRINCIPAL LAWYER

KEITH LAM LAU & CHAN

PRINCIPAL BANKERS

Shanghai Commercial Bank Limited
Fubon Bank (Hong Kong) Limited
Standard Chartered Bank
O-Bank Co. Ltd

WEBSITE ADDRESS

www.manshing.com.hk

STOCK CODE

8309

The board of directors (the "Board") is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2018, together with the corresponding comparative unaudited figures for the corresponding period in 2017, as follows:

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2018

		Three months ended 30 September		Six months ended 30 September	
	Notes	**2018 HK$'000 (Unaudited)**	2017 HK$'000 (Unaudited)	**2018 HK$'000 (Unaudited)**	2017 HK$'000 (Unaudited)
Revenue	4	**76,499**	114,239	**175,183**	230,156
Cost of sales		**(69,442)**	(107,774)	**(161,177)**	(214,304)
Gross profit		**7,057**	6,465	**14,006**	15,852
Other income		**234**	2,007	**550**	2,249
Administrative expenses		**(6,219)**	(8,996)	**(12,204)**	(22,891)
Finance costs	5	**(404)**	(561)	**(734)**	(1,335)
Profit (loss) before tax		**668**	(1,085)	**1,618**	(6,125)
Income tax expenses	6	**(282)**	(105)	**(529)**	(697)
Profit (loss) and total comprehensive income (expense) for the period	7	**386**	(1,190)	**1,089**	(6,822)
Earnings (loss) per share (HK cents)					
Basic and diluted	8	**0.06**	(0.20)	**0.18**	(1.14)

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2018

	Notes	**30 September 2018 HK$'000 (Unaudited)**	31 March 2018 HK$'000 (Audited)
Non-current asset			
Property and equipment	10	**10,310**	12,645
Current assets			
Trade receivables	11	**46,613**	49,548
Contract assets		**5,323**	–
Prepayments, deposits and other receivables		**730**	4,803
Tax recoverable		**2,986**	3,536
Pledged bank deposits		**23,105**	30,643
Bank balances and cash		**25,107**	28,640
		103,864	117,170
Current liabilities			
Trade payables	12	**7,167**	9,407
Accruals and other payables		**19,748**	25,163
Tax payables		**17**	17
Obligations under finance leases	13	**3,034**	3,563
Bank borrowings	14	**19,163**	25,306
		49,129	63,456
Net current assets		**54,735**	53,714
Total assets less current liabilities		**65,045**	66,359
Capital and reserves			
Share capital		**6,000**	6,000
Reserves		**52,005**	50,916
		58,005	56,916
Non-current liabilities			
Obligations under finance leases	13	**5,065**	6,493
Long service payments obligation		**1,861**	2,815
Deferred tax liabilities		**114**	135
		7,040	9,443
Net assets		**65,045**	66,359

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2018

	Share capital HK$'000	Share premium HK$'000	Other reserve HK$'000 *(Note)*	Retained earnings HK$'000	Total equity HK$'000
At 1 April 2018	**6,000**	**42,463**	**110**	**8,343**	**56,916**
Total profit and comprehensive income for the period	**–**	**–**	**–**	**1,089**	**1,089**
At 30 September 2018 (Unaudited)	**6,000**	**42,463**	**110**	**9,432**	**58,005**
At 1 April 2017	380	9,220	110	18,367	28,077
Capitalisation issue	4,120	(4,120)	–	–	–
Issue of ordinary shares in connection with the listing of shares of the Company	1,500	46,500	–	–	48,000
Share issue expenses	–	(9,137)	–	–	(9,137)
Total loss and comprehensive expenses for the period	–	–	–	(6,822)	(6,822)
At 30 September 2017 (Unaudited)	6,000	42,463	110	11,545	60,118

Note:

Other reserve

Other reserve represents the difference between the nominal value of the issued capital of subsidiaries acquired pursuant to the Group reorganisation over the consideration paid for acquiring these subsidiaries.

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2018

	Six months ended 30 September	
	2018	2017
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
NET CASH USED IN OPERATING ACTIVITIES	**(3,406)**	(19,082)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**7,973**	(16,963)
NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES	**(8,100)**	41,008
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(3,533)**	4,963
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**28,640**	17,059
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**25,107**	22,022

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2018

1. GENERAL INFORMATION

The Company was incorporated on 18 March 2016 in the Cayman Islands as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and the shares of the Company was listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 13 April 2017.

The Directors consider its ultimate controlling parties during the six months ended 30 September 2018 (the "Reporting Period") were Mr. Wong Man Sing, Mr. Wong Chong Shing and Mr. Wong Chi Ho (the "Controlling Shareholders"). The addresses of the registered office and the principal place of business of the Company are disclosed in the corporate information section in the Company's annual report in 2018.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are the provision of environmental cleaning solutions including street cleaning solution, building cleaning solutions, bus and ferry cleaning solutions and other cleaning services which included among others, refuse collection and waste disposal service, sewage management and pest control and fumigation service.

These unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK$") which is same as the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Chapter 18 to the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

3. PRINCIPAL ACCOUNTING POLICIES

(a) Overview

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 9, Financial instruments
- HKFRS 15, Revenue from contracts with customers
- HK(IFRIC) – Interpretation 22, Foreign currency transactions and advance consideration

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The Group has been impacted by HKFRS 9 in relation to classification of financial assets and measurement of credit losses, and impacted by HKFRS 15 in relation to timing of revenue recognition, capitalisation of contract costs, significant financing benefit obtained from customers and presentation of contract assets and contract liabilities. Details of the changes in accounting policies are discussed in note 3(b) for HKFRS 9 and note 3(c) for HKFRS 15.

Under the transition methods chosen, the Group recognises cumulative effect of the initial application of HKFRS 9 and HKFRS 15 as an adjustment to the opening balance of equity at 1 January 2018. Comparative information is not restated.

(b) HKFRS 9, Financial instruments

HKFRS 9 replaces HKAS 39, Financial instruments: recognition and measurement. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 January 2018. Therefore, comparative information continues to be reported under HKAS 39.

(i) Classification of financial assets and financial liabilities

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVPL"). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method;

- FVOCI, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or

- FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI. Changes in the fair value of the investment (including interest) are recognised in profit or loss.

The classification and carrying amounts for the Group's financial liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

(ii) Credit losses

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the expected credit losses ("ECL") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in HKAS 39.

The Group applies the new ECL model to the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, deposits, trade and other receivables); and

- contract assets as defined in HKFRS 15 (see note 3(c)).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls of trade and other receivables and contract assets are discounted using the effective interest rate determined at initial recognition or an approximation thereof where the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments (including loan commitments issued), the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;

- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

- an actual or expected significant deterioration in the operating results of the debtor; and

- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income on credit-impaired financial assets

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Opening balance adjustment

There has been no impact on the Group as a result of this change in accounting policy.

(c) HKFRS 15, Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, Revenue, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, Construction contracts, which specified the accounting for construction contracts.

The Group has elected to use the cumulative effect transition method by recognising any material impact on the initial application as an adjustment to the opening balance of equity at 1 January 2018. Therefore, comparative information has not been restated and continues to be reported under HKAS 11 and HKAS 18. As allowed by HKFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 January 2018.

Further details of the nature and effect of the changes on previous accounting policies are set out below:

(i) Timing of revenue recognition

Previously, revenue arising from provision of services was recognised over time.

According to HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

A. When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

B. When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

C. When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The adoption of HKFRS 15 does not have a significant impact on when the Group recognises revenue from provision of services.

(ii) Significant financing component

HKFRS 15 requires an entity to adjust the transaction price for the time value of money when a contract contains a significant financing component, regardless of whether the payments from customers are received significantly in advance of revenue recognition or significantly deferred.

There has been no impact on the Group as a result of this change in policy.

(iii) Presentation of contract assets and liabilities

According to HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

Previously, contract balances relating to service contracts in progress were presented in the statement of financial position as trade receivables.

To reflect the above changes in presentation, the Group has reclassified the contract balances of HK$3,959,000, which were previously included in prepayments, deposits and other receivables, are now included under contract assets at 1 January 2018 as a result of the adoption of HKFRS 15. The reclassification has no effect to the opening balances of the Group's equity at 1 January 2018.

(d) **HK(IFRIC) – Interpretation 22, Foreign currency transactions and advance consideration**

This interpretation provides guidance on determining "the date of the transaction" for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The Interpretation clarifies that "the date of the transaction" is the date on initial recognition of the nonmonetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. The adoption of HK(IFRIC) – Interpretation 22 does not have any material impact on the financial position and the financial results of the Group.

4. REVENUE

Revenue represents the amount received and receivable for rendering of the cleaning and related services. An analysis of the Group's revenue is as follows:

	Three months ended 30 September		**Six months ended 30 September**	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Street cleaning solutions	**37,121**	83,871	**94,770**	169,771
Building cleaning solutions	**23,414**	24,964	**47,204**	52,250
Bus and ferry cleaning solutions	**11,274**	2,049	**22,553**	4,779
Other cleaning services	**4,690**	3,355	**10,656**	3,356
	76,499	114,239	**175,183**	230,156

Segment information

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group currently operates in one operating and reportable segment which is the provision of cleaning services. A single management team reports to the directors of the Group (being the chief operating decision-maker) who allocates resources and assesses performance based on the unaudited condensed consolidated result of the single business engaged in the provision of cleaning services. Accordingly, the Group does not present separately segment information.

5. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Interests on:				
Bank borrowings	**309**	376	**531**	954
Obligations under finance leases	**95**	185	**203**	381
	404	561	**734**	1,335

6. INCOME TAX EXPENSES

	Three months ended 30 September		Six months ended 30 September	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Current tax:				
Hong Kong Profit Tax	**335**	226	**550**	1,124
Deferred tax	**(53)**	(121)	**(21)**	(427)
	282	105	**529**	697

Notes:

(a) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

(b) Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of qualifying corporation will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. For the period ended 30 September 2018, Hong Kong Profits Tax of the qualified entity is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5% (six months ended 30 September 2017: 16.5%).

7. PROFIT (LOSS) FOR THE PERIOD

Profit (loss) for the period has been arrived at after charging (crediting):

	Three months ended 30 September		Six months ended 30 September	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Staff costs (including directors' remuneration)				
Wages, salaries and other benefits	**60,332**	93,378	**140,109**	185,551
Retirement benefits scheme contributions	**1,739**	2,965	**4,122**	5,973
Long service payments	**855**	1,932	**525**	2,308
Total staff costs	**62,926**	98,275	**144,756**	193,832
Auditors' remuneration	**150**	180	**150**	180
Listing expenses	**–**	–	**–**	7,509
Depreciation of plant and equipment:				
– owned by the Group	**194**	149	**412**	539
– held under finance leases obligation	**1,098**	2,201	**2,037**	3,786
Minimum lease payments under operating leases in respect of offices	**89**	80	**179**	158
Interest income	**(1)**	(8)	**(5)**	(12)
Gain on disposal of plant and equipment	**(544)**	(2,114)	**(544)**	(2,114)

8. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share attributable to the owners of the Company is based on the following data:

	Three months ended 30 September		Six months ended 30 September	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Earnings (loss)				
Profit (loss) attributable to ordinary equity holders of the parent, used in the basic earnings (loss) per share calculation	**386**	(1,190)	**1,089**	(6,822)

	Number of shares			
	2018	2017	**2018**	2017
	'000	'000	**'000**	'000
Shares				
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings (loss) per share calculation *(Note)*	**600,000**	600,000	**600,000**	600,000

Note: The weighted average number of ordinary shares in issue used in the basic earnings per share calculation is determined on the assumption that reorganisation and capitalisation issue as described in the prospectus of the Company dated 30 March 2017 had been effective on 1 April 2017.

The dilutive earnings (loss) per share is equal to the basic earnings (loss) per share as there were no dilutive potential ordinary shares outstanding during the six months ended 30 September 2018 and 2017.

9. DIVIDENDS

No dividend was proposed by the Group during the six months ended 30 September 2018 and 2017, nor has dividend proposed since the end of the reporting period.

10. PROPERTY AND EQUIPMENT

During the six months ended 30 September 2018, the Group acquired of certain plant and equipment of approximately HK$114,000 (six months ended 30 September 2017: HK$1,003,000).

During the six months ended 2018, the Group disposed of certain motor vehicles with no carry amount (six months ended 30 September 2017: with carrying amount of approximately HK$114,000) for cash proceeds of approximately HK$544,000 (six months ended 30 September 2017: HK$2,228,000), resulting in a net gain on disposal of approximately HK$544,000 (six months ended 30 September 2017: HK$2,114,000).

11. TRADE RECEIVABLES

	30 September 2018 **HK$'000** **(Unaudited)**	31 March 2018 HK$'000 (Audited)
Trade receivables	**46,613**	49,548

No impairment of trade receivables had been recognised during the six months ended 30 September 2018 and the year ended 31 March 2018.

The Group allows a credit period of 0 to 60 days to its trade customers. The following is an aged analysis of trade receivables presented based on the invoice date, which approximated the respective revenue recognition dates, at the end of the reporting period.

	30 September 2018 **HK$'000** **(Unaudited)**	31 March 2018 HK$'000 (Audited)
0 to 60 days	**44,849**	45,960
61 to 90 days	**776**	835
Over 91 days	**988**	2,753
	46,613	49,548

The following is an aged analysis of trade receivables presented based on the due date at the end of the reporting period:

	30 September 2018	31 March 2018
	HK$'000	HK$'000
Current	**44,849**	45,960
1 to 90 days	**1,018**	2,520
91 to 180 days	**746**	1,068
	46,613	49,548

Trade receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK$1,764,000 (31 March 2018: approximately HK$3,588,000) which were past due at the end of the reporting period for which the Group has not provided for impairment loss. Trade receivables that were past due but not impaired related to a number of independent customers with no recent history of default.

12. TRADE PAYABLES

	30 September 2018	31 March 2018
	HK$'000	HK$'000
	(Unaudited)	(Audited)
Trade payables	**7,167**	9,407

The following is an aged analysis of trade payables presented based on the invoice date.

	30 September 2018	31 March 2018
	HK$'000	HK$'000
	(Unaudited)	(Audited)
0 to 60 days	**4,609**	7,558
61 to 90 days	**35**	105
Over 91 days	**2,523**	1,744
	7,167	9,407

The average credit period is 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

13. OBLIGATIONS UNDER FINANCE LEASES

	30 September 2018 HK$'000 (Unaudited)	31 March 2018 HK$'000 (Audited)
Analysed for reporting purposes as:		
Current liabilities	**3,034**	3,563
Non-current liabilities	**5,065**	6,493
	8,099	10,056

During the six months ended 30 September 2018, the Company entered into finance lease arrangements of motor vehicles. The average lease term is three years (31 March 2018: three years) for the six months ended 30 September 2018. The effective interest rate for the obligations under finance leases for the six months ended 30 September 2018 were under fixed rates and ranged from 1.80% to 3.75% per annum (31 March 2018: 1.80% to 3.75% per annum).

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

14. BANK BORROWINGS

During the six months ended 30 September 2018, the Group borrowed HK$101,957,000 (six months ended 30 September 2017: HK$169,822,000) from banks and repaid HK$108,100,000 (six months ended 30 September 2017: HK$163,921,000).

15. RELATED PARTY TRANSACTION

The Group also had the following transactions with its related party during the period:

(a) Transaction

		Three months ended 30 September		Six months ended 30 September	
Related party	**Nature of transaction**	**2018 HK$'000 (Unaudited)**	2017 HK$'000 (Unaudited)	**2018 HK$'000 (Unaudited)**	2017 HK$'000 (Unaudited)
Mr. Wong Chong Shing	Rental expenses	**93**	80	**179**	158

The above transaction was conducted at terms determined on a basis mutually agreed between the Group and the related party. Mr. Wong Chong Shing is a director and one of the Controlling Shareholders of the Company.

(b) Compensation of key management personnel

The remuneration of directors of the Company and other members of key management personnel during the reporting period was as follows:

	Six months ended 30 September	
	2018 HK$'000 (Unaudited)	2017 HK$'000 (Unaudited)
Short term benefits	**1,481**	3,109
Post-employments benefits	**27**	27
	1,508	3,136

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

Based on the achievement so far, the Group's profit swiftly turns around in mid of 2018 with a moderate profit growth as compared to last year, given the continuous strong rapport from the Group's customers as evidenced by the size of secured orders on hand. Even though the profit margin improved but our revenue is still in dwindling period of contraction. The Group's flagship team spirit have enabled the Group to accomplish commendable achievements and gain customers' recognition of the Group's environmental solutions. Going forward, the management remains confidence in the demand for the Group's environmental solution in view of (i) the makeover of increasing volume of mechanical system to replace some manhours works; (ii) the Group's continuous diversification and expansion into new segments particularly environmental solution industry; and (iii) fast development of more new urban area in Hong Kong may open up business opportunities for serving environmental solution to these districts. The Group will continue to focus on its operational capabilities and strategic initiatives by leveraging on its extensive experience, skill set and technical knowhow which were built over the years in this dynamic marketplace. With that, the management believes the Group will ride on the trends which explore the opportunity to propel the Group to the high level of business growth.

With more than 31 years of experience in environmental cleaning service industry in Hong Kong, we have steadily grown our business since our inception and now our wide range of services extend the coverage to all 18 districts throughout Hong Kong. Our comprehensive portfolio of environmental cleaning solutions are mainly divided into (i) street cleaning solutions which comprise street and public area cleaning, refuse collection point cleaning; (ii) building cleaning solution which comprise general building cleaning, refuse collection and waste disposal and our janitorial services; (iii) bus and ferry cleaning solutions which comprise general depot, pier cleaning and vessel cleaning; (iv) other cleaning services such as external wall and window cleaning, confined space cleaning, as well as pest control and fumigation.

FINANCIAL REVIEW

Revenue

During the six months ended 30 September, 2018, all of our Group's revenue was generated from the provision of environmental cleaning solution. The total revenue of the Group decreased by approximately HK$54,973,000 or 23.9% from approximately HK$230,156,000 for the six months ended 30 September 2017 compare to approximately HK$175,183,000 for the six months ended 30 September 2018.

So far, significant portion of the Group's revenue was derived from a bundle of government contracts engaging our services arraying in street cleaning, pest control and waste collection. As compare to same period last year, six to seven projects outstanding at that time were completed by expiration without renewal. As a result, our revenue have been badly hampered and dipped into water. We strived onwards to put our concerted effort through strengthening our collaboration with private sector customers looking for more new business opportunities to compensate the loss of revenue in government sector until the next revival moment will arrive. Moving into the second half of this reporting period, our effort was recognized by some staunchest customers which have faithful trust with us for years. These newly awarded contracts embracing some cleansing contracts for hotels and public transport companies eventually emerged to ascend up our revenue a bit. More encouraging matter is that a new government contract for mechanical cleaning has been awarded to us recently.

Gross profit and gross profit margin

Our Group's gross profit was slightly decreased by approximately HK$1,846,000 or 11.6% from approximately HK$15,852,000 for the six months ended 30 September 2017 to approximately HK$14,006,000 for the Reporting Period. The gross profit margin increased from 6.9% for the six months ended 30 September 2017 to 8.0% for the Reporting Period, representing a modest rise in percentage of approximately 1.1 percentage points. Compared to the same period a year ago, the improvement was mainly attributable to (i) increase in revenue contribution from delivery of projects with better margin both from private contracts and government contracts as well. These projects with better margin are mainly arose from customers' repeat orders received during the period; and (ii) the team effort are rewarded in better margin after our work intensified to increase efficiency and reduce any wastage of material and labor force.

Other income

Other income of our Group was decreased by approximately HK$1,699,000 from approximately HK$2,249,000 for the six months ended 30 September 2017 to approximately HK$550,000 in the Reporting Period. The decrease was mainly due to numbers of the specialized vehicles sold in the period for six months ended 30 September 2017 outnumbered than two units of vehicles sold in the Reporting Period.

Administrative expenses

Administrative expenses of our Group decreased by approximately HK$10,687,000 from approximately HK$22,891,000 for the six month ended 30 September 2017 to approximately HK$12,204,000 in the Reporting Period. Administrative expenses consist primarily of staff costs and Directors' remuneration, insurance expense which related to fees for our insurance policies and insurance expenses for our business operation, depreciation, maintenance, office supplies and transportation expense, Legal and professional fee, and other administrative expenses. Obviously the non-recurring listing expense in amount of HK$7,509,000 overweighted as our administrative expenses in last year and do not appear in the Reporting period. Put in context for all the saving items contributed to a decrease in administrative expense are attributable to (i) our better financial control over the bank charges result to some deductions approximately HK$429,000; (ii) lower legal and professional fee added up more saving by approximately HK$159,000; (iii) less spending on travelling and transportation cost of approximately HK$150,000; and (iv) lesser management staff cost approximately HK$1,323,000 in total.

Finance costs

Finance costs of our Group dropped by approximately HK$601,000 or 45.0% from approximately HK$1,335,000 for the six months ended 30 September 2017 to approximately HK$734,000 for the Reporting Period. The decrease was mainly because of our saving in loan interest expense of approximately HK$382,000 happened when we repaid some loans earlier than payment schedule dates. Of course it is inevitable that punctual payment from debtors is one of key reasons and less specialized company vehicles on hire purchase list when the lease expired on maturity that also reduce the hire purchase interest of approximately HK$157,000. The other saving include lower of interest rate from bankers.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Our liquidity is primarily dependent on our ability to maintain an appropriate degree of liquidity and ample financial resources to meet foreseeable funding needs.

All related risk management, including debt re-financing, interest rate volatility, are centrally managed and controlled at the corporate level.

We finance our operation principally through cash generated from operating activities as well as bank borrowings and overdrafts. Cash and bank balances are denominated in Hong Kong dollar. The current ratio of our Group as at 30 September 2018 was 2.11 times as compared to that of 1.85 times as at 31 March 2018. As shown above, the rising trajectory of the current ratio were caused by (i) an overall improvement of our cash flow management; and (ii) shorten the number of days provide for account receivable collection with this restrictive credit policy. Overall the current ratio also denotes that we are capable of paying our vendors or creditors on time.

The total interest-bearing debts of our Group, including bank borrowings, bank overdraft and finance lease liabilities, decreased from approximately HK$35,362,000 as at 31 March 2018 to approximately HK$27,262,000 as at 30 September 2018. All borrowings were denominated in Hong Kong dollar and were repayable within 5 years. Our Group did not carry out any hedging for its floating borrowings.

As at 30 September 2018, our Group had bank loans with outstanding balance of HK$19,163,000 (31 March 2018: HK$25,306,000). As at 30 September 2018, the general banking facilities were secured by the pledge of deposit acceptable to relevant banks. A charge over asset shall be executed by the borrower or its related parties in favor of the Bank. Banks shall hold a corporate guarantee to be executed by the Company for the total outstanding amount under relevant facilities.

We enter into finance lease agreement for certain vehicles. The average lease terms were five years during the Reporting Period. The effective interest rate for the obligations under finance leases for the year ended 30 September 2018 were under fixed interest rate and ranged from 1.8% to 3.75% per annum.

As at 30 September 2018, the finance lease liabilities amount to approximately HK$ 8,099,000 (31 March 2018: HK$10,056,000) were secured by lessor's charge over the leased assets and pledged by equity interest of certain subsidiaries. Some of these vehicles under finance lease were sold during the Reporting Period.

The gearing ratio, calculated based on all interest-bearing borrowings for our general business operation divided by total equity at the end of the Reporting Period and multiplied by 100%, was approximately 33.1% as at 30 September 2018 (31 March 2018: 44.5%). The steadfast trends of better business performance was seen in form of lower gearing ratio that imply our business is gradually improved in progress.

With available bank balances and cash and bank credit facilities, we have sufficient liquidity to satisfy our funding requirement.

CAPITAL STRUCTURE

The shares were successfully listed on GEM of the Stock Exchange on 13 April 2017. There has been no change in the capital structure of the Group since then. As at 30 September 2018, the Company's issued and fully paid capital and total equity attributable to equity holders of the Company amounted to approximately HK$6,000,000 and HK$58,005,000 respectively.

COMMITMENTS

As at 30 September 2018, there was no capital commitment for the Group (31 March 2018: HK$Nil).

CONTINGENT LIABILITIES

We maintain to utilize bank credit facilities including not limit to bank guarantee which were solely used for the purpose of backing us up for any financial obligation accruing to each contract. According to terms of contracts, we are obliged to act in due performance and perform decent work to complete these outstanding contracts on hand at their satisfaction. If in case, we may be liable to settle any possible liabilities arising from any allegation of breach of duties, these bank guarantee will becomes an iron clad protection whenever there may be a claim for reimbursement after an accident happened.

As at 30 September 2018, the amount of pledged deposit to banks for the aforesaid facilities opened up with bankers was approximately HK$ 23,105,000 (31 March 2018: approximately HK$30,643,000).

During the six months ended 30 September 2018, the Group may from time to time be involved in litigations that have caused personal injuries to third parties or of their own by our employees.

In the opinion of the Directors, no material potential liability arising from legal proceedings should be accounted for in the consolidated interim financial statements when most of outstanding claims on hand are followed up by insurance companies and estimated to have adequate insurance coverage at the moment.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the prospectus of the Company dated 30 March 2017 (the "Prospectus") and in the section headed "COMPARISON OF BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS" in this report, the Group did not have other approved plans for material investments or capital assets as of 30 September 2018.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

Save as disclosed in the section headed "COMPARISON OF BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS" in this report, the Group did not have any significant investments, acquisition or disposal of subsidiaries and affiliated companies during the six months ended 30 September 2018.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

The Group's business operations were conducted in Hong Kong and the transactions, monetary assets and liabilities of the Group were denominated in Hong Kong dollar. As no monetary assets were denominated in foreign currencies, the Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the Reporting period, the Directors therefore consider the impact of foreign exchange exposure is minimal.

CHARGE OVER OUR GROUP'S ASSETS

As at 30 September 2018, our Group has general banking facilities amounted to HK$84,668,000 (31 March 2018: HK$126,497,000).

As at 30 September 2018, our Group has secured bank borrowing with outstanding balance of approximately HK$19,163,000 (31 March 2018: HK$25,306,000) and utilised performance bond of approximately HK$28,680,000 (31 March 2018: HK$39,607,000). As at 30 September 2018 the general banking facilities are secured by (i) corporate guarantee to be executed by the Company, and (ii) certain cash deposits of subsidiaries and certain cash deposit and properties of the Directors and certain trade receivable of a subsidiary.

Regarding the pledge of two properties owned by one of the Controlling Shareholders and two other properties owned by a company which is wholly owned by two Controlling Shareholders and their unlimited personal guarantees, such pledge of the said properties owned by the two Controlling Shareholders and the unlimited personal guarantee given by two Controlling Shareholders were released and replaced by corporate guarantee given by the Company at the date of this report.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2018, our Group had approximately 2,200 employees (31 March 2018: 2,980 employees). The total staff costs incurred, including Directors' emoluments and discretionary bonus, of our Group were approximately of HK$144,756,000 for the six months ended 30 September 2018 (six months ended 30 September 2017: approximately of HK$193,832,000)

Remuneration is determined based on each employee's qualification, position and seniority. In addition to a basic salary, year-end discretionary bonuses were offered with reference to our Group's performance as well as individual's performance mainly to attract and retain appropriate and suitable personnel to serve our Group.

The company also adopted a share option scheme on 20 March 2017 to attract and retain the best available personnel, and to provide additional incentive to eligible persons.

Furthermore, we offer other staff benefit like provision of retirement benefits, various types of trainings. We also adopted an annual review system to assess the performance of our staff, which forms the basis of our decisions with respect to salary increment and promotion.

INTERIM DIVIDEND

The Board did not recommend a payment of an interim dividend for the six months ended 30 September 2018 (for the six months ended 30 September 2017: Nil).

COMPARISON OF BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives set out in the Prospectus with the Group's actual business progress for the period from 22 March 2018, being the latest practicable date prior to the Prospectus to 30 September 2018 is set out as below:

Business objectives up to 30 September 2018	**Actual business progress up to 30 September 2018**
1. Purchase of specialised vehicles	The Group has used approximately HK$782,000 for purchasing one 16-ton tipper truck but temporarily withheld the purchase of new specialised vehicles for new projects which did not turn out as planned.
– One suction sweeper – Four 16-ton water wagons – Two 16-ton grab lorries	The Group will continue monitoring the effectiveness and efficiency of all specialised vehicles in use and consider to purchase the remaining specialised vehicles in pursuance of the revolving cycle to meet the needs of existing projects on hand or newly awarded projects in the near future.
– One 30-ton hook-lift truck	Purchase one unit totalling HK$1,344,220.

Business objectives up to 30 September 2018	Actual business progress up to 30 September 2018
2. Sales and marketing activities to promote brand awareness	
– Recruitment of one senior marketing officer and one assistant marketing officer	The Group recruited one assistant marketing officer with staff cost of approximately HK$48,000.
– Printing of company brochures and leaflets, advertising in newspapers and magazines, and bolstering company website	Hitherto we are making headway to bolster company the website, and we expect to see a very informative website with stark improvement of the overall quality of website, including corporate mission and business strategies for the coming future through engaging a professional designer firm to design the website.
– Employment of one senior marketing officer and one assistant marketing officer	
– Printing of company brochures and leaflets, advertising in newspapers and magazines and bolstering company website	
3. Purchase of automated cleaning machinery and equipment	The Group has purchased equipment during the period as follows:
– Twenty three hot water pressure washers	Purchased four units totalling HK$170,400
– Fifteen cold water pressure washer	Purchased six units totalling HK$47,400
– Forty pest control machines	Purchased two units totalling HK$2,020
– Fifty units water suction cleaners	Purchased twenty two units totalling HK$96,520
– Sixteen power generators	No purchase has yet been made
– Two marble floor refinishing machine	Purchased four units totalling HK$84,550
– Two automated floor cleaning machine	Purchased eight units totalling HK$73,000
– Ten vacuum cleaners	Purchased fifty units totalling HK$30,520
– Five lawn mowers	No purchase has yet been made
– Two air blowers	Purchased two units totalling HK$8,000

PRINCIPAL RISK AND UNCERTAINTIES

Our business, financial condition, results of operation and future prospect may be materially and adversely affected by the occurrence of a number of risks and uncertainties pertaining to the Group's business. The following are the key risks and uncertainties identified by the Group:

i) A significant portion of our revenue was derived from our major customers. Our five largest customers' revenue contribution for the six months ended 30 September 2018 was 76.75% of our revenue as compared to 86.1% for the six months ended 30 September 2017. We rely on contracts awarded by Hong Kong government departments, with revenue generated from contracts with government sector customers accounting for approximately HK$113,600,000 out of our total revenue during the six months ended 30 September 2018 (six months ended 30 September 2017: approximately HK$182,275,000).

   There is no assurance that we will be able to retain our customers upon expiry of the contracts and to obtain other projects of a comparable size and quantity as replacement, failing to do so will have material impact on our business, financial condition and results of operations.

ii) If net cash outflows to pay certain operating expenditures do not align with payments to be received from our customers, our cash flow position may be adversely affected. Our fee collection and time for profit recognition depend on the terms of service contracts and may be irregular. Our inability to collect fee in a timely manner, or at all, may materially affect our business, financial condition, results of operations and liquidity.

iii) Our success is, to a significant extent, attributable to the leadership and contribution of our management team. The Group relies on the professional knowledge, experience and expertise of our senior management to facilitate the formulation of competitive tenders and in deciding the best cost effective methodology and logistics in order to carry out our duties in a timely manner.

   Any unanticipated departure of members of our management team may have a material and adverse impact on our business, results of performance and profitability.

iv) Error or inaccurate estimation of cost when determining the tender price or shortage of skilled staff in the environmental cleaning services industry may adversely affect the Group's profitability or reduce our earning.

DISCLOSURE OF INTERESTS

A. Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 30 September, 2018, the interests and short positions of the Directors and chief executive of the Company in shares, underlying shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest or short positions which they are taken or deemed to have under such provisions of the SFO) or (ii) will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) will be required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

Long Position

Name of shareholders	Capacity/Nature	Number of ordinary shares *(Note 1)*	Percentage of interest
Mr. Wong Chong Shing ("Mr. C.S. Wong") *(Notes 2, 5)*	Interest in a controlled corporation; Interest in persons acting in concert	369,000,000 (L)	61.5%
Mr. Wong Man Sing ("Mr. M.S. Wong") *(Notes 3, 5)*	Interest in a controlled corporation; Interest in persons acting in concert	369,000,000 (L)	61.5%
Mr. Wong Chi Ho ("Mr. C.H. Wong") *(Notes 4, 5)*	Interest in persons acting in concert	369,000,000 (L)	61.5%

Notes:

1. The letter "L" denotes the person's long position in such shares.

2. Man Shing Global Limited is a company wholly owned by Mr. C.S. Wong, our executive Director. Accordingly, Mr. C.S. Wong is deemed to be interested in all shares in which Man Shing Global Limited is interested for the purpose of the SFO. Ms. Tang Duc Ngan, who is the spouse of Mr. C.S. Wong, is deemed to be interested in all shares in which Mr. C.S. Wong is interested.

3. Lik Hang Investment Company Limited is a company wholly owned by Mr. M.S. Wong, our executive Director. Accordingly, Mr. M.S. Wong is deemed to be interested in all shares in which Lik Hang Investment Company Limited is interested for the purpose of the SFO. Ms. Wong Lai Man, who is the spouse of Mr. M.S. Wong, is deemed to be interested in all shares in which Mr. M.S. Wong is interested.

4. Chun Shing Investment Limited is a company wholly owned by Mr. C.H. Wong, our executive Director, and holds 18,000,000 shares in our Company. Accordingly, Mr. C.H. Wong is deemed to be interested in all shares in which Chun Shing Investment Limited is interested for the purpose of the SFO. Ms. Wan Wing Ting, who is the spouse of Mr. C.H. Wong, is deemed to be interested in all shares in which Mr. C.H. Wong is interested.

5. On 30 March 2016, a deed of acting in concert was entered into between Mr. C.S. Wong, Mr. M.S. Wong and Mr. C.H. Wong in which it was confirmed that in respect of Man Shing Cleaning Service Company Limited, Man Shing Environmental Company Limited and Jasen Services Limited (collectively, the "Relevant Companies") during the two financial years ended 31 March 2015 and 31 March 2016 and the six months ended 30 September 2016 and thereafter from the date of the deed, the parties have been acting in concert (as defined under the Takeovers Code) to jointly reach a consensus in relation to all matters in respect of the management and business operations of each of the Relevant Companies including but not limited to voting unanimously in respect of matters that require shareholders' or directors' approval and the execution of documents for the purpose of furthering and expanding the business operations of the Relevant Companies. By virtue of the SFO, Mr. C.S. Wong, Mr. M.S. Wong and Mr. C.H. Wong are deemed to be interested in our shares which are interested by each other.

Save as disclosed above, as at 30 September 2018, none of the Directors or chief executive of the Company has any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standard of dealings by Directors of the Company as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules, or required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO.

B. Substantial Shareholders' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 30 September 2018, the register of substantial shareholders maintained by the Company, pursuant to section 336 of the SFO, showed that the following shareholders had notified the Company at relevant interests and short positions in the issued share capital of the Company:

Long Position

Name of shareholders	Capacity/Nature	Number of ordinary shares *(Note 1)*	Percentage of interest
Man Shing Global Limited *(Note 2)*	Beneficial Owner	175,500,000 (L)	29.25%
Ms. Tang Duc Ngan *(Note 3)*	Interest of spouse	369,000,000 (L)	61.5%
Lik Hang Investment Company Limited *(Note 4)*	Beneficial Owner	175,500,000 (L)	29.25%
Ms. Wong Lai Man *(Note 5)*	Interest of spouse	369,000,000 (L)	61.5%
Chun Shing Investment Limited *(Note 6)*	Beneficial Owner	18,000,000 (L)	3%
Ms. Wan Wing Ting *(Note 7)*	Interest of spouse	369,000,000 (L)	61.5%

Notes:

1. The letter "L" denotes the person's long position in such shares.

2. Man Shing Global Limited is a company wholly owned by Mr. C.S. Wong, our executive Director. Accordingly, Mr. C.S. Wong is deemed to be interested in all shares in which Man Shing Global Limited is interested for the purpose of the SFO.

3. Ms. Tang Duc Ngan, who is the spouse of Mr. C.S Wong, is deemed to be interested in all shares in which Mr. C.S Wong is interested.

4. Lik Hang Investment Company Limited is a company wholly owned by Mr. M.S. Wong, our executive Director. Accordingly, Mr. M.S. Wong is deemed to be interested in all shares in which Lik Hang Investment Company Limited is interested for the purpose of the SFO.

5. Ms. Wong Lai Man, who is the spouse of Mr. M.S. Wong, is deemed to be interested in all shares in which Mr. M.S. Wong is interested.

6. Chun Shing Investment Limited is a company wholly owned by Mr. C.H. Wong, our executive Director, and holds 18,000,000 shares in our Company. Accordingly, Mr. C.H. Wong is deemed to be interested in all shares in which Chun Shing Investment Limited is interested for the purpose of the SFO.

7. Ms. Wan Wing Ting, who is the spouse of Mr. C.H. Wong, is deemed to be interested in all shares in which Mr. C.H. Wong is interested.

Save as disclose above, as at 30 September 2018, the Directors are not aware of any other persons (who are not Directors or chief executive of the Company) who had interest or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provision of Division 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO.

COMPETING AND CONFLICT OF INTEREST

None of the Directors or the controlling shareholders of the Company or their respective associates (as defined in the GEM Listing Rules) had any interest in a business, which competes or may compete, either directly or indirectly, with the business of the Group nor any conflict of interest which has or may have with the Group during the six months ended 30 September 2018.

DIRECTORS' INTERESTS IN CONTRACTS

Other than as disclosed under the heading "Related Party Transaction" as set out in note 15 to the unaudited condensed consolidated financial statements, no Director had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the six months ended 30 September 2018.

INTEREST OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, our Group has appointed Changjiang Corporate Finance (HK) Limited as our compliance adviser, which will provide advice and guidance to our Group in respect of compliance with the applicable laws and the GEM Listing Rules including various requirements relating to directors' duties and internal controls. Except for the compliance adviser agreement entered into between the Company and our compliance adviser dated 19 October 2016, neither our compliance adviser nor its directors, employees or close associates had any interests in relation to the Company which is required to be notified to our Group pursuant to Rule 6A.32 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company or any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has complied with all the applicable code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 15 of the GEM Listing Rules.

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the best interests of the Company and its shareholders.

The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the CG Code.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors in respect of the shares of the Company (the "Code of Conduct"). The Company has made specific enquiry to all Directors, and all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct during the Reporting Period and up to the date of this report.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") has been adopted by way of a written resolution passed by the Shareholders on 20 March 2017 for the primary purpose of enabling the Company to attract, retain and motivate talented participants and, to strive for future developments and expansion of the Group. Eligible participants of the Share Option Scheme include any employee, any executives and non-executive Directors (including independent non- executive Directors), advisors, consultants of the Company or any of its subsidiaries. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No Share option has been granted since the adoption of the Scheme and there are no share option outstanding as at 30 September 2018.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the best of the knowledge of the Directors, the Directors confirm that the company compiles with the minimum public float of 25% as required under the GEM Listing Rules as at the date of this report.

AUDIT COMMITTEE

An audit committee has been established with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules, and paragraphs C.3.3 and C.3.7 of the CG Code. The audit committee consists of three members, namely Mr. Au Yeung Tin Wah, Mr. Lee Pak Chung and Mr. Chiu Ka Wai, all being independent non-executive Directors. Mr. Au Yeung Tin Wah currently serves as the chairman of the audit committee.

The committee is to assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting process, and assessing the effectiveness of the internal control system of our Group and the adequacy of the external and internal audits.

The audit committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended 30 September 2018 and is of the view that such results complied with the applicable accounting standards, principles and polices, the requirements under the GEM LISTING Rules and other applicable legal requirements, and that adequate disclosures has been made.

By order of the Board
Man Shing Global Holdings Limited
Wong Chong Shing
Chairman of the Board

Hong Kong, 14 November 2018

As at the date of this report, the Board comprises three executive Directors, namely, Mr. Wong Chong Shing, Mr. Wong Man Sing, Mr. Wong Chi Ho, and three non-executive Directors, namely Mr. Lee Pak Chung, Mr. Au Yeung Tin Wah and Mr. Chiu Ka Wai.