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)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2019

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.

*This announcement, for which the directors of Man Shing Global Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to Man Shing Global Holdings Limited. The directors of Man Shing Global Holdings Limited, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.*

The board (the "**Board**") of directors (the "**Directors**") of Man Shing Global Holdings Limited (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2019 (the "**Year**" or "**Reporting Period**") together with the comparative figures for the year ended 31 March 2018.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2019

		2019	2018
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**342,144**	423,494
Cost of sales		**(314,798)**	(396,692)
Gross profit		**27,346**	26,802
Other income	*4*	**2,481**	2,606
Administrative expenses		**(25,493)**	(36,300)
Finance costs	*5*	**(1,467)**	(2,721)
Profit (loss) before tax		**2,867**	(9,613)
Income tax expenses	*7*	**(641)**	(411)
Profit (loss) and other comprehensive income (expense) for the year attributable to owners of the Company	*6*	**2,226**	(10,024)
Earnings (loss) per share (HK cents)			
Basic and diluted	*9*	**0.37**	(1.68)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2019

	Notes	**2019** **HK$'000**	2018 HK$'000
Non-current asset			
Plant and equipment		**10,955**	12,645
Current assets			
Trade receivables	*10*	**45,334**	49,548
Prepayments, deposits and other receivables		**6,889**	4,803
Tax recoverable		**1,591**	3,536
Pledged bank deposits		**20,159**	30,643
Bank balances and cash		**33,448**	28,640
		107,421	117,170
Current liabilities			
Trade payables	*11*	**9,154**	9,407
Accruals and other payables		**22,906**	25,163
Tax payables		**42**	17
Obligations under finance leases		**2,755**	3,563
Bank and other borrowings		**11,975**	25,306
		46,832	63,456
Net current assets		**60,589**	53,714
		71,544	66,359
Capital and reserves			
Share capital		**6,000**	6,000
Reserves		**52,830**	50,916
		58,830	56,916
Non-current liabilities			
Obligations under finance leases		**4,623**	6,493
Long service payment obligations		**4,188**	2,815
Deferred tax liabilities		**583**	135
Other borrowings		**3,320**	–
		12,714	9,443
		71,544	66,359

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2019

1. GENERAL

The Company was incorporated on 18 March 2016 in the Cayman Islands as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and the shares of the Company are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 13 April 2017.

Its ultimate controlling parties during the year are Mr. Wong Man Sing, Mr. Wong Chong Shing and Mr. Wong Chi Ho. The addresses of the registered office and the principal place of business of the Company are disclosed in the corporate information section to the annual report.

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

These 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. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and amendments to HKFRSs, issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of Annual Improvement to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of the above new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 Financial Instruments and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("**ECL**") for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained earnings, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

Classification and measurement of financial instruments

The directors of the Company reviewed and assessed the Group's existing financial assets and liabilities as at 1 April 2018 based on the facts and circumstances that existed at that date and concluded that all recognised financial assets and financial liabilities that are within the scope of HKFRS 9 are continued to measure at amortised cost as were previously measured under HKAS 39.

Loss allowance for expected credit losses ("ECL")

The adoption of HKFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing HKAS 39's incurred loss model with a forward-looking ECL approach. As at 1 April 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirement of HKFRS 9.

As at 1 April 2018, an additional allowance on the Group's trade receivables of HK$312,000, have been recognised, thereby reducing the opening retained earnings of HK$312,000.

HKFRS 15 Revenue from contracts with customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations. The new standard established a five-step model for determining whether, how much and when revenue is recognised.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening retained earnings and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 April 2018 and comparative information is not restated. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue and the related interpretations.

The adoption of HKFRS 15 does not have a significant impact on when the Group recognise revenue from provision of services. The adoption of HKFRS 15 does not have significant impact on the retained earnings and the consolidated statement of financial position as at 1 April 2018.

New and amendments to HKFRSs issued but not yet effective

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

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[3]
Amendments to HKFRS	Annual Improvements to HKFRSs 2015–2017 Cycle[1]
Amendments to HKFRS 3	Definition of a Business[5]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 1 and HKAS 8	Definition of Material[2]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments[1]

1 Effective for annual periods beginning on or after 1 January 2019.

2 Effective for annual periods beginning on or after 1 January 2020.

3 Effective for annual periods beginning on or after 1 January 2021.

4 Effective date not yet been determined.

5 Effective for business combinations and assets acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

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:

Revenue from contracts with customers within the scope of HKFRS 15 disaggregated by service lines for the year ended 31 March 2019

	2019	2018*
	HK$'000	*HK$'000*
Street cleaning solutions	**182,065**	285,170
Building cleaning solutions	**101,585**	105,960
Bus and ferry cleaning solutions	**45,200**	24,757
Other cleaning services	**13,294**	7,607
	342,144	423,494

* The amounts for the year ended 31 March 2018 were recognised under HKAS 18.

During the year ended 31 March 2019, the Group's revenue is recognised over time.

Segment revenues, results, assets and liabilities

The Group currently operates in one operating and reportable segment which is the provision of cleaning services. A single management team reports to the directors of the Group (being the chief operating decision-maker) who allocates resources and assesses performance based on the consolidated result of the single business engaged in the provision of cleaning services for the years ended 31 March 2019 and 2018 comprehensively. Accordingly, the Group does not present separately segment information.

Geographical information

The Group is organised into a single operating segment and all revenue are derived from Hong Kong and all the assets are located in Hong Kong.

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total sales of the Group is as follows:

	2019	2018
	HK$'000	*HK$'000*
Customer A	**182,065**	285,170

4. OTHER INCOME

	2019	2018
	HK$'000	*HK$'000*
Bank interest income	**80**	75
Gain on disposal of plant and equipment	**2,358**	2,492
Sundry income	**43**	39
	2,481	2,606

5. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
Interest on:		
Bank and other borrowings	**887**	2,095
Obligations under finance leases	**580**	626
	1,467	2,721

6. PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year has been arrived at after charging:

	2019	2018
	HK$'000	*HK$'000*
Staff costs (including directors' remuneration)		
Wages, salaries and other benefits	**266,275**	341,205
Retirement benefits scheme contributions	**7,496**	10,832
Provision for long service payments	**2,931**	1,347
Redundancy costs	**845**	2,794
Total staff costs	**277,547**	356,178
Auditors' remuneration	**683**	700
Listing expenses	**–**	7,509
Depreciation of plant and equipment:		
– owned by the Group	**747**	687
– held under finance leases obligation	**4,052**	7,030
Minimum lease payments under operating leases in respect of offices	**363**	334

7. INCOME TAX EXPENSES

	2019	2018
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**193**	1,156
Deferred tax	**448**	(745)
	641	411

Pursuant to the rule and regulations of the Cayman Islands and the British Virgin Islands (the "**BVI**"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

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 year ended 31 March 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% (2018: a single tax rate of 16.5% was applied).

8. DIVIDENDS

No dividend was paid or proposed by the Group for the years ended 31 March 2019 and 2018, or has any dividend been proposed since the end of the reporting period.

9. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share attributable to owners of the Company are based on the following data:

	2019	2018
	HK$'000	*HK$'000*
Earnings (loss)		
Profit (loss) for the year attributable to owners of the Company, used in the basic earnings (loss) per share calculation	**2,226**	(10,024)

	Number of shares	
	2019	2018
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings (loss) per share calculation *(note)*	**600,000**	595,068

Note:

The weighted average number of ordinary shares in issue used in the basic earnings (loss) per share calculation for the year ended 31 March 2018 was determined on the assumption that capitalisation issue as described in the prospectus of the Company dated 30 March 2017 had been effective on 1 April 2017.

The dilutive earnings (loss) per share is equal to the basic earnings (loss) per share as there are no dilutive potential ordinary shares outstanding during the years ended 31 March 2018 and 2019.

10. TRADE RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables	**45,334**	49,548

As at 31 March 2019, the gross amount of trade receivables arising from contracts with customers amounted to HK$45,808,000 (1 April 2018: HK$49,548,000).

The Group allows a credit period of 0 to 60 days to its trade customers. The following is an aged analysis of trade receivables presented based on the invoice date and net of loss allowance, which approximated the respective revenue recognition dates, at the end of the reporting period.

	2019	2018
	HK$'000	*HK$'000*
0 to 60 days	**42,000**	45,960
61 to 90 days	**2,286**	835
Over 91 days	**1,048**	2,753
	45,334	49,548

11. TRADE PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Trade payables	**9,154**	9,407

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

	2019	2018
	HK$'000	*HK$'000*
0 to 60 days	**4,426**	7,558
61 to 90 days	**825**	105
Over 91 days	**3,903**	1,744
	9,154	9,407

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.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

With more than 30 years of experience in environmental cleaning solution industry in Hong Kong, we have steadily grown our business since our inception and now our wide range of services extend to cover all 18 districts throughout Hong Kong. Our comprehensive portfolio of environmental cleaning solutions are mainly divided into (i) street cleaning solutions which comprise street and public area cleaning, refuse collection point cleaning and pest control; (ii) building cleaning solution which comprise general building cleaning, refuse collection and waste disposal, toilet cleaning and janitorial services; (iii) bus and ferry cleaning solutions which comprise general depot and pier cleaning, vehicle and vessel cleaning, refuse collection and waste disposal, and toilet cleaning; and (iv) other cleaning services which include various one-off cleaning services such as external wall and window cleaning, confined space cleaning, as well as pest control and fumigation.

Last year was a year filled with challenges and opportunities. This Year, our revenue decreased by approximately 19.2% compared to the same period for the year ended 31 March 2018. Such decrease was mainly due to our failure to renew certain government contracts. However, the trend has slightly improved in the fourth quarter of the Year. We gradually rebuilt and revitalized our business and we successfully obtained three contracts, with a gross contract sum of approximately HK$386,821,000 for the provision of cleaning service in Tsuen Wan district as well as the provision of street cleaning service for Sham Shui Po District East & West.

Moreover, we also faced other obstacles during the Year, such as a cut-throat competition in the local cleaning service industry and rising labour costs. Nevertheless, we remained resilient and introduced various measures to cope with the said challenges. We managed our administrative costs by reducing the salaries of our management staff. Moreover, to boost our competitiveness in the industry, we injected capital to develop new technology, information systems and the automation of plant and machinery, and also allocated more financial resources for the training and development of our employees.

BUSINESS OUTLOOK

In the coming year, we will strive to secure new tenders from various government departments of Hong Kong that have not previously engaged our services. With our considerable resources, including our stable management force and experienced fleet management team, we believe that we are well-equipped to undertake new projects from government departments of Hong Kong, which generally require cleaning services providers with substantial resources and experiences such as our Group. Apart from expanding our business in the government sector, 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.

Also, the Hong Kong Government has introduced new policies in relation to waste management in recent years, such as a Food Waste & Yard Waste Plan for Hong Kong 2014-2022, the Producer Responsibility Scheme on Glass Beverage Containers, and a charging scheme on municipal solid waste. We believe the implementation of such policies will provide the Group with new business opportunities.

Going forward, we will continue to keep abreast of business and technology trends, and will fully utilize our financial resources to acquire new heavy-duty vehicles and automated machinery and equipment to assist our business operations. Highly committed to providing excellent service to our customers, we will formulate new business strategies and measures to improve our business performance and service quality.

FINANCIAL REVIEW

Revenue

During the Reporting Period, all of our Group's revenue was generated from the provision of environmental cleaning solutions which amounted to approximately HK$342,144,000 (2018: approximately HK$423,494,000), representing a decrease of approximately HK$81,350,000 or 19.2% as compared to the year ended 31 March 2018.

Such decrease was mainly attributable to the failure to renew the 6 contracts awarded by the Food and Environmental Hygiene Department of the Hong Kong Government with a contract sum of approximately HK$45,236,000, which represents approximately 13.22% of the total revenue of the Group for the Reporting Period.

During the Reporting Period, we implemented a new information system. Such system has brought enhancement in work efficiency through innovative planning, which has in turn reduced material costs, fuel consumption, depreciation charges and labour costs. All of the above factors have contributed to the improvements on the Group's gross profit margin when compared to that of the year ended 31 March 2018.

Gross profit and gross profit margin

Our Group's gross profit was slightly increased by approximately HK$544,000 or 2.02% from approximately HK$26,802,000 for the year ended 31 March 2018 to approximately HK$27,346,000 for the Reporting Period. Our Group's gross profit margin for the Reporting Period was approximately 8.0%, representing an increase of approximately 1.66% as compared to approximately 6.33% for the year ended 31 March 2018. The increase in gross profit and gross profit margin was mainly attributable to reduced material costs and labour costs.

Other income

Other income of our Group decreased by approximately HK$125,000 from approximately HK$2,606,000 for the year ended 31 March 2018 to approximately HK$2,481,000 for the Reporting Period. The decrease was mainly attributable to the non-recurring gain on disposal of few specialised vehicles in the year ended 31 March 2018 as compared to lesser amount of gain of specialised vehicles for the Reporting Period.

Administrative expenses

Administrative expenses of our Group decreased by approximately HK$10,807,000 from approximately HK$36,300,000 for the year ended 31 March 2018 to approximately HK$25,493,000 for the Reporting Period. Administrative expenses consist primarily of staff costs (including Directors' remuneration), insurance expenses related to fees for our insurance policies and business operations, depreciation, maintenance, office supplies and transportation expenses, legal and professional fees and other administrative expenses. Despite an increase in insurance premium of approximately HK$1,850,000, the decrease in administrative expenses was mainly attributable to the following factors: (i) listing expenses of approximately HK$7,509,000 incurred in the year ended 31 March 2018, which was non-recurring in nature, was not incurred during the Year; (ii) the implementation of a salary reduction program during the Reporting Period resulted in a decrease of salary and Directors' remuneration of approximately HK$1,633,000; (iii) bank charges decreased by approximately HK$603,000; (iv) depreciation charges was lower than that of the year ended 31 March 2018 by approximately HK$2,900,000 as more vehicles were sold during the Year and certain assets were fully depreciated during the Reporting Period; and (v) the overall operating costs for vehicles currently in use decreased by approximately HK$2,600,000.

Finance costs

Finance costs for our Group decreased by approximately HK$1,254,000 or 46% from approximately HK$2,721,000 for the year ended 31 March 2018 to approximately HK$1,467,000 for the Reporting Period. The decrease was mainly attributable to (i) a decrease in the average level of bank borrowings; (ii) the competitive borrowing rates obtained by the Group during the Year; and (iii) an early repayment of our bank borrowings.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has funded the liquidity and capital requirement primarily through capital contribution from the cash inflow from operating activities and bank borrowings.

Our liquidity is primarily dependent on our ability to maintain adequate cash inflow from operations to meet our debt obligations as they fall due and our ability to obtain external financing to meet our committed future capital expenditure.

Cash and bank balances are denominated in Hong Kong dollars. The current ratio of our Group as at 31 March 2019 was 2.29 times as compared to that of 1.85 times as at 31 March 2018. The improvement was mainly due to an overall improvement of our operating cash inflow.

The total interest bearing debts of our Group, including bank and other borrowings and finance lease liabilities, decreased from approximately HK$35,362,000 as at 31 March 2018 to approximately HK$22,673,000 as at 31 March 2019. All borrowings were denominated in Hong Kong dollars and were repayable within 5 years. Our Group did not carry out any hedging for its floating borrowings.

We enter into finance lease agreements for certain vehicles that we owned. The average lease terms were five years during the Reporting Period. The effective interest rate for the obligations under finance leases for the Year were under fixed rates and ranged from 1.80% to 3.75% per annum.

As at 31 March 2019, the finance lease liabilities amounted to approximately HK$7,378,000 (2018: approximately HK$10,056,000), were secured by the lessor's charge over the leased assets and corporate guarantees executed by the Company.

The gearing ratio, calculated based on all interest-bearing borrowings for our general business operation divided by total equity at the end of the year and multiplied by 100%, was approximately 26% as at 31 March 2019 (2018: approximately 44.5%). Such a decrease was primarily attributable to a decrease in the Group's bank borrowings during the Year, as the Group closely monitored its overall exposure and made use of its cash flow generated from operation to reduce its bank borrowings.

CAPITAL STRUCTURE

As at 31 March 2019, the share capital and total equity attributable to equity holders of the Company amounted to approximately HK$6,000,000 and HK$58,830,000 respectively.

CONTINGENT LIABILITIES

We have financial guarantee contracts on performance bonds issued by banks for due performance under several of our contracts. The said performance bonds were entered into between the Group and the banks. Generally, in case that there is a breach of contract regarding our service performance to our customer and the customer thus claims from the relevant bank, the bank may further deduct the amount of the said claim from our pledged deposits. As at 31 March 2019, the amounts of pledged deposit to banks as security for banking facilities was HK$20,159,000 (2018: approximately HK$30,643,000).

During the Reporting Period, the Group may from time to time be involved in litigation concerning personal injuries by its employees or third party claimants. In the opinion of the directors of the Company, no material potential liabilities arising from legal proceedings are accounted for in the consolidated financial statements as they are adequately covered by insurance protection.

Four accidents occurred in January 2016, February 2016, August 2017 and November 2017 respectively, which exposed two subsidiaries of the Company to personal injury claims. As at the date of this announcement, one of the claims was in the course of settlement. The settlement amount was agreed to be approximately HK$200,000 and would be settled by our internal resources. Three legal proceedings were initiated against the subsidiaries of the Company in respect of the remaining claims. Based on the legal advice obtained, the Directors considered that the aggregate exposure to the potential damages are expected to be approximately HK$6.16 million and assuming that the third party insurance policies are in order, such damages are expected to be adequately covered by relevant third party insurance policies.

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 announcement, the Group does not have any present plans for material investments and capital assets.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

Our Group’s business operations were conducted in Hong Kong and the transactions, monetary assets and liabilities of our Group were denominated in Hong Kong dollars. As no monetary assets were denominated in foreign currencies, our Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the Reporting Period.

CHARGE OVER OUR GROUP’S ASSETS

The total interest bearing debts of our Group, including bank and other borrowings and finance lease liabilities amounted to approximately HK$22,673,000 (2018: HK$35,362,000) as at 31 March 2019. As at 31 March 2019, our Group had general banking facilities amounted to HK$110,743,000 (2018: HK$126,497,000).

As at 31 March 2019, our Group had secured bank borrowings with an outstanding balance of approximately HK$10,055,000 (2018: approximately HK$25,306,000) and utilized performance bond of approximately HK$24,775,000 (2018: approximately HK$39,607,000). As at 31 March 2019, the general banking facilities were secured by (i) corporate guarantee to be executed by the Company, and (ii) certain cash deposits of subsidiaries and certain cash deposit and properties of the directors of the Company and certain trade receivables of a subsidiary.

As at 31 March 2019, the finance lease liabilities amounted to approximately HK$7,378,000 (2018: approximately HK$10,056,000), were secured by the lessor’s charge over the leased assets and corporate guarantees executed by the Company.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2019, our Group had approximately 2,334 employees (2018: 2980 employees). The total staff costs incurred by our Group, including Directors’ emoluments, were approximately HK$277,547,000 for the Reporting Period (2018: approximately HK$356,178,000).

Remuneration is determined based on each employee’s qualifications, position and seniority. In addition to a basic salary, year-end discretionary bonuses were offered with reference to our Group’s performance as well as individual’s performance 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 promotions.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the Reporting Period (2018: HK$NIL).

No special dividends has been declared in respect of the year ended 31 March 2019 to the Shareholders.

EVENTS AFTER THE REPORTING PERIOD

During the period between 10 April 2019 to 2 May 2019, Man Shing Environmental Company Limited (the "**Purchaser**"), one of the wholly-owned subsidiaries of the Company, entered into a total of fifteen sale and purchase agreements with three vendors, namely Wo Shing Motor Company Limited ("**Wo Shing**"), Ascent Up Motors Limited ("**Ascent Up**") and Topwell Motors Company ("**Topwell**") respectively for the acquisition of fifteen vehicles at an aggregate consideration of HK$7,830,785, in which:

(i) twelve sale and purchase agreements were signed between the Purchaser and Wo Shing on 10 April 2019, 12 April 2019, 17 April 2019, 30 April 2019 and 2 May 2019 respectively for the acquisition of 12 vehicles at a sum of HK$6,642,900;

(ii) two sale and purchase agreements were signed between the Purchaser and Ascent Up on 30 April 2019 for the acquisition of 2 vehicles at a sum of HK$857,885; and

(iii) a sale and purchase agreement was signed between the Purchaser and Topwell on 30 April 2019 for the acquisition of a vehicle at a sum of HK$330,000.

In addition, on 30 May 2019, the Company through its indirectly wholly-owned subsidiary, Matrix International Investments Limited ("**Matrix**"), entered into a non-legally binding memorandum of understanding (the "**MOU**") with Lo Wing Keung ("**Mr. Lo**") and LCH Group Limited ("**LCH Group**"). Pursuant to the MOU, Matrix proposed to acquire, by itself or through its nominee, certain shares in Curtaman Property Management Limited ("**Curtaman**") as agreed with Mr. Lo, the sole shareholder and sole director of LCH Group, and LCH Group, the owner of the entire issued share capital of Curtaman.

COMPARISON OF BUSINESS OBJECTIVES AND ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives set out in the Prospectus dated 30 March 2017 (the "**Prospectus**") with our Group's actual business progress for the Reporting Period are set out below:

Business objectives up to 31 March 2019	Actual business progress up to 31 March 2019
1. Sales and marketing activities to promote brand awareness	
– Employment of one senior marketing officer and two assistant marketing officers	During the year, the Group recruited one senior manager and two marketing officers with additional staff cost of approximately HK$901,000.
– Printing of company brochures and leaflets, advertising in newspapers and magazines, and bolstering company website	Hitherto we are making headway to bolster the company website, and we expect to see a very informative website with stark improvement of the overall quality of website, including corporate mission and business strategies for the coming future through engaging a professional designer firm to design the website.

USE OF PROCEEDS OBTAINED FROM THE LISTING

As disclosed in the Prospectus, the Company intended to use the net proceeds obtained from the listing on 13 April 2017 (the "**Listing**") for the following purposes: (i) the purchase of new specialized vehicles; (ii) the repayment of loan; (iii) the strengthening of our sales and marketing activities; (iv) the purchase of new automated cleaning machinery and equipment; and (v) to be used as our Group's general working capital and other general corporate purposes. During the Reporting Period and up to the date of this announcement, (i) approximately HK$3,925,600 had been used to purchase new specialised vehicles; (ii) approximately HK$4,900,000 had been used for the early repayment of bank loans; (iii) approximately HK$1,347,000 had been used to strengthen our sales and marketing activities; (iv) approximately HK$2,458,700 had been used for the purchase of new automated cleaning machinery and equipment; and (v) approximately HK$1,200,000 had been used for general working capital and general expenses. As at 31 March 2019, the unutilised proceeds of approximately HK$3,438,700 were deposited in a licensed bank in Hong Kong.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has complied with all the applicable code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 to the GEM Listing Rules.

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the best interests of the Company and its shareholders.

The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the CG Code.

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.

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 announcement.

INTEREST OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, our Group has appointed Changjiang Corporate Finance (HK) Limited (the "**Compliance Adviser**") as our compliance adviser to provide advice and guidance to our Group in respect of compliance with the applicable laws and the GEM Listing Rules including various requirements relating to directors' duties and internal controls. Save for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 13 April 2018, neither the Compliance Adviser nor its directors, employees or close associates had any interests in the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

An audit committee has been established with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules, and paragraphs C.3.3 and C.3.7 of the CG Code. The audit committee consists of three members, namely Mr. Au-Yeung Tin 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 committee is to assist 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 audit committee has reviewed this announcement and the audited consolidated financial statements of the Group for the Reporting Period and is of the view that such statement complied with the applicable accounting standards and legal requirements, and that adequate disclosures have been made.

PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

This announcement will be published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.manshing.com.hk). The annual report for the Reporting Period containing all the information required by the GEM Listing Rules will be published on the website of the Company and the Stock Exchange and will be despatched to the Company's shareholders in due course.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting ("**AGM**") of the Company will be held on Friday, 9 August 2019 at Basement 2, Unicorn & Phoenix Room, The Charterhouse, Causeway Bay, 209–219 Wanchai Road, Hong Kong. For the purpose of determining the identity of the Company's shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 6 August 2019 to Friday, 9 August 2019, both days inclusive, during which period no transfer of the shares of the Company (the "**Shares**") will be registered. In order to qualify for attending and voting at the AGM, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Monday, 5 August 2019.

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

Hong Kong, 25 June 2019

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Wong Chong Shing, Mr. Wong Man Sing and 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.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 announcement 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 announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the Company's website at www.manshing.com.hk.