



# 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)



## 2020 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.

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

*This report, for which the directors (the “**Directors**”) of Man Shing Global Holdings Limited (the “**Company**” 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 the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

## 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 2020 (the “**Reporting Period**”) together with the comparative unaudited figures for the corresponding period in 2019.

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

For the three months ended 30 June 2020

	Notes	For the three months end 30 June	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Revenue	3	146,335	108,078
Cost of sales		(126,838)	(98,686)
Gross profit		19,497	9,392
Other income	4	2,238	176
Administrative expenses		(11,698)	(6,960)
Finance costs	5	(615)	(436)
Profit/(Loss) before tax		9,422	2,172
Income tax expenses	6	(1,031)	(254)
Profit/(Loss) and total comprehensive income for the year attributable to owners of the Company	7	8,391	1,918
Earnings/(Loss) per share (HK cents) Basic and diluted	8	1.40	0.32



## Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the three months ended 30 June 2020

	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 2020	6,000	42,463	110	24,319	72,892
Profit for the period	–	–	–	8,391	8,391
Balance as at 30 June 2020 (unaudited)	6,000	42,463	110	32,710	81,283

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
Balance as at 30 June 2019 (unaudited)	6,000	42,463	110	12,175	60,748



# Notes to the Unaudited Condensed Consolidated Financial Statements

For the three months ended 30 June 2020

## 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 directors consider the ultimate controlling parties during the three months ended 30 June 2020 (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 31 March 2020.

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

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 PRESENTATION

The unaudited condensed consolidated first quarterly results of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) and the requirements of the Hong Kong Companies Ordinance (“**HKCO**”) Cap. 622 and the GEM Listing Rules.

The unaudited condensed consolidated first quarterly results do not include all information and disclosures as required in the annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended 31 March 2020, which have been prepared in accordance with HKFRS.

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

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**”).



### 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	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Street cleaning solutions	106,555	68,897
Building cleaning solutions	22,826	22,228
Bus and ferry cleaning solutions	9,943	11,933
Others	7,011	5,020
	<b>146,335</b>	108,078

#### Segment Information

The Group currently operates in one operating and reportable segment which is the provision of cleaning services and all the businesses are carried out in Hong Kong. A single management team reports to the Directors (being the chief operating decision-makers) who allocate resources and assesses performance based on the unaudited condensed consolidated results of the single business engaged in the provision of cleaning services for the three months ended 30 June 2020 and 2019 comprehensively. Accordingly, the Group does not present separately segment information.

### 4. OTHER INCOME

	Three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Government subsidies from Anti-epidemic Fund	1,653	–
Government subsidies from Employment Support Scheme	482	–
Disposal of fixed asset	5	6
Bank interest income	1	110
Sundry income	97	60
	<b>2,238</b>	176



## 5. FINANCE COSTS

	Three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Interest on:		
Bank overdrafts and borrowings	315	255
Obligations under finance leases	300	181
	<b>615</b>	<b>436</b>

## 6. INCOME TAX EXPENSES

	Three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Current tax:		
Hong Kong Profits Tax	1,390	239
Deferred tax	(359)	15
	<b>1,031</b>	<b>254</b>

*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 three months ended 30 June 2020 and 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%.



## 7. PROFIT/(LOSS) FOR THE PERIOD

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

	Three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Staff costs (including directors' remuneration)		
Wages, salaries and other benefits	109,323	82,729
Retirement benefits scheme contributions	2,799	2,012
Provision for long service payments	(1,420)	(1,392)
<b>Total staff costs</b>	<b>110,702</b>	<b>83,349</b>
Auditors' remuneration	138	180
Depreciation of plant and equipment:		
– owned by the Group	523	361
– held under finance leases obligation	1,523	887

## 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	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Profit/(Loss) attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	8,391	1,918

	Number of shares Three months ended 30 June	
	2020 '000 (unaudited)	2019 '000 (unaudited)
<b>Shares</b>		
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 2020 and 2019.





# Management Discussion and Analysis

## BUSINESS REVIEW

The Group's contracted sales in the first quarter continue managed to achieve significant growth as compared to the prior period, mainly attributable to the award of two major contracts for the provision of street cleaning services in Kowloon City District since October 2019 and the award of contract for the provision of street cleaning services in Wong Tai Sin District (North) since March 2020. Through strengthening our collaboration with both public and private sector customers, the management continuously strives onwards to looking for more new business opportunities.

To build on our competitive strengths, the group continuously deploy strategies focus on enhancing operational efficiencies, improving the customer experience through product and service enhancement and better asset utilization. Additionally, we continue to implement the following business strategies to enhance our position as one of the market leader such as continuously improve the scale of operation; maintain strong business relationships with our clients and identify the potential business opportunity to further line up our growth in cleaning industry.

The group has been engaged in the environmental cleaning solution industry covered all 18 districts throughout Hong Kong for over 30 years and has steadily grown the business since inception. 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 solutions 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.

Furthermore, the Group is determined to pursue diversified investment in order to diversify its services, broaden clientele as well as business synergies. The completion of the acquisition of Curtaman Property Management Limited ("**Curtaman**") in October 2019 is a milestone to the Group's strategic expansion. Through the existing customer network of Curtaman, it will enable the Group to expand and develop more potential customers for both cleaning solution services and property management services. During the Reporting Period, Curtaman has contributed approximately HK\$2,074,000 of revenue and approximately HK\$529,000 of profit before tax to the Group for the three months ended 30 June 2020. With the success in Curtaman's acquisition, the Group will continue to explore and seize new business opportunities in order to diversify its revenue streams, strengthen its financial position and facilitate sustainable development in the long run.

The outbreak of the novel Coronavirus ("**COVID-19**") in the world has significantly affected the global economy as well as our working environments since early 2020. In response to the threat of infectious diseases and ensure the safety of our employees, we strive to provide adequate protective equipment, disinfection tools, and supplies for routine cleaning and disinfection to our employees notwithstanding the tight supply, and strengthen the promotion on epidemic prevention and work guidelines.

Under the third wave attack of COVID-19 in Hong Kong, the operation of our Group will inevitably be affected. Up to the date of this report, COVID-19 pandemic has not caused material financial impact to the Group. The Group remained in a healthy and sound liquidity position as at 30 June 2020. The Group will keep continuous attention on the situation of COVID-19 pandemic and react actively to its impact on the financial position and operating results of the Group.

## OUTLOOK

We remain confident about the prospects of the environmental cleaning service industry, we shall strive to secure more new tenders from various government departments of Hong Kong. Apart from that, we shall explore and seize new business opportunities in the private sector to broaden our customer base, thereby generating further revenue to strengthen our financial position in the long run. Going forward, we shall continue to explore diversified investment opportunities that can maximize the return for our shareholders.

## FINANCIAL REVIEW

### Revenue

During the Reporting Period, the Group recorded a revenue of approximately HK\$146,335,000 (2019: approximately HK\$108,078,000), representing an increase of approximately HK\$38,257,000, or 35.4%, as compared to the corresponding period of 2019. Such increase was mainly attributable to several newly awarded contracts from the street cleaning solutions from the Food and Environmental Hygiene Department of the Hong Kong Government. These newly awarded contracts mainly comprised: (i) the provision of street cleaning service in Kowloon City District since October 2019 and (ii) the provision of street cleaning service in Wong Tai Sin District starting from March 2020. These newly awarded contracts contributed approximately HK\$42,841,000 of revenue in this quarter. However, approximately HK\$32,351,000 of revenue from three government contracts in Tuen Mun District, Fanling North District, and the mechanical street cleaning service contracts across all territories in the corresponding period was completed during 2019.

### Gross Profit and Gross Profit Margin

Our Group's gross profit increased by approximately HK\$10,105,000 or 107.6% from approximately HK\$9,392,000 for the three months ended 30 June 2019 to approximately HK\$19,497,000 for the Reporting Period. The Group's gross profit margin for the Reporting Period was approximately 13.3%, representing an increase of approximately 4.6% as compared to approximately 8.7% for the three months ended 30 June 2019. The improvement in gross profit margin was mainly attributable to (i) increase in revenue contribution from projects with better margin both from some private contracts and government contracts; and (ii) team effort in intensifying our work efficiency and cutting out wastage of material and excessive labour force.





## Other Income

Other income of the group increased from approximately HK\$176,000 for the three months ended 30 June 2019 to approximately HK\$2,238,000 for the Reporting Period. The increase was mainly due to (i) the Government subsidies from Anti-epidemic Fund of approximately HK\$1,653,000 and (ii) the Government subsidies from Employment Support Scheme of approximately HK\$482,000 received during the Reporting Period.

## Administrative Expenses

Administrative expenses mainly consist of staff costs and Directors' remuneration, insurance expense, depreciation, maintenance, office supplies and transportation expense, legal and professional fee, and other administrative expenses. Following the increase in contracted sales due to several newly awarded contracts, there was a corresponding increase in administrative expenses of our Group. Administrative expenses increased by approximately HK\$4,738,000 from approximately HK\$6,960,000 for the three months ended 30 June 2019 to approximately HK\$11,698,000 for the Reporting Period. The increase in administrative expenses are mainly attributable to (i) the increase of staff costs, which included wages and salaries, retirement benefits scheme contribution and the provision for long services payments (ii) the depreciation expenses on specialized vehicles and related motor vehicles expenses and (iii) the increase of insurance premium on newly awarded contracts.

## Finance Costs

Finance costs for our Group increased by approximately HK\$179,000 or 41.1% from approximately HK\$436,000 for the three months ended 30 June 2019 to approximately HK\$615,000 for the Reporting Period. The increase was mainly attributable to more interest expenses paid for the increase of borrowings resulting from the increase in business and the increase in interest paid under finance leases because 34 new vehicles were purchased under financing leases to cope with our increase in newly awarded contracts.

## Net Profit

During the Reporting Period, the Group recorded a net profit attributable to owners of the Company of approximately HK\$8,391,000 (as compared to net profit for three months ended 30 June 2019: approximately HK\$1,918,000), representing an increase of approximately 337.5%.

## DIVIDEND

The Board does not recommend the payment of a dividend for the three months ended 30 June 2020.



## 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 2020, 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	Percentage of interest
Mr. Wong Chong Shing ("Mr. C.S. Wong") (Note 1, 2)	Interest in controlled corporation; interest in persons acting in concert	369,000,000	61.50%
Mr. Wong Man Sing ("Mr. M.S. Wong") (Note 1, 3)	Interest in controlled corporation; interest in persons acting in concert	369,000,000	61.50%
Mr. Wong Chi Ho ("Mr. C.H. Wong") (Note 1, 4)	Interest in controlled corporation; interest in persons acting in concert	369,000,000	61.50%

#### *Notes:*

- 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.



2. 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.
3. 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.
4. 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 2020, 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 2020, 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*

<b>Name of Shareholders</b>	<b>Capacity/Nature</b>	<b>Number of ordinary shares</b>	<b>Percentage of interest</b>
Man Shing Global Limited ( <i>Note 1</i> )	Beneficial owner	175,500,000	29.25%
Lik Hang Investment Company Limited ( <i>Note 2</i> )	Beneficial owner	175,500,000	29.25%
Ms. Wong Lai Man ( <i>Note 3</i> )	Interest of spouse	369,000,000	61.50%
Chun Shing Investment Limited ( <i>Note 4</i> )	Beneficial owner	18,000,000	3.00%
Ms. Wan Wing Ting ( <i>Note 5</i> )	Interest of spouse	369,000,000	61.50%

*Notes:*

1. 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.
2. 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.
3. Ms. Wong Lai Man, who is the spouse of Mr. M.S. Wong, is deemed to be interested in all shares in which Mr. M.S. Wong is interested.
4. Chun Shing Investment Limited is a company wholly owned by Mr. C.H. Wong. 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.
5. 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 2020, 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 2020 and up to the date of this report.

## 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 2020, 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 to 5.33 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 of the Group for the three months ended 30 June 2020 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 10 August 2020

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

