



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)



2019

First 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 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.

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.*

First Quarterly Results (Unaudited)

The board (the “**Board**”) of Directors is pleased to present the unaudited condensed consolidated results of the Group for the three months ended 30 June 2019 (the “**Reporting Period**”) together with the comparative unaudited figures for the corresponding period in 2018.

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

For the three months ended 30 June 2019

	Notes	For the three months end 30 June	
		2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Revenue	3	108,078	98,684
Cost of sales		(98,686)	(91,735)
Gross profit		9,392	6,949
Other income	4	176	316
Administrative expenses		(6,960)	(5,985)
Finance costs	5	(436)	(330)
Profit/(Loss) before tax		2,172	950
Income tax expenses	6	(254)	(247)
Profit/(Loss) and total comprehensive income for the year attributable to owners of the Company	7	1,918	703
Earnings/(Loss) per share (HK cents) Basic and diluted	8	0.32	0.12

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the three months ended 30 June 2019

	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	Retained Earnings HK\$'000	
Balance as at 1 April 2019	6,000	42,463	110	10,257	58,830
Profit for the period	–	–	–	1,918	1,918
Issuance of ordinary shares pursuant to capitalisation issue	–	–	–	–	–
Issuance of ordinary shares pursuant to share offer	–	–	–	–	–
Expense incurred in connection with the issuance of ordinary shares	–	–	–	–	–
Balance as at 30 June 2019 (unaudited)	6,000	42,463	110	12,175	60,748

For the three months ended 30 June 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	Retained Earnings HK\$'000	
Balance as at 1 April 2018	6,000	42,463	110	8,343	56,916
Profit for the period	–	–	–	703	703
Issuance of ordinary shares pursuant to capitalisation issue	–	–	–	–	–
Issuance of ordinary shares pursuant to share offer	–	–	–	–	–
Expense incurred in connection with the issuance of ordinary shares	–	–	–	–	–
Balance as at 30 June 2018 (unaudited)	6,000	42,463	110	9,046	57,619

Notes to the Unaudited Condensed Consolidated Financial Statements

For the three months ended 30 June 2019

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 since 13 April 2017.

The Company is principally engaged in investment holding. The Group is principally engaged in 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.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated first quarterly results of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and applicable disclosures by the GEM Listing Rules and the Hong Kong Companies Ordinance.

The unaudited condensed consolidated first quarterly results have been prepared under the historical cost basis.

The unaudited condensed consolidated are presented in Hong Kong Dollars (“**HK\$**”) which is the functional currency of the Company and its subsidiaries, and all values are rounded to nearest thousand’s (“**HK\$’000**”) except when other wise indicated.

The principal accounting policies used in the preparation of the unaudited condensed consolidated first quarterly results for the three months ended 30 June 2019 are consistent with those applied in the Company’s annual report for the year ended 31 March 2019, except for the adoption of new and amendments to HKFRSs that affect the Group and has adopted the first time for the current period’s unaudited condensed consolidated first quarterly results.

The first quarterly results are unaudited and have not been reviewed by the Group’s auditors but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

Adoption of Amendments to HKFRSs

In the current period, the Group has applied a number of amendments to HKFRSs issued by the HKICPA that are mandatorily effective for an accounting period that begins on or after 1 January 2019:

Amendments to HKFRS 9	Prepayment Features with Negative Compensation
HKFRS 16	Leases
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Annual Improvements to HKFRSs 2015–2017 cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Other than as explained below regarding to the impact of HKFRS 16 Lease, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the unaudited condensed consolidated first quarterly results of the Group.

HKFRS 16 Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 "Property, Plant and Equipment", while interest accrual on lease liability will be charged to profit or loss.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17 "Lease". Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. HKFRS 16 will supersede the current lease standards including HKAS 17 "Leases" and the related interpretations when it becomes effective.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets and liabilities depending on whether the Group presents right-of-use assets and lease liabilities separately or within the same line item at which the corresponding underlying assets or liabilities would be presented if they were owned.

A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding lease liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in the measurement, presentation and disclosure as indicated above. Other than disclosed above, the directors of the Company anticipate that the application of HKFRS 16 will have no other material impact on the results and the financial position of the Group.

The Group has not early adopted the new and amendments to HKFRSs that have been issued but are not yet effective.

3. 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 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Street cleaning solutions	68,897	57,649
Building cleaning solutions	22,228	23,790
Bus and ferry cleaning solutions	11,933	11,279
Other cleaning services	5,020	5,966
	108,078	98,684

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 (being the chief operating decision-makers) who allocate resources and assesses performance based on the unaudited consolidated results of the single business engaged in the provision of cleaning services for the three months ended 30 June 2019 and 2018 comprehensively. Accordingly, the Group does not present separately segment information.

4. OTHER INCOME

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Disposal of fixed asset	6	–
Bank interest income	110	–
Sundry income	60	316
	176	316

5. FINANCE COSTS

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Interest on:		
Bank overdrafts and borrowings	255	222
Obligations under finance leases	181	108
	436	330

6. INCOME TAX EXPENSES

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Current tax:		
Hong Kong Profits Tax	239	215
Deferred tax	15	32
	254	247

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit arising in Hong Kong for the three months ended 30 June 2019 and 2018.

7. PROFIT/(LOSS) FOR THE PERIOD

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

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Staff costs (including directors' remuneration)		
Wages, salaries and other benefits	82,729	79,777
Retirement benefits scheme contributions	2,012	2,383
Provision for long service payments	(1,392)	(330)
Total staff costs	83,349	81,830
Auditors' remuneration	180	180
Depreciation of plant and equipment:		
– owned by the Group	361	218
– held under finance leases obligation	887	939
Minimum lease payments under operating leases in respect of offices	90	90

8. EARNINGS/(LOSS) PER SHARE

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

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Profit/(Loss) attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	1,918	703

	Number of shares Three months ended 30 June	
	2019 '000 (unaudited)	2018 '000 (unaudited)
Shares Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation (<i>note</i>)	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 2016.

The diluted earnings per share is equal to the basic earnings per share as there are no diluted potential ordinary shares outstanding during the three months ended 30 June 2019 and 2018.

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

To build on our competitive strengths, operationally we focus on continuously improving the customer experience through product and service enhancement, greater asset utilization and the maximization of our operational efficiencies. These strategic efforts allow us to streamline and expand our organization across several key business segments including sales and marketing and operational. We conduct business with a holistic strategic approach with a focus on creating economic benefits across our operation to create optimal work performance. Additionally, we continue to implement the following business strategies to enhance our position as one of market leader such as continuously improve scale of operation; maintain strong business relationships with our clients and identify potential business opportunity to further line up our growth in cleaning industry.

Despite our business turned a corner at the moment as compare to the same period last year, after we won 3 new contracts from Hong Kong Government departments. We expect continuing to shaping up to be a very productive year for our company in 2019. However, a number of factors have adversely impacted the overall Hong Kong business sentiment commencing from the second half of 2019 as a result of the mass protests in Hong Kong are likely to have short-term impact on the city's economic outlook, and a potentially more serious one on its long-term prospects.

On the bright side, we may be benefited in short term to recruit some unemployed workers once if they were laid off in other service industries and the demand for unskilled labor will set back to a normal level. Even this may be a miserable solution to curb our shortage of labor market in cleaning industry.

In addition, the Group has actively expanded other businesses and is determined to pursue diversified development, including the recent property management acquisition, so as to diversify its products and services and broaden its customer bases to facilitate the sustainable development of the Group.

With more than 31 years of experience in environmental cleaning solution industry in Hong Kong, we have steadily grown our business since our inception and now our wide range of services extend to cover 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 and pest control; (ii) building cleaning solution which comprise general building cleaning, refuse collection and waste disposal, toilet cleaning and janitorial services; (iii) bus and ferry cleaning solutions which comprise general depot and pier cleaning, vehicle and vessel cleaning, refuse collection and waste disposal, and toilet cleaning; and (iv) other cleaning services which include various one-off cleaning services such as external wall and window cleaning, confined space cleaning, as well as pest control and fumigation.

By continuing to focus on our value for money, throughout the period, we develop cleaning solutions that were well received by customers, further differentiating us from our competitors.

Our longevity reflect our reputation for one of the best customer service in the business, underpinned by our committee to effective logistic and attention to details.

Undoubtedly, we shall continue our existing business model to secure new tenders from various government departments of Hong Kong and are unwaveringly optimistic about the future and are fully confident in our ability to build our brand and achieve long term sustainable growth.

FINANCIAL REVIEW

During the Reporting Period, the Group continued to stay focus on the operation of environmental cleaning solutions, comprising our cleaning solutions and other value added cleaning services (as defined in the prospectus of the Company dated 30 March 2017).

Revenue

During the Reporting Period, the Group recorded a revenue of approximately HK\$108.1 million (three months ended 30 June 2018: approximately HK\$98.7 million), accounting for an increase of approximately 9.5%. Such increase was mainly attributable to the increased revenue in the first quarter 2019 due to the additional revenue coming from several new contracts, including (i) the provision of mechanical street cleaning services in all territories which generated a revenue of approximately HK\$12.4 million in this quarter (ii) the provision of street cleaning service in Sham Shui Po district which generated a revenue of approximately HK\$9.5 million in this quarter; and (iii) the provision of street cleaning services in Tsuen Wan district which generated a revenue of approximately HK\$12.3 million in this quarter. However, approximately HK\$19.6 million of income from the provision of street cleaning service in Yuen Long in the corresponding period in 2018 and the contract of which was completed in June, 2018.

Gross profit and gross profit margin

Our Group's gross profit increased by approximately HK\$2.4 million or 35.1% from approximately HK\$6.9 million for the three months ended 30 June 2018 to approximately HK\$9.4 million for the Reporting Period. The Group's gross profit margin for the Reporting Period was approximately 8.7% (three months ended 30 June 2018: approximately 7.0%). When we progressed further with implementing our cost saving strategy which has commenced in last year, we have finally reduced our overall operation labor cost and increase our efficiency. Together there was big saving in operation cost when material wastage was minimized.

Administrative expenses

Administrative expenses of our Group increased by approximately HK\$1 million from approximately HK\$5.9 million for the three months ended 30 June 2018 to approximately HK\$6.9 million for the Reporting Period. Administrative expenses consist primarily of staff costs and Directors' remuneration, insurance expense depreciation, maintenance, office supplies and transportation expense, legal and professional fee, and other administrative expenses. The increase was attributable to the increase in number of office staff employed and extra bonus of approximately HK\$0.6 million paid to reward advocacy work of some executive staff and the slightly increased bank charges and office rental.

Finance costs

Finance costs for our Group increased by approximately HK\$0.1 million or 32.1% for the three months ended 30 June 2019 and 2018. The increase was mainly attributable to more interest expenses paid for the increase of borrowing resulting from the increase in business. The interest portion paid under finance lease was higher than same period in last year because 16 new vehicles were purchased under financing lease to cope with our business needs.

Getting the financing and funding balance right and ensuring that we are efficient requires constant attention and vigilance. We are passionate to boost our revenue to generate more profit from private sector, while there are many opportunities for us to gain better profit margin in this sector.

Net Profit

During the Reporting Period, the Group recorded a net profit attributable to owners of the Company of approximately HK\$1.9 million (as compare to net profit for three months ended 30 June 2018: approximately HK\$0.7 million), representing an increase of approximately 172.8%. This is mainly attributable to higher gross profit margin for the Reporting Period resulting from our cost saving program and higher volume of business that has diluted our average fixed cost.

DIVIDEND

The Board does not recommend the payment of a dividend for the three months ended 30 June 2019.

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 June 2019, the interests and short position of the Directors and the 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 Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (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 and 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 as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long Position in the Shares

Directors	Capacity/Nature	Number of ordinary Shares (Note 1)	Percentage of interest
Mr. Wong Chong Shing ("Mr. C.S. Wong") (Note 2, 3)	Interest in controlled corporation; interest in persons acting in concert	369,000,000 (L)	61.50%
Mr. Wong Man Sing ("Mr. M.S. Wong") (Note 2, 4)	Interest in controlled corporation; interest in persons acting in concert	369,000,000 (L)	61.50%
Mr. Wong Chi Ho ("Mr. C.H. Wong") (Note 2, 5)	Interest in controlled corporation; interest in persons acting in concert	369,000,000 (L)	61.50%

Notes:

- The letter "L" denotes the person's long position in such shares.
- 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 the Shares which are interested by each other.

3. 369,000,000 Shares in the Company in which Mr. C.S. Wong is interested consist of 175,500,000 Shares held by Man Shing Global Limited, a company wholly owned by Mr. C.S. Wong, and which Mr. C.S. Wong is deemed to be interested for the purpose of the SFO; and (ii) 193,500,000 Shares in which Mr. C.S. Wong is deemed to be interested as a result of being a party acting in concert with Mr. M.S. Wong and Mr. C.H. Wong. Mr. C.S. Wong is the younger brother of Mr. M.S. Wong and the uncle of Mr. C.H. Wong.
4. 369,000,000 Shares in the Company in which Mr. M.S. Wong is interested consist of (i) 175,500,000 Shares held by Lik Hang Investment Company Limited, a company wholly owned by Mr. M.S. Wong, and which Mr. M.S. Wong is deemed to be interested for the purpose of the SFO; and (ii) 193,500,000 Shares in which Mr. M.S. Wong is deemed to be interested as a result of being a party acting in concert with Mr. C.S. Wong and Mr. C.H. Wong. Mr. M.S. Wong is the elder brother of Mr. C.S. Wong and the father of Mr. C.H. Wong.
5. 369,000,000 Shares in the Company in which Mr. C.H. Wong is interested consist of (i) 18,000,000 Shares held by Chun Shing Investment Limited, a company wholly owned by Mr. C.H. Wong, and which Mr. C.H. Wong is deemed to be interested for the purpose of the SFO; and (ii) 351,000,000 Shares in which Mr. C.H. Wong is deemed to be interested as a result of being a party acting in concert with Mr. M.S. Wong and Mr. C.S. Wong. Mr. C.H. Wong is the son of Mr. M.S. Wong and the nephew of Mr. C.S. Wong.

Save as disclosed above, as at 30 June 2019, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying share or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be 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 Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 30 June 2019, so far as is known to the Directors or the chief executive of the Company, the following persons other than a Director or chief executive of the company had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Long Position in the Shares

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)	61.50%
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)	61.50%
Chun Shing Investment Limited (Note 6)	Beneficial owner	18,000,000 (L)	3.00%
Ms. Wan Wing Ting (Note 7)	Interest of spouse	369,000,000 (L)	61.50%

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. 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 disclosed above, as at 30 June 2019, the Directors are not aware of any other persons (who are not Directors or chief executive of the Company) who had interests 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 provisions of Divisions 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

The Directors confirm that none of the Controlling Shareholders or the Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by our Group which competes or is likely to compete, directly or indirectly, with our Group’s business during the three months ended 30 June 2019 and up to the date of this report.

INTEREST OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Changjiang Corporate Finance (HK) Limited to be its compliance adviser (“**Changjiang Corporate Finance**”). As informed by Changjiang Corporate Finance, neither Changjiang Corporate Finance nor any of its directors or employees or associates, has or may have, any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules, except for the compliance adviser agreement entered into between the Company and Changjiang Corporate Finance.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles and 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 high standards of corporate governance practice and corporate governance principles in order to uphold the transparency of the Group and safeguard the interest of its shareholders.

CODE OF CONDUCT FOR 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 has been adopted by way of a written resolution passed by the shareholders on 20 March 2017 for the primary purposes 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 employees, 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.

As at 30 June 2019, no share option had been granted under the share option scheme.

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 complies 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 Rule 5.28 of the GEM Listing Rules, and paragraphs C.3.3 and C.3.7 of the CG Code. As at the date of this report, 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 Audit Committee assists the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, by satisfying themselves as to the effectiveness of the internal controls of our Group, and as to the adequacy of the external and internal audits.

The unaudited condensed consolidated financial statements have not been audited by the auditors of the Company but has been reviewed by the Audit Committee. The Audit Committee considered that the relevant financial statements had been prepared in compliance with the applicable accounting principles and requirements of the GEM Listing Rules.

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

Hong Kong 14 August 2019