



# 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)

## 2021

### INTERIM REPORT



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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

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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. Tong Wai Kit, Raymond

### 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 OFFICER

Mr. Wong Chong Shing

## AUDITORS

CCTH CPA Limited

## LEGAL ADVISOR

KEITH LAM LAU & CHAN

## PRINCIPAL BANKERS

Shanghai Commercial Bank Limited  
Fubon Bank (Hong Kong) Limited  
Standard Chartered Bank  
O-Bank Co. Ltd  
DBS Bank (Hong Kong) Limited  
The Hongkong and Shanghai Banking Corporation Limited

## WEBSITE ADDRESS

[www.manshing.com.hk](http://www.manshing.com.hk)

## STOCK CODE

8309



The board (the “**Board**”) of Directors is pleased to present the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2021 (the “**Reporting Period**”), together with the comparative unaudited figures for the corresponding period in 2020.

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

For the six months ended 30 September 2021

	Notes	Three months ended 30 September		Six months ended 30 September	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	3	<b>114,095</b>	145,517	<b>265,203</b>	291,852
Cost of sales		<b>(106,523)</b>	(127,123)	<b>(242,300)</b>	(253,961)
Gross profit		<b>7,572</b>	18,394	<b>22,903</b>	37,891
Other income	4	<b>1,117</b>	5,095	<b>1,325</b>	7,333
Administrative expenses		<b>(11,882)</b>	(11,441)	<b>(22,316)</b>	(23,139)
Finance costs	5	<b>(469)</b>	(592)	<b>(934)</b>	(1,207)
Profit/(loss) before tax		<b>(3,662)</b>	11,456	<b>978</b>	20,878
Income tax recoverable/(expenses)	6	<b>2</b>	(1,706)	<b>(572)</b>	(2,737)
Profit/(loss) and total comprehensive income/(expenses) for the period	7	<b>(3,660)</b>	9,750	<b>406</b>	18,141
Earnings/(loss) per shares (HK cents)					
Basic and diluted	8	<b>(0.61)</b>	1.63	<b>0.07</b>	3.02



# Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2021

	Notes	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
Non-current assets			
Plant and equipment	10	8,561	2,799
Right-of-use assets		17,660	20,767
Goodwill		4,095	4,095
		<b>30,316</b>	27,661
Current assets			
Trade receivables	11	72,612	53,188
Prepayments, deposits and other receivables		18,069	12,543
Pledged bank deposits		54,197	33,125
Restricted bank balances		1,203	1,382
Bank balances and cash		29,427	70,545
		<b>175,508</b>	170,783
Current liabilities			
Trade payables	12	9,850	7,031
Accruals and other payables		42,671	40,972
Income tax payable		1,197	946
Lease liabilities		14,778	8,045
Long service payment obligations		–	5,926
Bank and other borrowings		24,710	17,303
		<b>93,206</b>	80,223
Net current assets		<b>82,302</b>	90,560
		<b>112,618</b>	118,221
Capital and reserves			
Share capital	13	6,000	6,000
Reserves		95,913	95,507
Total equity		<b>101,913</b>	101,507
Non-current liabilities			
Lease liabilities		2,178	12,114
Long service payment obligations		6,778	2,836
Deferred tax liabilities		1,749	1,764
		<b>10,705</b>	16,714
		<b>112,618</b>	118,221



# Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2021

	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 2021	6,000	42,463	110	52,934	101,507
Profit for the period	–	–	–	406	406
Balance as at 30 September 2021 (Unaudited)	6,000	42,463	110	53,340	101,913
Balance as at 1 April 2020	6,000	42,463	110	24,319	72,892
Profit for the period	–	–	–	18,141	18,141
Balance as at 30 September 2020 (Unaudited)	6,000	42,463	110	42,460	91,033

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.



# Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2021

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES	<b>(71,328)</b>	2,718
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES	<b>26,006</b>	(866)
NET CASH GENERATED FROM FINANCING ACTIVITIES	<b>4,204</b>	15,342
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<b>(41,118)</b>	17,194
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<b>70,545</b>	40,154
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<b>29,427</b>	57,348



# Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2021

## 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 since 13 April 2017.

The Directors consider the ultimate controlling parties during the six months ended 30 September 2021 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 2021.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are the provision of (i) 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; and (ii) property management 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 condensed consolidated interim 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 (“**HKICPA**”), the requirements of the Hong Kong Companies Ordinance (“**HKCO**”) Cap. 622 and the GEM Listing Rules.

The accounting policies used in the condensed consolidated financial statements for the six months ended 30 September 2021 are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2021 except for the changes mentioned below.

In the current interim period, the Group has adopted the below amendments which are relevant to the Group’s condensed consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7,  
HKFRS 4 and to HKFRS 16

Interest Rate Benchmark Reform – Phase 2

The Group has assessed the impact of the adoption of the above amendments and considered that there was no significant impact on the Group’s results and financial position or any substantial changes in the Group’s accounting policies. The Group has not applied any new standards or interpretation that is not yet effective for the current accounting period.

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

The interim 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 (i) cleaning and related services; and (ii) property management services. An analysis of the Group's revenue is as follows:

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Street cleaning solutions	62,036	105,086	162,619	211,641
Building cleaning solutions	21,105	21,571	41,940	44,397
Bus and ferry cleaning solutions	17,948	9,864	35,701	19,807
Others cleaning services	10,888	8,996	20,829	16,007
Property management services	2,118	–	4,114	–
	<b>114,095</b>	145,517	<b>265,203</b>	291,852

#### Segment information

For management purposes, the Group is organised into the following reportable operating segments based on the services rendered by the Group:

- Environmental cleaning services: provision of street cleanings, building cleaning, bus and ferry cleaning and other cleaning services
- Property management services: provision of property management services

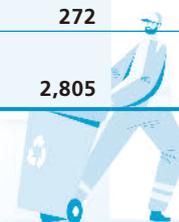
Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that bank interest income, government subsidies, finance costs, as well as other head office and corporate expenses are excluded from such measurement.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

#### Segment revenue and results

	Segment revenue Six months ended 30 September		Segment profit/(loss) Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Environmental cleaning services	261,089	287,723	2,533	15,108
Property management services	4,114	4,129	272	1,144
	<b>265,203</b>	291,852	<b>2,805</b>	16,252



### 3. REVENUE (Continued)

#### Segment revenue and results (Continued)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment services in the current year (2020: Nil).

	<b>Six months ended 30 September 2021 HK\$'000 (Unaudited)</b>	Six months ended 30 September 2020 HK\$'000 (Unaudited)
Segment profit reported above	<b>2,805</b>	16,252
Government subsidies	–	7,161
Bank interest income	<b>24</b>	64
Corporate and other unallocated expenses – net	<b>(917)</b>	(1,392)
Finance costs	<b>(934)</b>	(1,207)
Profit before tax	<b>978</b>	20,878
Income tax expense	<b>(572)</b>	(2,737)
Profit for the period	<b>406</b>	18,141

#### Segment assets and liabilities

	<b>As at 30 September 2021 HK\$'000 (Unaudited)</b>	As at 31 March 2021 HK\$'000 (Audited)
<b>Segment assets</b>		
Environmental cleaning services	<b>202,194</b>	194,888
Property management services	<b>3,201</b>	3,110
Total segment assets	<b>205,395</b>	197,998
Corporate and other unallocated assets	<b>429</b>	446
Total assets	<b>205,824</b>	198,444
<b>Segment liabilities</b>		
Provision of cleaning services	<b>101,403</b>	93,715
Property management services	<b>1,621</b>	1,836
Total segment liabilities	<b>103,024</b>	95,551
Corporate and other unallocated liabilities	<b>887</b>	1,386
Total liabilities	<b>103,911</b>	96,937



#### 4. OTHER INCOME

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Government subsidies from Anti-epidemic Fund	–	678	–	2,331
Government subsidies from Employment Support Scheme	–	4,348	–	4,830
Disposal of fixed asset	962	–	1,165	5
Bank interest income	24	63	24	64
Sundry income	131	6	136	103
	<b>1,117</b>	<b>5,095</b>	<b>1,325</b>	<b>7,333</b>

#### 5. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Interest on:				
Bank borrowings	251	297	463	612
Lease liabilities	218	295	471	595
	<b>469</b>	<b>592</b>	<b>934</b>	<b>1,207</b>



## 6. INCOME TAX EXPENSES

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Current tax:				
Hong Kong Profits Tax	201	1,556	826	2,946
Deferred tax	(203)	150	(254)	(209)
	(2)	1,706	572	2,737

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 2021 and 2020, 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 2020: 16.5%).

## 7. PROFIT FOR THE PERIOD

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

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Staff costs (including directors' remuneration)				
Wage, salaries and other benefits	85,381	110,406	202,034	219,729
Retirement benefit scheme contributions	2,513	2,810	5,515	5,609
Provision for long service payments	4,077	1,388	5,401	2,808
Total staff costs	91,971	114,604	212,950	228,146
Auditors' remuneration	189	156	314	294
Depreciation of plant and equipment	229	76	522	599
Depreciation of right-of-use assets	1,728	2,457	3,559	3,980
Short term lease expenses	69	69	137	137



## 8. EARNINGS/(LOSS) PER SHARE

The calculation of the 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	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic earnings/(loss) per share calculation	(3,660)	9,750	406	18,141
	Number of shares			
	2021 '000	2020 '000	2021 '000	2020 '000
<b>Shares</b> Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings/(loss) per share calculation	600,000	600,000	600,000	600,000

The diluted 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 2021 and 2020.

## 9. DIVIDENDS

No dividend was proposed by the Group during the six months ended 30 September 2021 and 2020.

During the current interim period, a final dividend in respect of the year ended 31 March 2021 of HK\$1.5 cent per ordinary share (2020: Nil), in an aggregate amount of HK\$9,000,000 (2020: Nil) was approved at the annual general meeting held on 5 August 2021 and paid in full by October 2021.

## 10. PLANT AND EQUIPMENT

During the six months ended 30 September 2021, the Group acquired certain plant and equipment of approximately HK\$6,315,000 (six months ended 30 September 2020: HK\$123,000).

During the six months ended 30 September 2021, the Group disposed of certain motor vehicles with carrying amount of approximately HK\$37,000 (six months ended 30 September 2020: HK\$Nil) for cash proceeds of approximately HK\$1,202,000 (six months ended 30 September 2020: HK\$5,000), resulting in a net gain on disposal of approximately HK\$1,165,000 (six months ended 30 September 2020: HK\$5,000).



## 11. TRADE RECEIVABLES

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
Trade receivables	<b>72,612</b>	53,188

The Group allows a credit period of not more than 60 days to its trade customers. The following is an aged analysis of trade receivables presented based on the invoice date and net of loss allowance, which approximate the respective revenue recognition dates, at the end of the Reporting Period.

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
0 to 60 days	<b>66,345</b>	51,958
61 to 90 days	<b>2,891</b>	19
Over 91 days	<b>3,376</b>	1,211
	<b>72,612</b>	53,188

No impairment of trade receivables had been recognised during the six months ended 30 September 2021 and an impairment of HK\$261,000 has been made for the year ended 31 March 2021.

## 12. TRADE PAYABLES

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
Trade payables	<b>9,850</b>	7,031

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

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
0 to 60 days	<b>7,888</b>	5,097
61 to 90 days	<b>9</b>	6
Over 91 days	<b>1,953</b>	1,928
	<b>9,850</b>	7,031



### 13. SHARE CAPITAL

	30 September 2021 (Unaudited)		31 March 2021 (Audited)	
	Number of ordinary shares '000	Share capital HK\$'000	Number of ordinary shares '000	Share capital HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each	10,000,000	100,000	10,000,000	100,000
Issued and fully paid:				
Ordinary shares of HK\$0.01 each	600,000	6,000	600,000	6,000

### 14. RELATED PARTY TRANSACTION

The Group also had the following transactions with its related parties during the Reporting Period:

#### (a) Transaction

Related party	Nature of transaction	Notes	Three months ended 30 September		Six months ended 30 September	
			2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Mr. Wong Chong Shing	Lease payment	(i)	107	105	212	202
Mr. Lo Wing Keung	Consultancy fee	(ii)	30	90	60	180

Notes:

- (i) Lease payment 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.
- (ii) Consultancy fee paid to a director of a subsidiary, Mr. Lo Wing Keung, was made on mutually agreed terms.

#### (b) Compensation of key management personnel

The remuneration of directors of the Company and other key management personnel during the Reporting Period was as follows:

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Short term benefits	3,309	2,578
	3,309	2,578



# Management Discussion and Analysis

## BUSINESS REVIEW

During the Reporting Period, the Group's revenue slightly declined as compared to the prior period. Such decrease was mainly attributable to the completion of two major services contracts for the provision of street cleaning services in Sham Shui Po District (East) and Sham Shui Po District (West) in May 2021, representing a decrease of revenue amounting to approximately HK\$31,137,000 as compared to the prior period.

On the other hand, the management has continuously strove for more business opportunities and the Group has (i) been awarded two services contracts from bus and ferry cleaning solutions in January 2021 and April 2021 respectively; (ii) been granted a renewal of the contract in providing street cleaning services in Tsuen Wan District (West) since May 2021; (iii) been engaged in the provision of related handling services for public crematoria in the territory since May 2021; and (iv) an increase in engagements for other cleaning solutions from the private sector.

## Cleaning Solution Services

The provision of cleaning solutions services remains the main business of the Group. The Group has engaged in this business for over 30 years and has been steadily growing since its inception. Our business covers a comprehensive portfolio of environmental cleaning solutions, including providing street cleaning solutions, building cleaning solutions, bus and ferry cleaning solutions, waste management services, external wall and window cleaning, confined space cleaning as well as pest control and fumigation services in Hong Kong.

Notwithstanding the fact that our major subsidiary was suspended by the Food and Environmental Hygiene Department of the Government of Hong Kong (the "FEHD") from bidding cleaning service contracts, the Group has successfully secured two service contracts from the FEHD during the Reporting Period through another subsidiary.

Furthermore, we have been awarded seven large scale services contracts from the government for a period of three years from October 2021 onwards. The award of such contracts by the government signifies their recognition of our quality service, which is able to meet their stringent requirements.

## Property Management Services

Though the revenue contributed by our property management services remains limited, it provided a stable and steady revenue stream to our Group. We believe the property management services may pose a synergy effect on our existing cleaning solution services and become one of our main income streams in the future.

## OUTLOOK

Moving forward, we remain confident about the prospects of the environmental cleaning services industry. The award of seven large scale services contracts from the government in the four quarter of 2021 strengthens our Group's business and financial status for further expansion.

We will continue to establish closer ties with our customers from both government and private sectors to secure various new projects in the industry and broaden our customer base. While striving to explore further business opportunities and maximize our market share in our business segments, we will continue to implement stringent internal control to enhance operational efficiency and to improve our financial position in order to maximize the return for our shareholders.



## FINANCIAL REVIEW

### Revenue

During the Reporting Period, the Group recorded a revenue of approximately HK\$265,203,000 (2020: approximately HK\$291,852,000), representing a decrease of approximately HK\$26,649,000, or 9.1%, as compared to the corresponding period of 2020. Such decrease was mainly attributable to the completion of two major services contracts for the provision of street cleaning services in Sham Shui Po District (East) and Sham Shui Po District (West) in May 2021, representing a decrease of revenue amounting to approximately HK\$31,137,000 as compared to the prior period.

### Gross Profit and Gross Profit Margin

Our Group's gross profit decreased by approximately HK\$14,988,000 or 39.6% from approximately HK\$37,891,000 for the six months ended 30 September 2020 to approximately HK\$22,903,000 for the Reporting Period. The Group's gross profit margin for the Reporting Period was approximately 8.6%, representing a decrease of approximately 4.4% as compared to approximately 13.0% for the six months ended 30 September 2020. The decrease of gross profit and gross profit margin was mainly due to the increase in provision of long service payment of approximately HK\$2,593,000 during the Reporting Period.

### Other Income

Other income of the Group decreased from approximately HK\$7,333,000 for the six months ended 30 September 2020 to approximately HK\$1,325,000 for the Reporting Period. The decrease was mainly due to (i) the government subsidies from the Anti-epidemic Fund of approximately HK\$2,331,000; and (ii) the government subsidies from the Employment Support Scheme of approximately HK\$4,830,000 received during the six months ended 30 September 2020 and no such subsidies were 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. Administrative expenses decreased by approximately HK\$823,000 from approximately HK\$23,139,000 for the six months ended 30 September 2020 to approximately HK\$22,316,000 for the Reporting Period. The decrease in administrative expenses was mainly attributable to the decrease of staff welfare expenses and insurance expenses.

### Finance Costs

Finance costs for our Group decreased by approximately HK\$273,000 or 22.6% from approximately HK\$1,207,000 for the six months ended 30 September 2020 to approximately HK\$934,000 for the Reporting Period. The decrease was mainly attributable to the decrease in the amount of interest expenses paid for bank borrowings and finance leases.

### Net Profit

During the Reporting Period, the Group recorded a net profit attributable to owners of the Company of approximately HK\$406,000, representing a decrease of approximately 97.8% as compared to the net profit of approximately HK\$18,141,000 generated by the Group for the six months ended 30 September 2020.



## DIVIDEND

The Board does not recommend the payment of a dividend for the six months ended 30 September 2021 (for the six months ended 30 September 2020: Nil).

The Board recommended the payment of a final dividend of HK1.5 cents per ordinary share for the year ended 31 March 2021 on 24 June 2021, which was approved by the shareholders of the Company in the annual general meeting of the Company held on 5 August 2021. Such final dividend was fully paid to the shareholders of the Company on 20 October 2021 whose names appear on the register of members of the Company on 5 October 2021.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group maintains a stable financial position. For the six months ended 30 September 2021, all the Group's business operations took place in Hong Kong, which was mainly financed by the revenue generated from the Group's operating activities and bank borrowings.

As at 30 September 2021, the Group has available cash and bank balance amounting to approximately HK\$29,427,000 (31 March 2021: HK\$70,545,000), representing an decrease of approximately 58.3% from 31 March 2021. Cash and bank balances are denominated in Hong Kong dollars.

As at 30 September 2021, the Group's total current assets and current liabilities were approximately HK\$175,508,000 (31 March 2021: HK\$170,783,000) and HK\$93,206,000 (31 March 2021: HK\$80,223,000) respectively, while the current ratio of our Group as at 30 September 2021 was 1.88 times as compared to that of 2.13 times as at 31 March 2021. The liquidity position of the Group was thus maintained at a healthy level.

As at 30 September 2021, the Group's bank borrowings amounted to approximately HK\$24,710,000 (31 March 2021: HK\$17,303,000), representing an increase of approximately 42.8%; the Group's lease liabilities were approximately HK\$16,956,000 (31 March 2021: HK\$20,159,000), which was made for the same purpose as that of the previous year to finance the acquisition of motor vehicles for operational usage. The average lease terms were five years during the Reporting Period. The secured bank borrowings carried interest at floating rates referenced to HK\$ Prime Rate plus or minus a spread and ranging from 2.39% to 3.66% per annum. The effective interest rate for the lease liabilities for the Reporting Period were under fixed rates and ranged from 1.98% to 3.42% per annum. All borrowings were denominated in Hong Kong dollars and were repayable within 5 years. During the Reporting Period, no financial instruments were used for hedging purposes.

The gearing ratio of the Group was approximately 24.2% as at 30 September 2021 (31 March 2021: 17.0%), which was calculated based on all interest-bearing bank borrowings for our general business operations divided by total equity of the Group.

With available cash and bank balance and banking facilities, we have sufficient liquidity to satisfy our operation and funding needs.

As at 30 September 2021, 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\$101,913,000 respectively.



## CONTINGENT LIABILITIES

We maintained to utilize bank credit facilities including but not limited to bank guarantees which were solely used to support the provision of any financial obligation accruing to certain service contracts. According to the terms of such contracts, we are obliged to provide due performance and decent work to complete the contracts to the satisfaction of the customer. In the event where we are held liable to settle any potential liabilities arising from any allegation of breach of any contractual duties, these bank guarantees will serve as an iron clad protection for our customers, especially when there is a claim for compensation in relation to the occurrence of any accidents.

As at 30 September 2021, the amount of pledged deposit to banks for the aforesaid facilities was approximately HK\$54,197,000 (31 March 2021: approximately HK\$33,125,000).

During the six months ended 30 September 2021, the Group was involved in litigation claims in relation to personal injuries brought by its employees or third party claimants.

In the opinion of the Directors, (i) the potential liabilities arising from relevant legal proceedings are not material, and thus no such liabilities have been accounted for in the unaudited condensed consolidated interim financial statements; and (ii) such litigation claims are expected to be adequately covered by the relevant insurance policies.

## CAPITAL COMMITMENTS

As at 30 September 2021, there was no capital commitment for the Group (31 March 2021: 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 dollars. As no monetary assets were denominated in foreign currencies, the Group did not engage in any derivatives agreement and did not commit itself 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.

## SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

Our Group did not engage in any material investments, acquisitions or disposals during the Reporting Period.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this interim report, the Group does not have any present plans for material investments and capital assets.



## CHARGE OVER OUR GROUP'S ASSETS

The total interest-bearing debts of our Group, including bank and other borrowings, lease liabilities and obligations under finance leases amounted to approximately HK\$41,666,000 (31 March 2021: HK\$37,462,000) as at 30 September 2021. As at 30 September 2021, our Group had general banking facilities amounted to HK\$259,173,000 (31 March 2021: HK\$173,800,000).

As at 30 September 2021, our Group had secured bank borrowings with an outstanding balance of approximately HK\$24,710,000 (31 March 2021: HK\$16,040,000) and utilized performance bond of approximately HK\$46,689,000 (31 March 2021: HK\$45,084,000). As at 30 September 2021, the general banking facilities were secured by (i) corporate guarantee executed by the Company, and (ii) certain cash deposits and certain trade receivables of a subsidiary.

As at 30 September 2021, the lease liabilities amounted to approximately HK\$16,956,000 (31 March 2021: HK\$20,159,000 as shown under finance lease liabilities), were secured by the lessor's charge over the leased assets and corporate guarantees executed by the Company.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2021, our Group had approximately 2,535 employees (31 March 2021: 5,187 employees). The total staff costs of the Group, including Directors' emoluments and discretionary bonus, were approximately of HK\$212,950,000 for the six months ended 30 September 2021 (six months ended 30 September 2020 approximately of HK\$228,146,000).

Remuneration is determined based on each employee's qualification, position and seniority. In addition to a basic salary, year-end discretionary bonuses will be offered with reference to our Group's performance as well as individual's performance 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 benefits like provision of retirement benefits, various types of trainings and sponsorship of training courses. We have 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.



## 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 2021, 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 Codes on Takeovers and Mergers and Share Buy-backs) 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 (i) 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 September 2021, 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 30 September 2021, 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*

<u>Name of Shareholders</u>	<u>Capacity/Nature</u>	<u>Number of ordinary shares</u>	<u>Percentage of interest</u>
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 September 2021, 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.

## CHANGE IN INFORMATION OF DIRECTORS

The Company is not aware of any change in Directors' information which are required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules subsequent to the date of the 2021 annual 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 30 September 2021, 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 six months ended 30 September 2021 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, 11 November 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.*

