



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 THIRD QUARTERLY REPORT



CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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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 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.*

The board (the “**Board**”) of Directors is pleased to present the unaudited condensed consolidated results of the Group for the three months and nine months ended 31 December 2020, together with the comparative unaudited figures for the corresponding periods in 2019.

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

For the three months and nine months ended 31 December 2020

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue	3	140,872	152,564	432,724	393,551
Cost of sales		(121,687)	(127,603)	(375,648)	(343,528)
Gross profit		19,185	24,961	57,076	50,023
Other income	4	5,000	59	12,333	420
Administrative expenses		(15,142)	(14,856)	(38,281)	(33,790)
Finance costs	5	(411)	(747)	(1,618)	(1,828)
Profit before tax		8,632	9,417	29,510	14,825
Income tax expenses	6	(822)	(1,098)	(3,559)	(1,728)
Profit and total comprehensive income for the period	7	7,810	8,319	25,951	13,097
Earnings per shares (HK cents)					
Basic and diluted	8	1.30	1.38	4.33	2.18

Unaudited Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 December 2020

	Share Capital HK\$'000	Share Premium HK\$'000	Other Reserve HK\$'000 (Note i)	Retained Earnings HK\$'000	Total Equity HK\$'000
Balance as at 1 April 2020	6,000	42,463	110	24,319	72,892
Profit for the period	–	–	–	25,951	25,951
Balance as at 31 December 2020 (Unaudited)	6,000	42,463	110	50,270	98,843
Balance as at 1 April 2019	6,000	42,463	110	10,257	58,830
Profit for the period	–	–	–	13,097	13,097
Balance as at 31 December 2019 (Unaudited)	6,000	42,463	110	23,354	71,927

Note:

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



Notes to the Unaudited Condensed Consolidated Financial Statements

For the nine months ended 31 December 2020

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 have been listed on the GEM of the Stock Exchange since 13 April 2017.

The Directors consider the ultimate controlling parties during the nine months ended 31 December 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 its 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 PREPARATION

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

The third 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

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

	Three months ended 31 December		Nine months ended 31 December	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Street cleaning solutions	100,048	111,460	311,689	272,063
Building cleaning solutions	19,818	23,584	64,215	69,591
Bus and ferry cleaning solutions	9,535	10,062	29,342	34,071
Others	11,471	7,458	27,478	17,826
	140,872	152,564	432,724	393,551

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 allocates resources and assesses performance based on the unaudited condensed consolidated results of the single business engaged in the provision of cleaning services for the nine months ended 31 December 2020 and 2019 comprehensively. Accordingly, the Group does not present separately segment information.

4. OTHER INCOME

	Three months ended 31 December		Nine months ended 31 December	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Government subsidies from the Anti-epidemic Fund	9	–	2,340	–
Government subsidies from the Employment Support Scheme	4,969	–	9,799	–
Disposal of fixed asset	–	–	5	6
Bank interest income	6	45	70	198
Sundry income	16	14	119	216
	5,000	59	12,333	420



5. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Interest on:				
Bank borrowings	109	429	721	696
Lease liabilities	302	318	897	1,132
	411	747	1,618	1,828

6. INCOME TAX EXPENSES

	Three months ended 31 December		Nine months ended 31 December	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Current tax:				
Hong Kong Profits Tax	672	1,033	3,618	1,626
Deferred tax	150	65	(59)	102
	822	1,098	3,559	1,728

Notes:

- (a) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (b) Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. For the period ended 31 December 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% (nine months ended 31 December 2019: 16.5%).

7. PROFIT FOR THE PERIOD

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

	Three months ended 31 December		Nine months ended 31 December	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Staff costs (including directors' remuneration)				
Wage, salaries and other benefits	106,122	113,176	325,851	296,107
Retirement benefit scheme contributions	2,627	108	8,236	4,965
Provision for long service payments	1,411	1,418	4,219	4,202
Total staff costs	110,160	114,702	338,306	305,274
Auditors' remuneration	147	180	441	840
Depreciation of plant and equipment:				
– owned by the Group	303	488	902	1,326
– held under finance leases obligations	–	1,507	–	3,597
Depreciation of right-of-use assets	1,796	91	5,776	229
Minimum lease payments under operating leases in respect of offices	–	–	–	40
Lease payments not included in the measurement of lease liabilities	68	–	205	–



8. EARNINGS 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 31 December		Nine months ended 31 December	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	7,810	8,319	25,951	13,097

	Number of shares			
	2020 '000	2019 '000	2020 '000	2019 '000
Shares Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation	600,000	600,000	600,000	600,000

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the nine months ended 31 December 2020 and 2019.

9. DIVIDENDS

No dividend was paid or proposed by the Group during the nine months ended 31 December 2020 and 2019, nor has any dividend been paid or proposed since the end of the Reporting Period.

Management Discussion and Analysis

BUSINESS REVIEW

During the Reporting Period, the Group's contracted sales managed to achieve stable growth as compared to the prior period. Such growth was mainly attributable to the award of two major contracts for the provision of street cleaning services in Kowloon City District in October 2019 and the award of the contract for the provision of street cleaning services in Wong Tai Sin District (North) in March 2020. Through strengthening our collaboration with our customers from both public and private sectors, the management continuously strives to search for more new business opportunities.

To build on our competitive strengths, the Group constantly deploys strategies which focus on enhancing operational efficiencies, improving the customer experience through product and service enhancement and better asset utilization. Additionally, we continue to implement various business strategies to reinforce our position as one of the market leaders, such as to continuously expand the scale of operation, maintain strong business relationships with our clients and identify potential business opportunities to further line up our growth in the cleaning industry.

The Group has engaged in the provision of environmental cleaning solutions covering all 18 districts in Hong Kong for over 30 years and has steadily grown its business since inception. Our comprehensive portfolio of environmental cleaning solutions are mainly divided into four areas, namely (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.

During the Reporting Period, our wholly-owned subsidiary Curtaman Property Management Limited ("**Curtaman**") which was acquired in October 2019, has contributed approximately HK\$6,144,000 of revenue and approximately HK\$1,266,000 of profit before tax to the Group for the nine months ended 31 December 2020. In light of 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 environment since early 2020. In response to the threat of infectious diseases and to ensure the safety of our employees, we endeavour to provide adequate protective equipment, disinfection tools, and supplies for routine cleaning and disinfection to our employees notwithstanding the tight supply, and to strengthen the promotion on epidemic prevention and work guidelines.

Under the attack of COVID-19 in Hong Kong, the operations of our Group were inevitably affected. Nevertheless, up to the date of this report, COVID-19 pandemic has not caused any material financial impact to the Group. The Group maintained a healthy and sound liquidity position as at 31 December 2020. The Group will keep a close eye on the development of COVID-19 pandemic and will actively manage its impact on the financial position and operating results of the Group.



BUSINESS UPDATE

As disclosed in the Company's announcement dated 28 August 2020 and its 2020 Interim Report, on 27 August 2020, the Group received a letter from Food and Environmental Hygiene Department of the government of Hong Kong ("**FEHD**") informing the Group that Man Shing Cleaning Service Company Limited ("**Man Shing Cleaning**"), a wholly-owned subsidiary of the Company, is suspended from bidding cleaning service contracts of FEHD for a period of five years from 19 June 2020 (the "**Suspension**").

The Suspension is due to a breach of the Occupational Safety and Health Ordinance by Man Shing Cleaning on 19 June 2020 (the "**Breach**") for which it has been ordered to pay a penalty of HK\$6,000, as an employee of Man Shing Cleaning was injured in an accident happened during her course of employment. Since Man Shing Cleaning is a major subsidiary of the Company and the majority of its revenue is generated from cleaning service contracts granted by FEHD, the Board expects that the Suspension will cause an adverse effect on the revenue and profit of the Group. The Group has obtained legal advice in this regard, and is in the course of applying for a review of the Suspension decision.

In the meantime, the Group will implement appropriate measures to prevent similar incidents in future and will arrange for another subsidiary, which is qualified to bid for the cleaning service contracts of FEHD to substitute the role of Man Shing Cleaning in bidding FEHD's cleaning service contracts in future in order to mitigate the aforesaid adverse effect on the Group.

OUTLOOK

Although our major subsidiary is suspended for bidding new tenders from FEHD, we will strive to secure new FEHD tenders by another subsidiary of the Group. Furthermore, we will explore and secure new business opportunities from various government departments and 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 keep on exploring 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\$432,724,000 (2019: approximately HK\$393,551,000), representing an increase of approximately HK\$39,173,000, or 10.0%, as compared to the corresponding period of 2019. Such increase was mainly attributable to several newly awarded street cleaning contracts from FEHD, notwithstanding the completion of three government contracts in Tuen Mun District and Fanling North District and the mechanical street cleaning services contracts spanning across all territories with an aggregate revenue of HK\$73,679,000 which was awarded during the corresponding period in 2019. These newly awarded contracts include: (i) the provision of street cleaning service in Kowloon City District in October 2019; and (ii) the provision of street cleaning service in Wong Tai Sin District starting from March 2020, which contributed approximately HK\$131,843,000 of the Group's revenue for the Reporting Period.

Gross Profit and Gross Profit Margin

Our Group's gross profit increased by approximately HK\$7,053,000 or 14.1% from approximately HK\$50,023,000 for the nine months ended 31 December 2019 to approximately HK\$57,076,000 for the Reporting Period. The Group's gross profit margin for the Reporting Period was approximately 13.2%, representing an increase of approximately 0.5% as compared to approximately 12.7% for the nine months ended 31 December 2019. The improvement in gross profit margin was mainly attributable to (i) the increase in revenue contribution from certain private and government projects with higher profit margin; and (ii) the team effort in boosting our work efficiency and reducing wastage of material and excessive labour force.

Other Income

Other income of the Group increased from approximately HK\$420,000 for the nine months ended 31 December 2019 to approximately HK\$12,333,000 for the Reporting Period. The increase was mainly due to (i) subsidies provided by the Hong Kong Government under the Anti-epidemic Fund of approximately HK\$2,340,000; and (ii) subsidies provided by the Hong Kong Government under the Employment Support Scheme of approximately HK\$9,799,000 to the Group during the Reporting Period.

Administrative Expenses

Administrative expenses mainly consist of staff costs and Directors' remuneration, insurance expenses, depreciation, maintenance, office supplies and transportation expenses, legal and professional fees, 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\$4,491,000 from approximately HK\$33,790,000 for the nine months ended 31 December 2019 to approximately HK\$38,281,000 for the Reporting Period. The increase in administrative expenses was 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 decreased by approximately HK\$210,000 or 11.5% from approximately HK\$1,828,000 for the nine months ended 31 December 2019 to approximately HK\$1,618,000 for the Reporting Period. Such decrease was mainly attributable to the decrease in the amount of interest expenses paid for the bank borrowings.

Net Profit

During the Reporting Period, the Group recorded a net profit attributable to owners of the Company of approximately HK\$25,951,000 (as compared to net profit for the nine months ended 31 December 2019: approximately HK\$13,097,000), representing an increase of approximately 98.1%.

DIVIDEND

The Board does not recommend the payment of a dividend for the nine months ended 31 December 2020 (for the nine months ended 31 December 2019: Nil).



DISCLOSURE OF INTERESTS

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

As at 31 December 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.
- 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 31 December 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 shares 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 31 December 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

Name of Shareholders	Capacity/Nature	Number of ordinary shares	Percentage of interest
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 31 December 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, and they are not aware of any other conflicts of interest which any such person has or may have with the Group during the Reporting Period 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 adopted and complied with the principles and all the applicable code provisions set out in the Corporate Governance Code (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 enquiries 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 of the Company 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 made in accordance with the provision of Chapter 23 of the GEM Listing Rules.

As at 31 December 2020, no share options 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 there is sufficient public float of at least 25% of the Company’s issued shares 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 (i) supervising and providing an independent review of the financial reporting process of the Group; and (ii) monitoring and evaluating the effectiveness of the internal controls of our Group as well as the adequacy of the external and internal audits.

The unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2020 have not been audited by the auditors of the Company but have 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, 8 February 2021

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 independent non-executive Directors, namely, Mr. Lee Pak Chung, Mr. Au-Yeung Tin Wah and Mr. Chiu Ka Wai.