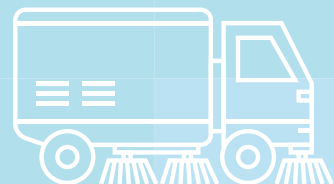




Man Shing Global Holdings Limited 萬成環球控股有限公司

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

2018
Third
Quarterly
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 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 that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Man Shing Global Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. 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.

Results

The board of Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and nine months ended 31 December 2018 together with the unaudited comparative figures for the corresponding periods of 2017.

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

For the three months and nine months ended 31 December 2018

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Revenue	4	76,836	97,133	252,019	327,289
Cost of sales		(73,128)	(92,044)	(234,305)	(306,348)
Gross profit		3,708	5,089	17,714	20,941
Other income		1,436	(669)	1,986	1,580
Administrative and other operating expenses		(5,278)	(3,510)	(17,482)	(26,401)
Finance cost	5	(337)	(407)	(1,071)	(1,742)
Profit/(loss) before income tax		(471)	503	1,147	(5,622)
Income tax recoverable (expenses)	6	(282)	725	(529)	28
Profit/(loss) and total comprehensive (expense) income for the period	7	(753)	1,228	618	(5,594)
Earnings/(loss) per share (HK cents)					
Basic and diluted		(0.12)	0.20	0.10	(0.93)

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the nine months ended 31 December 2018

	Total equity attributable to equity holders of the Company				Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note)	Retained earnings HK\$'000	
Balance as at 1 April 2018	6,000	42,463	110	8,343	56,916
Profit and comprehensive income for the period	–	–	–	618	618
Balance as at 31 December 2018 (Unaudited)	6,000	42,463	110	8,961	57,534
Balance as at 1 April 2017	380	9,220	110	18,367	28,077
Issuance of ordinary shares pursuant to the capitalization issue	4,120	(4,120)	–	–	–
Issuance 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 expense for the period	–	–	–	(5,594)	(5,594)
Balance as at 31 December 2017 (Unaudited)	6,000	42,463	110	12,773	61,346

Note:

Other reserve

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

Notes to the Unaudited Condensed Consolidated Financial Statements

For the nine months ended 31 December 2018

1. GENERAL

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 are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 13 April 2017.

Its ultimate controlling parties during the Reporting Period are 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 to the third quarter result report.

The Company is an investment holding company. The principal activities of the Company's subsidiaries are the provision of environmental cleaning solutions including street cleaning solutions, building cleaning solutions, bus and ferry cleaning solutions and other cleaning services which include, among others, refuse collection and waste disposal services, sewage management and pest control and fumigation services.

These 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

These unaudited condensed consolidated financial statements for the nine months ended 31 December 2018 (the "Reporting Period") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Chapter 18 to the GEM Listing Rules and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

3. PRINCIPAL ACCOUNTING POLICIES

HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs"). For those which are effective for accounting periods beginning on 1 January 2018, the adoption has no material effect on the reported results and the financial position of the Group for the current or prior accounting periods. For those which are not yet effective and have not been early adopted, the Group is in the process of assessing their impact on the Group's results and financial position. So far, the Group considers that the adoption of those HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

4. REVENUE AND SEGMENT INFORMATION

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 31 December		Nine months ended 31 December	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Street cleaning solutions	37,625	57,216	132,395	226,987
Building cleaning solutions	22,579	23,935	69,783	76,185
Bus and ferry cleaning solutions	12,041	10,668	34,594	15,447
Other cleaning services	4,591	5,314	15,247	8,670
	76,836	97,133	252,019	327,289

Segment revenues

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 consolidated result of the single business engaged in the provision of cleaning services for the nine months ended 31 December 2018 and 2017 comprehensively. Accordingly, the Group does not present separately segment information.

5. FINANCE COST

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Interest on:				
Bank overdrafts and borrowings	187	369	718	1,323
Obligations under finance leases	150	38	353	419
	337	407	1,071	1,742

6. INCOME TAX EXPENSES

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Current tax:				
Hong Kong Profits Tax	335	83	550	1,207
Deferred tax	(53)	(808)	(21)	(1,235)
	282	(725)	529	(28)

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 31 December 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% (nine months ended 31 December 2017: 16.5%).

7. (LOSS)/PROFIT FOR THE PERIOD

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

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Staff costs (including directors' remuneration)				
Wages, salaries and other benefits	60,790	77,412	200,899	262,963
Retirement benefits scheme contributions	1,620	2,460	5,742	8,433
Provision for long service payments	563	376	1,088	2,684
Total staff costs	62,973	80,248	207,729	274,080
Auditors' remuneration	–	888	150	1,068
Listing expenses	–	–	–	7,509
Depreciation of plant and equipment:				
– owned by the Group	432	(3)	844	536
– held under finance leases obligation	589	1,483	2,626	5,269
Minimum lease payments under operating leases:				
– in respect of offices	90	80	269	238
– in respect of rental equipment	131	–	239	–
Interest income	(13)	–	(18)	(12)
Gain on disposal of plant and machinery	(1,416)	–	(1,960)	(2,114)

8. (LOSS)/EARNINGS PER SHARE

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

	Three months ended 31 December		Nine months ended 31 December	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
(Loss)/earnings				
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic (loss) earnings per share calculation	(753)	1,228	618	(5,594)
	2018 '000	2017 '000	2018 '000	2017 '000
Shares				
Weighted average number of ordinary shares in issue during the period used in the basic and diluted (loss) earnings per share calculation (<i>Note</i>)	600,000	600,000	600,000	600,000

Note:

The weighted average number of ordinary shares in issue used on 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 (loss) earnings per share is equal to the basic (loss) earnings per share as there were no dilutive potential ordinary shares outstanding during the nine months ended 31 December 2018 and 2017.

9. DIVIDENDS

No dividend was proposed by the Group during the nine months ended 31 December 2018 and 2017, nor has dividend been proposed since the end of the Reporting Period.

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The cleaning industry in Hong Kong is now characterized by ever more intense competition, leading to fragmentation in declining and accelerating segments, and higher operating cost caused by the soaring labor cost. However, we build our strategy backwards from customers, aiming to develop our cleaning solutions that are as affordable and practical for small business to large enterprise. We deliberately remove as many buttons and knobs as possible and design job solutions that were very simple but can offer excellent solution to our customers. So far, skillful labor force have supported our company in boom times and bad that enable us continue to execute our plans giving our customers a great deal of satisfaction. We believe it is important to always have new ideas and strategies to enhance customers experience and desire people to rethink new service model carrying job design in future because repetitive jobs will become automated in many instances, therefore a mix of automation and human interaction will be crucial to how our services will satisfy customers' needs.

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, (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.

At present, our total contracts engagements involved a total contract sum of approximately HK\$280,000,000, including renewal of some street cleaning services for various Hong Kong Government Departments spanning different districts within Hong Kong. Additionally, we have been granted by the Food and Environmental Hygiene Department a new contract for carrying out mechanical street washing service for Hong Kong Island, Islands district and Districts in New Territories. This contract is for a period of fifteen months with effect from December 2018.

With prudent optimism, we hope to grab more street cleaning contracts by middle of this financial year if our five tenders submitted to various Hong Kong Government Departments in early of January this year may win out.

Our long operating history reflects our reputation as one of the best customer service providers in the cleaning business, underpinned by our commitment to effective job delivery and attention to all customer needs.

FINANCIAL REVIEW

Revenue

Overall the Group recorded a decrease in net revenue but rebound in profit attributable to equity shareholders of the Company as compare to same period last year. The total revenue of the Group decreased by approximately HK\$75,270,000 or 23.0% from approximately HK\$327,289,000 in the same period of last year to approximately HK\$252,019,000 for the nine months ended 31 December 2018.

As compared to same period last year, six to seven projects completed by expiration without renewal. As a result, this has led to a decrease in our revenue by approximately by 23.0%.

We continued to bid for new tenders early this year and were able to secure two government contracts renewals and one new contract for mechanical street cleaning commencing in December 2018.

With the ongoing trade tensions, and the overall slowing economy, we are cautious that consumer confidence may be impacted for the shorter term. However, we remain positive about the longer-term outlook for our industry in general as a sustainable model without much deterrent impact from the outside economy.

Our business philosophy is to continuously search for products and offerings that will enhance our services and increase our appeals to customers. With this in mind, during the third quarter of this financial year, we have ordered new plant and machinery to cope with future expansion.

Gross Profit and Gross Profit Margin

Our Group's gross profit decreased by approximately HK\$3,227,000 or 15.4% from approximately HK\$20,941,000 for the nine months ended 31 December 2017 to approximately HK\$17,714,000 for the Reporting Period. The gross profit margin increased from 6.4% for the nine months ended 31 December 2017 to 7.0% for the Reporting Period, representing a modest increase of approximately 0.6 percentage points. During the Reporting Period, we enhanced a careful cost management program, making our operation cost descended to lower level.

In spite of the extraneous long service payment of approximately HK\$1,470,000 paid to those labor who have worked for Yuen Long street cleaning project after the contract has expired, yet we can still record gross profit margin gently higher in the Reporting Period. The extra cost has been nullified by our saving when there are (i) thirty units of motor vehicles swing out of scope for any depreciation charge since 1 April 2018, on monthly rate of approximately HK\$200,000, therefore we reduced our depreciation charge of approximately HK\$2,282,000 in the Reporting Period; (ii) there were a saving of approximately HK\$2,300,000 in all related expenses (autotoll, gasoline, parking, repair and maintenance cost) of motor vehicles used in operation, due to our downsized business and cost management program; (iii) increase in revenue contribution from delivery of projects with better margin both from some private contracts and government contracts.

However, we anticipate there will be an increase in depreciation charges associated with capital investment linked to the expansion of our business.

Other income

Other income of our Group increased by approximately HK\$406,000 from approximately HK\$1,580,000 for the nine months ended 31 December 2017 to approximately HK\$1,986,000 for the Reporting Period. The increase was mainly due to 7 units of specialized vehicles were sold in during nine months ended 31 December 2018 and treated as non-recurring profit for the Reporting Period.

Administrative expenses

Administrative expenses of our Group decreased by approximately HK\$8,919,000 from approximately HK\$26,401,000 for the nine months ended 31 December 2017 to approximately HK\$17,482,000 for the Reporting Period. Administrative expenses consist primarily of staff costs and Directors' remuneration, insurance expense which related to insurance expenses for our business operation, depreciation, maintenance, office supplies and transportation expense, legal and professional fee, and other administrative expenses. The stark difference was accrued to the non-recurring listing expense in amount of HK\$7,509,000 which has overweighed our administrative expense in same period last year does not appear in the Reporting period again. Some items reflect our saving in administration cost including: (i) the bank charges was slashed by approximately HK\$656,000; (ii) lower legal and professional fee by approximately HK\$190,000; (iii) less spending on printing and stationery of approximately HK\$125,000; (iv) lower travelling cost of approximately HK\$107,000; (v) reduced repair and maintenance cost by HK\$141,000; (vi) and limit entertainment expense also reduced by approximately of HK\$327,000.

However, some administrative items such as insurance expense has incurred for workman compensation more than of approximately HK\$707,000 same period last year, reflecting much higher insurance cost dinged running cost and lower our net profit margin.

Finance costs

Finance costs for our Group were reduced by approximately HK\$671,000 or 38.5% from approximately HK\$1,742,000 for the nine months ended 31 December 2017 to approximately HK\$1,071,000 for the Reporting Period. The decrease was mainly attributed to a saving in loan interest expense of approximately HK\$534,000 as a result of our prudent cash flow management. Stalling to pay any extraneous loan interest expense because we have successfully shorten the debtors collection period in months. What happened here was that our new financial policy was buttressed by our bankers too seeing a healthy financial position when we are able to repay loan much earlier than schedule dates. Of course there were fewer number of specialized purpose vehicles under hire purchase term and hence hire purchase interest have dropped by of approximately HK\$124,000.

DIVIDEND

The Board does not recommend the payment of dividend for the nine month ended 31 December 2018.

DISCLOSURE OF INTERESTS

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

As at 31 December 2018, the interests and short positions of the Directors and chief executive of the Company in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO) or which were recorded in the register required to be kept pursuant to section 352 of the SFO, or otherwise notified to the Company and Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules 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 31 December 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 5.47 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 31 December 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 31 December 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 nine months ended 31 December 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 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, 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 provision 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 31 December 2018.

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 nine months ended 31 December 2018 and is of the view that such results complied with the applicable accounting standards, principles and policies, 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, 13 February 2019

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