



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)



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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, New Territories
Hong Kong

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 54, Hopewell Centre
183 Queen's Road East
Hong Kong

COMPLIANCE ADVISER

Changjiang Corporate Finance (HK) Limited

COMPLIANCE OFFICER

Mr. Wong Chong Shing

AUDITORS

CCTH CPA Limited

LEGAL ADVISOR

KEITH LAM LAU & CHAN

PRINCIPAL BANKERS

Citibank, N.A. Hong Kong Branch
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 2019, together with the corresponding comparative unaudited figures for the corresponding period in 2018, as follows:

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

For the six months ended 30 September 2019

	Notes	Three months ended 30 September		Six months ended 30 September	
		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Revenue	4	132,909	76,499	240,987	175,183
Cost of sales		(117,239)	(69,442)	(215,925)	(161,177)
Gross profit		15,670	7,057	25,062	14,006
Other income		185	234	361	550
Administrative expenses		(11,974)	(6,219)	(18,934)	(12,204)
Finance costs	5	(645)	(404)	(1,081)	(734)
Profit before tax		3,236	668	5,408	1,618
Income tax expenses	6	(376)	(282)	(630)	(529)
Profit and total comprehensive income for the period	7	2,860	386	4,778	1,089
Earnings per shares (HK cents)					
Basic and diluted	8	0.48	0.06	0.80	0.18

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2019

	Notes	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
Non-current asset			
Property and equipment	10	26,525	10,955
Current assets			
Trade receivables	11	85,907	45,334
Prepayments, deposits and other receivables		13,135	6,889
Tax recoverable		3,369	1,591
Pledged bank deposits		34,802	20,159
Right-of-use assets	3	390	–
Bank balance and cash		40,636	33,448
		178,239	107,421
Current liabilities			
Bank overdrafts		27,718	–
Trade payables	12	11,084	9,154
Accruals and other payables		40,845	22,906
Tax payables		2,414	42
Obligations under finance leases	13	2,861	2,755
Lease liabilities	3	284	–
Bank borrowings	14	27,216	11,975
		112,422	46,832
Net current assets		65,817	60,589
Total assets less current liabilities		92,342	71,544
Capital and reserves			
Share capital		6,000	6,000
Reserves		57,608	52,830
		63,608	58,830
Non-current liabilities			
Obligations under finance leases	13	19,020	4,623
Lease liabilities	3	108	–
Long service payment obligations	15	6,677	4,188
Deferred tax liabilities		621	583
Bank borrowings		2,308	3,320
		28,734	12,714
		92,342	71,544

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2019

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note i)	Retained earnings HK\$'000	Total equity HK\$'000
At 1 April 2019	6,000	42,463	110	10,257	58,830
Profit and total comprehensive income for the period	-	-	-	4,778	4,778
At 30 September 2019 (Unaudited)	6,000	42,463	110	15,035	63,608
At 1 April 2018	6,000	42,463	110	8,343	56,916
Profit and total comprehensive income for the period	-	-	-	1,089	1,089
At 30 September 2018 (Unaudited)	6,000	42,463	110	9,432	58,005

Note:

(i) 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.

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2019

	Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(14,912)	(3,406)
NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES	(33,132)	7,973
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	27,514	(8,100)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(20,530)	(3,533)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	33,448	28,640
CASH AND CASH EQUIVALENTS AT END OF PERIOD	12,918	25,107

Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2019

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

The directors consider the ultimate controlling parties of the company during the six months ended 30 September 2019 (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 for the year ended 31st March 2019.

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. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

(a) Changes in accounting policies and disclosures

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2019 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2019.

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs and interpretation issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group’s unaudited condensed consolidated financial statements:

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

Other than as explained below regarding the impact of HKFRS 16 “Leases”, the application of other new and amended standards effective in respect of the current period had not resulted in significant impact on the Group’s unaudited condensed consolidated interim financial information.

HKFRS 16 Leases

Impacts on transition

Leases liabilities at 1 April 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 April 2019 and included in lease liabilities and other payables. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 April 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 April 2019:

- Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend/terminate the lease

(i) The impacts arising from the adoption of HKFRS 16 as at 1 April 2019 are as follows:

	Increase/ (decrease) HK\$'000 (Unaudited)
Assets	
Increase in right-of-use assets	308
Increase in total assets	308
Liabilities	
Increase in lease liabilities	308
Increase in total liabilities	308

(ii) *Nature of the effect of adoption of HKFRS 16*

The lease liabilities as at 1 January 2019 reconciled to the operating leases commitments as at 31 March 2019 is as follows:

	HK\$'000 (Unaudited)
Operating lease commitments as at 31 March 2019	354
Weighted average incremental borrowing rate as at 1 April 2019	3.38%
Discounted operating lease commitments as at 1 April 2019	348
Less: Commitments relating to short-term lease and those leases with a remaining lease term ending on or before 31 March 2020 and low-value assets	(40)
Lease liabilities as at 1 April 2019	308

Summary of new accounting policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 March 2019 is replaced with the following new accounting policies upon adoption of HKFRS 16 from 1 April 2019:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

(iii) Amounts recognised in the statement of financial position and profit or loss

	Right-of-use assets	Lease liabilities
	HK'\$000	HK'\$000
	(Unaudited)	(Unaudited)
As at 1 April 2019	308	308
Additions	220	220
Depreciation charge	(138)	–
Interest expenses		5
Payments	–	(141)
As at 30 September 2019	390	392

(b) Hong Kong Financial Reporting Standards issued but not yet effective

The Group has not applied the following new and revised HKFRSs, that have been issued, but are not yet effective, in these unaudited condensed consolidated financial statements:

HKAS 1 and HKAS 8 (Amendments)	Definition of Material ¹
HKFRS 3 (Amendments)	Definition of a Business ¹
HKFRS 17	Insurance Contracts ²
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture ³

¹ Effective for accounting periods beginning on or after 1 January 2020

² Effective for accounting periods beginning on or after 1 January 2021

³ No mandatory effective date yet determined but available for adoption

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	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Street cleaning solutions	91,706	37,121	160,603	94,770
Building cleaning solutions	23,779	23,414	46,007	47,204
Bus and ferry cleaning solutions	12,076	11,274	24,009	22,553
Other cleaning services	5,348	4,690	10,368	10,656
	132,909	76,499	240,987	175,183

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	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Interest on:				
Bank borrowings	12	309	267	531
Obligations under finance leases	633	95	814	203
	645	404	1,081	734

6. INCOME TAX EXPENSES

	Three months ended 30 September		Six months ended 30 September	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Current tax:				
Hong Kong Profits Tax	354	335	593	550
Deferred tax	22	(53)	37	(21)
	376	282	630	529

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 2019, 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 2018: 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	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Staff costs (including directors' remuneration)				
Wage, salaries and other benefits	100,202	60,332	182,931	140,109
Retirement benefit scheme contributions	2,845	1,739	4,857	4,122
Long service payments	1,392	855	2,784	525
Total staff cost	104,439	62,926	190,572	144,756
Auditors' remuneration	480	150	660	150
Depreciation of plant and equipment:				
– owned by the Group	477	194	838	412
– held under finance leases obligations	1,203	1,098	2,090	2,037
Depreciation of right-of-use assets	138	–	138	–
Minimum lease payments under operating leases in respect of offices	40	89	40	179
Interest income	(3)	(1)	(3)	(5)
Gain on disposal of plant and equipment	(6)	(544)	(6)	(544)

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	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Earnings				
Profit attributable to ordinary equity holders of the parent, eased in the basic earnings per share calculation	2,860	386	4,778	1,089

	Number of shares			
	2019 '000	2018 '000	2019 '000	2018 '000
Shares				
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings 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 2019 and 2018.

9. DIVIDENDS

No dividend was proposed by the Group during the six months ended 30 September 2019 and 2018, nor has dividend proposed since the end of the reporting period.

10. PROPERTY AND EQUIPMENT

During the six months ended 30 September 2019, the Group acquired certain plant and equipment of approximately HK\$18,727,000 (six months ended 30 September 2018 HK\$114,000).

During the six months ended 30 September 2019, the Group disposed of certain motor vehicles with the carrying amount of approximately HK\$230,000 (six months ended 30 September 2018: with no carrying amount) for cash proceeds of approximately HK\$235,000 six months ended 30 September 2018: HK\$544,000), resulting in a net gain on disposal of approximately HK\$5,000 (six months ended 30 September 2018: HK\$544,000).

11. TRADE RECEIVABLES

	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
Trade receivables	85,907	45,334

No impairment of trade receivables had been recognised during the six months ended 30 September 2019 and the impairment of the amount HK\$474,000 has been made for the year ended 31 March 2019.

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 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
0-60 days	83,898	42,000
61 to 90 days	1,063	2,286
Over 91 days	946	1,048
	85,907	45,334

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

	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
Current	76,751	42,000
1 to 90 days	8,210	2,286
91 to 180 days	946	1,048
	85,907	45,334

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\$85,907,000 (31 March 2019: approximately HK\$45,334,000) 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 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
Trade payables	11,084	9,154

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

	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
0 to 60 days	6,990	4,426
61 to 90 days	112	825
Over 91 days	3,982	3,903
	11,084	9,154

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 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
Analysed for reporting purposes as:		
Current liabilities	2,861	2,755
Non-current liabilities	19,020	4,623
	21,881	7,378

During the six months ended 30 September 2019, the Company entered into finance lease arrangements of motor vehicles. The average lease term is three years (31 March 2019: three years) for the six months ended 30 September 2019. The effective interest rate for the obligations under finance leases for the six months ended 30 September 2019 were under fixed rates and ranged from 1.80% to 3.75% per annum (31 March 2019: 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 2019, the Group borrowed HK\$99,435,000 (six months ended 30 September 2018: HK\$101,957,000) from banks and repaid HK\$85,271,000 (six months ended 30 September 2018: HK\$108,100,000).

15. LONG SERVICE PAYMENT OBLIGATIONS

Under the Hong Kong Employment Ordinance, the Group is obliged to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employees' final salary and years of service, and is reduced by entitlements accrued under the Group's retirement plans that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

Movement in the long service payment obligations is as followings:

	30 September 2019 HK\$'000 (Unaudited)	31 March 2019 HK\$'000 (Audited)
At beginning of the period/year	4,188	2,815
Paid during the period/year	(295)	(1,558)
Charged to profit or loss	2,784	2,931
At end of the period/year	6,677	4,188

The obligation represents the management's best estimate of the Group's liability at the end of the reporting period.

16. OPERATING LEASE COMMITMENT

The Group as lessee

The Group leases its office under operating lease arrangement. The leases are negotiated for lease terms of two years.

At 31 March 2019, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	31 March 2019 HK\$'000 (Audited)
Within one year	314
In the second to fifth years inclusive	40
	<hr/> 354

The Group is the lessee in respect of a number of properties for the office, which are held under leases previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 April 2019 to recognise lease liabilities relating to these leases (see note 3(a)). From 1 April 2019 onwards, future lease payments are recognised as lease liabilities in the statement of financial position in accordance with the policies set out in note 3(a).

17. RELATED PARTY TRANSACTION

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

(a) Transaction

Related party	Nature of transaction	Three months ended 30 September		Six months ended 30 September	
		2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
Mr. Wong Chong Shing	Payment under leases liabilities	82	–	142	–
	Rental expenses	10	93	40	179

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	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Short term benefits	1,920	1,481
Post-employments benefits	–	27
	1,920	1,508

18. EVENTS AFTER THE END OF THE INTERIM PERIOD

In addition, on 30 May 2019, the Company through its indirectly wholly-owned subsidiary, Matrix International Investments Limited (“Matrix”), entered into a non-legally binding memorandum of understanding (the “MOU”) with Lo Wing Keung (“Mr. Lo”) and LCH Group Limited (“LCH Group”). Pursuant to the MOU, Matrix proposed to acquire, by itself or through its nominee, certain shares in Curtaman Property Management Limited (“Curtaman”) as agreed with Mr. Lo, the sole shareholder and sole director of LCH Group, and LCH Group, the owner of the entire issued share capital of Curtaman. The Company paid the deposit HK\$500,000 on 23 July 2019. The acquisition was completed on 2 October 2019 at the consideration HK\$4,800,000.

Net assets value and the net profit of Curtaman disclosed in the announcement on 29 July 2019.

	Year ended 31 March	
	2019 HK\$	2018 HK\$
Net assets value	1,067,408	521,109
Net profit before tax	622,968	7,629
Net profit after tax	546,299	10,497

Chairman's Statement

The Group's business continued to grow in the first half of the year and was awarded a number of major new contracts. While looking forward to the continued steady growth of our business, we will seize new business development opportunities in the local and China markets in order to expand our corporate scale.

Recently, the acquisition of Curtaman Property Management Limited was completed on 2 October. The Group hopes to leverage this opportunity to lay the foundation for business diversification and accelerate the development of property management and cleaning business through synergistic effects.

Over the past three decades, Man Shing has spared no effort to provide Hong Kong with diversified cleaning services, ranging from residences, logistics centres, commercial and industrial buildings to various governmental departments and institutions. We are committed to enhancing and improving the quality of local environment. Adhering to this vision, our business development strategy does not confine to traditional businesses, but also covers the pursuit of innovative and technological elements in the future, thus enhancing efficiency and achieving sustainable growth.

Last but not least, I would like to sincerely thank the Board of Directors, members of the management and fellow staff. The Group's continued excellent performance and success depend on everyone's hard work, commitment and dedication. I would also like to express my gratitude to the shareholders, customers, suppliers and business partners for their unwavering support over the years.

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The Group's contracted sales in the first half still managed to achieve a significant growth over the prior period. Throughout this period, the Group continued to deploy our strategies of enhancing our operational efficiencies, better asset utilization and utilizing new technologies to deliver premium service experience to our customers. These strategic efforts allow us to bolster holistic approach with a focus on creating economic benefit across our operation and to optimize our work performance. Also, from time to time the Group actively identifies other investment opportunities, especially those investment may pose some synergies effect to our existing business, aiming for a new income source for the Group's future development.

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; and (iv) other cleaning services such as external wall and window cleaning, confined space cleaning, as well as pest control and fumigation.

The management remains confidence in the demand for the Group's environmental solution and 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.

Looking ahead, the Hong Kong economy will remain unstable under the recent social instability, the result of our group may inevitably face headwind. However our management has formulated the future development plan. By basing in Hong Kong, delving into the Mainland and further promote the development of the Group's business and create the best return for the shareholders.

FINANCIAL REVIEW

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

Revenue

Revenue of the Group for the Period amounted to approximately HK\$240,987,000 representing an increase of approximately HK\$65,804,000, or approximately 37.6%, as compared with the corresponding period of 2018, such increase was primarily attribute to the increased revenue as result of increase of revenue derived from several newly awarded contracts, including (i) mechanical street cleaning service contracts which were worked across all territories and have fostered an additional revenue of approximately HK\$20,931,000 for the six months period; (ii) the provision of street cleaning service in Shum Shui Po district has generated income of approximately HK\$38,971,000 for the four months starting from June 2019; and (iii) the provision of street cleaning service in Tsuen Wan district which fueled the increase by approximately HK\$31,093,000 for the five months period starting from May 2019. On the contrast, we lost two government contracts including Yuen Long District and Mongkok West District which leading to an reduction of revenue of approximately HK\$32,800,000 in total for this six month period.

The Group's business comprises four operating segments, namely street cleaning solutions, building cleaning solution, bus and ferry cleaning solution and others cleaning services. In the first half of 2019/20, 66.6% of the Group's revenue was derived from street cleaning solution. Significant portion of the Group's revenue derived from government contracts to engaging our services arraying in street cleaning, pest control and waste collection. As compared to same period last year, we are able to renew many government projects when they were completed by expiration except two contracts. As a result, our revenue was boasted by new contracts which will last for another two years.

We strive 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. These newly awarded contracts embracing some cleansing contracts for hotels and public transport companies eventually emerged to boost up our revenue a lot.

Gross Profit and gross profit margin

Our Group's gross profit increased by approximately HK\$11,056,000 or 78.9% from approximately HK\$14,006,000 for the six months ended 30 September 2018 to approximately HK\$25,062,000 for the Reporting Period. The gross profit margin increased from 8.0% for the six months ended 30 September 2018 to 10.4% for the Reporting Period, representing a modest increase of approximately 2.4 percentage points.

For the Period, the cost of sales of the Group increased in proportion by approximately HK\$54.7 million as compared with the corresponding period of 2018. The profit before tax was HK\$5.4 million, a increase of HK\$3.8 million when compared with the previous period. After deducting income tax expense of HK\$0.6 million, the Group recorded more than threefold increase in profit after tax from HK\$1.1 million in the previous period to HK\$4.8 million in the first half of 2019/20.

Earnings per share increased from 18 HK cents to 80 HK cents for the reporting period.

Compared to the same period a year ago, the improvement was mainly attributable to (i) increase in revenue contribution from projects with better margin both from some private contracts and government contracts. The projects with better margin mainly arose from customers' repeat orders received during the period; and (ii) the team effort was rewarded in better margin after intensifying our work efficiency and cut out wastage of material and excessive labor force.

Other income

Following the increase in contracted sales, there was corresponding higher interest income as a result of increased in the amount to placing more pledge deposits with bankers in return for issuance of new bank guarantee for our new contracts. So there was corresponding increase in interest income from approximately HK\$151,000 in the current period as compare to same period last year.

With the launch of new incentive scheme offered by one of our client, we have earned an incentive fee of HK\$60,000 being awarded for the exquisite performance in our service. During the Period, we also have applied the Ex-gratia Payment scheme under the campaign title "Phasing out Pre- Euro IV Diesel Commercial vehicles" which was launched out by Environmental Protection Department and here we recorded of approximately HK\$87,000 in the current period as a tax refund payment after we chose a new 2.8 ton van to replace the discontinuance of Euro IV Diesel vehicle in our fleet.

Other income of our Group decreased by approximately HK\$1,189,000 from approximately HK\$1,219,000 for the six months ended 30 September 2018 to approximately HK\$30,000 for the Reporting Period. The decrease was mainly due to numbers of the specialized vehicles sold in the period for six months ended 30 September 2019 outnumbered one unit of vehicle sold in Reporting Period.

Administrative expenses

Administrative expenses of our Group increased by approximately HK\$6,730,000 from approximately HK\$12,204,000 for the six month ended 30 September 2018 to approximately HK\$18,934,000 for 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. The increase in administrative expense are mainly attributable to i) the increase of insurance premium by approximately HK\$2,300,000 which was resulted from the fact that the number of our workers reached the highest level of 3198 pax, or increased by 45.36%, so as to fulfill the requirement of the three new contracts including Shum Shiu Po, mechanic street cleaning in all territories and Tsuen Wan; ii) in the Reporting period, we purchased 17 new vehicles and many plant and machineries which have pushed up our total depreciation charge by approximately HK\$478,000 as well as motor vehicle expenses by approximately HK\$375,000; iii) management staff salaries including director remuneration increased by approximately HK\$1,346,000 due to employment of additional marketing staff and compensation of leave pay to staff.

Finance costs

The Group's average funding cost was 3.0% in the reporting period. With a increase in bank borrowings, the Group's interest expense recorded considerable increase of HK\$347,000, from HK\$734,000 in the previous period to HK\$1,081,000 in the reporting period.

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.

The Group manages its capital to ensure the business of the Group (i) to continue as a going concern; (ii) to maintain adequate capital ratio during periods of uncertainty and turmoil in financial markets; and (iii) to ensure funds are available at competitive costs to meet all contractual financial commitments; and to fund the growth in receivable and to generate reasonable returns from available funds.

The capital structure of the Group consists of debt which includes bank borrowings, and equity attributable to owners of the Group (comprising share capital and reserves). Cash and bank balances are denominated in Hong Kong dollar.

The current ratio of our Group as at 30 September 2019 was 1.58 times as compared to that of 2.29 times as at 31 March 2019. As shown above, the current ratio gradually drift lower were caused by (i) extra borrowing incurred for wages payment and (ii) longer settlement period from customers in private sector even if we have carried out restrictive credit policy.

The total interest-bearing debts of our Group, including bank borrowings, bank overdraft and finance lease liabilities, increased from approximately HK\$22,673,000 as at 31 March 2019 to approximately HK\$79,123,000 as at 30 September 2019. All borrowings were denominated in Hong Kong dollar and were repayable within 5 years. Our Group did not carry out any hedging for its borrowings.

As at 30 September 2019, our Group had bank loans with outstanding balance of HK\$29,524,000 (31 March 2019 HK\$11,975,000). As at 30 September 2019, the general banking facilities were secured by the pledge of deposit acceptable to relevant banks. A charge over asset has been executed by the borrower or its related parties in favor of the Bank. Banks has held a corporate guarantee executed by the Company for the total outstanding amount under relevant facilities.

We entered into finance lease agreement for certain vehicles. The average lease terms were five years for the Reporting Period. The effective interest rates for the obligations under finance leases for the period ended 30 September 2019 were under fixed interest rate and ranged from 1.8% to 3.75% per annum.

As at 30 September, 2019, the finance lease liabilities amounted to approximately HK\$21,881,000 (31 March 2019 7,378,000) were secured by the 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 2019 (31 March 2019: 44.5%). The steadfast trends of better business performance was seen in form of lower gearing ratio that imply our financial position is gradually improving.

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 2019, 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.

CONTINGENT LIABILITIES

We maintained to utilize bank credit facilities including, but not limit to bank guarantee which were solely used for the purpose of back us up for providing any financial obligation accruing to some contracts. According to the terms of contracts, we are obliged to act in due performance and decent work to complete the contracts at the satisfaction of the customer. In case, we are liable to settle any possible liabilities arising from any allegation of breach of duties, these bank guarantees will serve as an iron clad protection for our customers, especially when there is a claim for compensation aftermath an accident happened.

As at 30 September 2019, the amount of pledged deposit to banks for the aforesaid facilities was approximately HK\$34,802,000 (31 March 2019 approximately HK\$20,159,000).

During the six months ended 30 September 2019, the Group may from time to time be involved in litigations in relation to personal injuries caused 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.

COMMITMENTS

As at 30 September 2019, there was no capital commitment for the Group (31 March 2019: HK\$ Nil).

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 2019, our group had general banking facilities amounted to HK\$110,743,000 (31 March 2019: HK\$110,743,000).

As at 30 September 2019, our group had secured bank borrowing with outstanding balance of approximately HK\$29,524,000 (31 March 2019 HK\$15,295,000) and utilised performance bond of approximately HK\$65,083,273 (31 March 2019 HK\$24,775,000). As at 30 September 2019 the general banking facilities were secured by (i) corporate guarantee 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 2019, our Group had approximately 3,198 employees (31 March 2019: 2,334 employees). The total staff costs, including Directors' emoluments and discretionary bonus, of the Group were approximately of HK\$190,572,000 for the six months ended 30 September 2019 (six months ended 30 September 2018 approximately of HK\$144,756,000).

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 and 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 2019 (for the six months ended 30 September 2018: NIL).

PRINCIPAL RISK AND UNCERTAINTIES

The Group's operations are subject to certain risks and the major ones that may have a material and adverse effect on the Group's business, financial conditions and results of operations include risk in retention of customers and staff and concentration of customers and suppliers.

Our Group faces several risk and uncertainty factors that may affect the operating results and business prospects. There may be other risks and uncertainties in addition to those listed below, which are not known to the Group or which may not be material now but could turn out to be material in the future.

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

- (i) The state of economic, political and legal environment in Hong Kong may adversely affect our business, performance and financial condition;
- (ii) 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 2019 was 83.26% of our revenue as compared to 76.75% for the six months ended 30 September 2018. We rely on contracts awarded by Hong Kong Government departments, with revenue generated from contracts with government sector customers accounting for approximately HK\$180,317,000 of our total revenue during the six months ended 30 September 2019 (six months ended 30 September 2018 approximately HK\$113,600,000).

If any significant fluctuation between net cash inflow deriving from our fee collection and time for profit recognition as compared to our operating expenditure, may erode the bedrock of our solid cash flow. Our inability to collect debts in a timely manner, or at all, may materially affect our business, financial condition and liquidity.

Our business is susceptible to fluctuations of labor cost and purchase costs for raw materials, and such fluctuations may materially and adversely affect our profitability and results of operations. We do not have long-term contracts with our suppliers and we may encounter interruptions in the supply of raw materials

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 bid competitive tenders and work out a most cost effective method to carry out our duties.

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

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, 2019, 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 (Note 2, 5)	Interest in a controlled corporation; Interest in persons acting in concert	369,000,000(L)	61.5%
Mr. Wong Man Sing (Note 3, 5)	Interest in a controlled corporation; Interest in persons acting in concert	369,000,000(L)	61.5%
Mr. C.H. Wong (Note 4, 5)	Interest in persons acting in concert	369,000,000(L)	61.5%

Notes:

- The letter "L" denotes the person's long position in such shares.
- 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.
- 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.
- 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 2019, 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 30 September 2019, 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 <i>(Note 1)</i>	Percentage of interest
Man Shing Global Limited <i>(Note 1)</i>	Beneficial Owner	175,500,000(L)	29.25%
Ms. Tang Duc Ngan <i>(Note 2)</i>	Interest of spouse	369,000,000(L)	61.5%
Lik Hang Investment Company Limited <i>(Note 3)</i>	Beneficial Owner	175,500,000(L)	29.25%
Ms. Wong Lai Man <i>(Note 4)</i>	Interest of spouse	369,000,000(L)	61.5%
Chun Shing Investment Limited <i>(Note 5)</i>	Beneficial Owner	18,000,000(L)	3%
Ms. Wan Wing Ting <i>(Note 6)</i>	Interest of spouse	369,000,000(L)	61.5%

Notes:

1. The letter “L” denotes the person’s long position in such shares.
2. The 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 2019, 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 2019.

DIRECTORS' INTERESTS IN CONTRACTS

Other than as disclosed under the heading "Related Party Transaction" as set out in note 17 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 2019.

INTEREST OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Group has appointed Changjiang Corporate Finance (HK) Limited ("Changjiang Corporate Finance") to be its compliance adviser. 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 Group 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 dated 19 October 2016.

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 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 30 September 2019.

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 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 Wai, 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 2019 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 Nov 2019