



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)



2023

INTERIM 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.*



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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
17/F, Far East Finance Centre
16 Harcourt Road
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

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 2023 (the “**Reporting Period**”), together with the comparative unaudited figures for the corresponding period in 2022.

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

For the six months ended 30 September 2023

	Notes	Three months ended 30 September		Six months ended 30 September	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	3	255,434	256,029	512,879	479,360
Cost of sales		(233,541)	(229,503)	(471,884)	(433,595)
Gross profit		21,893	26,526	40,995	45,765
Other income	4	313	2,754	736	3,942
Administrative expenses		(16,414)	(14,711)	(32,850)	(28,622)
Finance costs	5	(1,550)	(1,546)	(3,043)	(2,710)
Profit/(loss) before tax		4,242	13,023	5,838	18,375
Income tax recoverable/(expenses)	6	1,985	(1,167)	2,460	(2,640)
Profit/(loss) and total comprehensive income/(expenses) for the period	7	6,227	11,856	8,298	15,735
Earnings/(loss) per shares (HK cents)					
Basic and diluted	8	1.03	1.98	1.38	2.62





Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2023

	Notes	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	10	19,738	17,896
Right-of-use assets	11	35,381	43,940
Goodwill		4,095	4,095
Deposits and prepayments		–	2,995
Deferred tax assets		10,392	6,555
		69,606	75,481
Current assets			
Trade receivables	12	145,737	106,025
Prepayments, deposits and other receivables		18,841	18,626
Pledged bank deposits		29,169	57,577
Bank balances and cash		113,710	72,340
		307,457	254,568
Current liabilities			
Trade payables	13	15,780	11,614
Accruals and other payables		74,853	70,978
Income tax payable		9,270	6,527
Lease liabilities		26,160	16,320
Long service payment obligations		–	2,316
Bank borrowings		54,170	31,180
		180,233	138,935
Net current assets		127,224	115,633
		196,830	191,114
Capital and reserves			
Share capital	14	6,000	6,000
Reserves		125,322	117,024
Equity attributable to equity holders of the Company		131,322	123,024
Non-controlling interests		18	18
Total equity		131,340	123,042
Non-current liabilities			
Lease liabilities		2,119	20,658
Long service payment and gratuity obligations		61,496	45,539
Deferred tax liabilities		1,875	1,875
		65,490	68,072
		196,830	191,114



Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2023

	Share Capital HK\$'000	Share Premium HK\$'000	Other Reserve HK\$'000 <i>(Note i)</i>	Retained Earnings HK\$'000	Non- controlling interests HK\$'000	Total Equity HK\$'000
Balance as at 1 April 2023	6,000	33,463	110	83,451	18	123,042
Profit for the period	–	–	–	8,298	–	8,298
Balance as at 30 September 2023 (Unaudited)	6,000	33,463	110	91,749	18	131,340
Balance as at 1 April 2022	6,000	33,463	110	55,187	–	94,760
Profit for the period	–	–	–	15,735	–	15,735
Balance as at 30 September 2022 (Unaudited)	6,000	33,463	110	70,922	–	110,495

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 2023

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	57,976	9,862
NET CASH (USED IN) INVESTING ACTIVITIES	(30,897)	(3,360)
NET CASH GENERATED FROM FINANCING ACTIVITIES	14,291	14,122
NET INCREASE IN CASH AND CASH EQUIVALENTS	41,370	20,624
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	72,340	73,583
CASH AND CASH EQUIVALENTS AT END OF PERIOD	113,710	94,207



Notes to the Unaudited Condensed Consolidated Financial Statements

For the six months ended 30 September 2023

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 2023 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 2023.

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 Companies Ordinance (Cap. 622 of the laws of Hong Kong) (“**HKCO**”) and the GEM Listing Rules.

The accounting policies used in the condensed consolidated financial statements for the six months ended 30 September 2023 are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2023 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:

HKFRS 17	Insurance contracts
HKAS 1 (Amendments)	Disclosure of Accounting Policies
HKAS 8 (Amendments)	Definition of Accounting Estimates
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Street cleaning solutions	205,482	186,253	414,975	358,166
Building cleaning solutions	23,183	22,572	45,008	46,732
Bus and ferry cleaning solutions	6,876	12,194	13,795	23,444
Others cleaning services	17,324	32,304	33,769	45,826
Property management services	2,569	2,706	5,332	5,192
	255,434	256,029	512,879	479,360

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	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Environmental cleaning services	507,547	474,168	9,349	17,759
Property management services	5,332	5,192	53	692
	512,879	479,360	9,402	18,451



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 (2022: Nil).

	Six months ended 30 September 2023 HK\$'000 (Unaudited)	Six months ended 30 September 2022 HK\$'000 (Unaudited)
Segment profit reported above	9,402	18,451
Government subsidies	–	3,554
Bank interest income	575	35
Corporate and other unallocated expenses – net	(1,096)	(955)
Finance costs	(3,043)	(2,710)
Profit before tax	5,838	18,375
Income tax expense	2,460	(2,640)
Profit for the period	8,298	15,735

Segment assets and liabilities

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Segment assets		
Environmental cleaning services	349,853	306,657
Property management services	2,730	5,446
Total segment assets	352,583	312,103
Corporate and other unallocated assets	14,088	14,025
Total assets	366,671	326,128
Segment liabilities		
Provision of cleaning services	241,713	197,521
Property management services	939	1,015
Total segment liabilities	242,652	198,536
Corporate and other unallocated liabilities	1,196	6,596
Total liabilities	243,848	205,132





4. OTHER INCOME

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Government subsidies from Anti-epidemic Fund	–	25	–	945
Government subsidies from Employment Support Scheme	–	2,433	–	2,609
Disposal of fixed asset	–	216	–	216
Bank interest income	221	29	575	35
Sundry income	92	51	161	137
	313	2,754	736	3,942

5. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest on:				
Bank borrowings	1,197	1,000	2,275	1,665
Lease liabilities	353	546	768	1,045
	1,550	1,546	3,043	2,710



6. INCOME TAX EXPENSES

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Current tax:				
Hong Kong Profits Tax	(1,376)	2,733	1,377	4,254
Deferred tax	(609)	(1,566)	(3,837)	(1,614)
	(1,985)	1,167	(2,460)	2,640

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 2023 and 2022, 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 2022: 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	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Staff costs (including directors' remuneration)				
Wage, salaries and other benefits	190,705	192,170	388,226	362,777
Retirement benefit scheme contributions	5,361	5,790	10,988	10,851
Reversal of long service payments	41	(11)	171	(44)
Provision for gratuity obligations	8,535	8,100	17,530	15,160
Total staff costs	204,642	206,049	416,915	388,744
Auditors' remuneration	190	180	380	360
Depreciation of plant and equipment	249	226	486	446
Depreciation of right-of-use assets	3,826	3,487	7,656	6,748





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	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic earnings/(loss) per share calculation	6,227	11,856	8,298	15,735

	Number of shares			
	2023 '000	2022 '000	2023 '000	2022 '000
Shares 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 2023 and 2022.

9. DIVIDENDS

No dividend was proposed by the Group during the six months ended 30 September 2023 and 2022.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2023, the Group acquired certain property, plant and equipment of approximately HK\$506,480 (six months ended 30 September 2022: HK\$990,000).

During the six months ended 30 September 2023, the Group did not dispose of any property, plant and equipment (six months ended 30 September 2022: HK\$274,000).

11. RIGHT-OF-USE ASSETS

During the six months ended 30 September 2023, the Group did not enter into any lease agreements for use of motor vehicles, and therefore there is no addition of right-of-use assets (six months ended 30 September 2022: HK\$14,355,000). In addition, the Group did not dispose any items of right-of-use assets (six months ended 30 September 2022: Nil).



12. TRADE RECEIVABLES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Trade receivables	145,737	106,025

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.

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
0 to 60 days	136,524	104,024
61 to 90 days	2,237	–
Over 91 days	6,976	2,001
	145,737	106,025

No impairment of trade receivables had been recognised during the six months ended 30 September 2023 and an impairment of HK\$249,000 has been made for the year ended 31 March 2023.

13. TRADE PAYABLES

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Trade payables	15,780	11,614

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.

	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
0 to 60 days	13,743	9,814
61 to 90 days	160	–
Over 91 days	1,877	1,800
	15,780	11,614





14. SHARE CAPITAL

	30 September 2023 (Unaudited)		31 March 2023 (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

15. 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	
			2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Mr. Wong Chong Shing	Lease payment	(i)	111	108	219	216

Note:

- (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.

(b) Compensation of key management personnel

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

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Short term benefits	4,071	5,436
	4,071	5,436





Management Discussion and Analysis

BUSINESS REVIEW

During the Reporting Period, the Group managed to achieve stable growth for its revenue as compared to the corresponding period of 2022. Such growth was mainly attributable to the award of the contract for the provision of mosquito, rodent and other pest control services in Kwai Tsing District in December 2022 and the award of two contracts for the provision of mosquito, rodent and other pest control services in Sai Kung District and Yuen Long District (West) since April 2023.

Cleaning Solution Services

The provision of cleaning solutions services remains the main business of the Group. The Group has been engaged in this business for over 30 years and has steadily grown since its incorporation. The business of the Group 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.

During the Reporting Period, the revenue generated by the Group from cleaning solutions services amounted to approximately HK\$414,975,000, representing an increase of 15.9% as compared to that of the corresponding period of 2022 (approximately HK\$358,166,000). Such increase is mainly attributable to (i) the award of the contract for the provision of mosquito, rodent and other pest control services in Kwai Tsing District in December 2022, (ii) the award of the contract for the provision of mosquito, rodent and other pest control services in Sai Kung District in April 2023, and (iii) the award of the contracts for the provision of mosquito, rodent and other pest control services in Yuen Long District (West) in April 2023. The award of such contracts by the Food and Environmental Hygiene Department of the Government of Hong Kong (“**FEHD**”) signifies its recognition of the service quality of the Group, which is able to meet its stringent requirements.

Property Management Services

Though the revenue contributed by the Group’s property management services remains limited, it provides a stable and steady revenue stream, with a growth of 2.7% as compared to the corresponding period of 2022, to the Group. It is believed the property management services poses a synergy effect on the Group’s existing cleaning solution services and will become one of the Group’s main income streams in the future.

OUTLOOK

Amidst the continuous increase in interest rates, the global economy remains volatile and fragile, and the Hong Kong economy has been affected. The long-lasting pandemic has increased public awareness of a clean and hygienic environment in Hong Kong as well as the increased demand for a clean and better living environment. The Group believes the economy of Hong Kong is in recovery, and the Group is strongly confident about the prospects of the environmental cleaning services industry in Hong Kong.

Apart from the tenders from FEHD, the Group will strive to secure more new tenders from other government departments of Hong Kong. With the Group’s considerable resources, including the Group’s stable management force and experienced fleet management team, the Group believe that it is well-equipped to undertake more projects from government departments of Hong Kong, which generally require experienced cleaning services providers with substantial resources. Furthermore, the Group will explore and seize new business opportunities in the private sector to broaden its customer base, thereby generating further revenue to strengthen the Group’s financial position in the long run.





Going forward, the Group will fully utilize its financial resources and will continue to keep abreast of business and technology trends to assist its business operations in order to achieve sustainable growth. Highly committed to providing excellent service to its customers, the Group will formulate new business strategies and measures to improve the Group's business performance and service quality, in order to maximize the return for the Group's shareholders.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group recorded a revenue of approximately HK\$512,879,000 (2022: approximately HK\$479,360,000), representing an increase of approximately HK\$33,519,000, or 7.0%, as compared to the corresponding period of 2022. As mentioned above, such increase was mainly attributable to the award of three contracts for the provision of mosquito, rodent and other pest control services in December 2022 and April 2023 which contributed an additional revenue of approximately HK\$38,953,000 during the Reporting Period.

Gross Profit and Gross Profit Margin

The Group's gross profit slightly decreased by approximately HK\$4,770,000 or 10.4% from approximately HK\$45,765,000 for the six months ended 30 September 2022 to approximately HK\$40,995,000 for the Reporting Period. The Group's gross profit margin for the Reporting Period was approximately 8.0%, representing a decrease of approximately 1.5% as compared to approximately 9.5% for the six months ended 30 September 2022. The decrease in gross profit and gross profit margin was mainly due to the increase in direct wages of approximately HK\$21,682,000 during the Reporting Period.

Other Income

Other income of the Group decreased from approximately HK\$3,942,000 for the six months ended 30 September 2022 to approximately HK\$736,000 for the Reporting Period. The decrease was mainly due to (i) the government subsidies from the Anti-epidemic Fund of approximately HK\$945,000; and (ii) the government subsidies from the Employment Support Scheme of approximately HK\$2,609,000 received during the six months ended 30 September 2022, while 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 increased by approximately HK\$4,228,000 from approximately HK\$28,622,000 for the six months ended 30 September 2022 to approximately HK\$32,850,000 for the Reporting Period. The increase in administrative expenses was mainly attributable to the increase of staff cost and insurance expenses.

Finance Costs

Finance costs for the Group increased by approximately HK\$333,000 from approximately HK\$2,710,000 for the six months ended 30 September 2022 to approximately HK\$3,043,000 for the Reporting Period. The increase was mainly attributable to the increase 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 the shareholders of the Company of approximately HK\$8,298,000, representing a decreased of approximately HK\$7,437,000 as compared to the net profit of approximately HK\$15,735,000 for the six months ended 30 September 2022.

DIVIDEND

The Board does not recommend the payment of a dividend for the six months ended 30 September 2023 (for the six months ended 30 September 2022: Nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group maintains a stable financial position. During the Reporting Period, 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 2023, the Group has available cash and bank balance amounting to approximately HK\$113,710,000 (31 March 2023: HK\$72,340,000), representing an increase of approximately 57.2% from 31 March 2023. Cash and bank balances are maintained in Hong Kong dollars.

As at 30 September 2023, the Group's current assets and current liabilities were approximately HK\$307,457,000 (31 March 2023: HK\$254,568,000) and HK\$180,233,000 (31 March 2023: HK\$138,935,000) respectively, while the current ratio of the Group as at 30 September 2023 was 1.71 times as compared to that of 1.83 times as at 31 March 2023. The liquidity position of the Group was thus maintained at a healthy level.

As at 30 September 2023, the Group's bank borrowings amounted to approximately HK\$54,170,000 (31 March 2023: HK\$31,180,000), representing an increase of approximately 73.7%; the Group's lease liabilities were approximately HK\$28,279,000 (31 March 2023: HK\$36,978,000), 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 2.25% to 3.34% per annum. The effective interest rate for the lease liabilities for the Reporting Period were under fixed rates and ranged from 2.5% to 3.00% 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 41.2% as at 30 September 2023 (31 March 2023: 25.3%), which was calculated based on all interest-bearing bank borrowings for the Group's general business operations divided by total equity of the Group.

With available cash and bank balance and banking facilities, the Group has sufficient liquidity to satisfy its operational and capital expenditure needs.

As at 30 September 2023, 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\$131,322,000 respectively.





CONTINGENT LIABILITIES

The Group 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, the Group is obliged to provide due performance and decent work to complete the contracts to the satisfaction of customers. In the event where the Group is 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 the Group's customers, especially when there is a claim for compensation in relation to the occurrence of any accidents.

As at 30 September 2023, the amount of pledged deposit to banks for the aforesaid facilities was approximately HK\$29,169,000 (31 March 2023: approximately HK\$57,577,000).

During the six months ended 30 September 2023, the Group was involved in several 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 corresponding 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 2023, there was no capital commitment for the Group (31 March 2023: 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

The 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 THE GROUP'S ASSETS

The total interest-bearing debts of the Group, including bank and other borrowings, lease liabilities and obligations under finance leases amounted to approximately HK\$82,449,000 (31 March 2023: HK\$68,158,000) as at 30 September 2023. As at 30 September 2023, the Group had general banking facilities amounted to HK\$487,410,000 (31 March 2023: HK\$387,410,000).

As at 30 September 2023, the Group had secured bank borrowings with an outstanding balance of approximately HK\$54,170,000 (31 March 2023: HK\$31,180,000) and utilized performance bond of approximately HK\$143,298,000 (31 March 2023: HK\$136,132,000). As at 30 September 2023, 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 2023, the lease liabilities amounted to approximately HK\$28,279,000 (31 March 2023: HK\$36,978,000 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 2023, the Group had approximately 5,219 employees (31 March 2023: 7,117 employees). The total staff costs of the Group, including Directors' emoluments and discretionary bonus, were approximately of HK\$416,915,000 for the six months ended 30 September 2023 (six months ended 30 September 2022 approximately of HK\$388,744,000).

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 the Group's performance as well as individual's performance to attract and retain appropriate and suitable personnel to serve the 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, the Group offers other staff benefits like provision of retirement benefits, various types of trainings and sponsorship of training courses. The Group has also adopted an annual review system to assess the performance of its staff, which forms the basis of the Group's 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 2023, 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.



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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 2023, 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 2023, 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, 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, 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 2023, 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 the Group which competes or is likely to compete, directly or indirectly, with the 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 2023 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 2023, 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, code provisions D.3.3 and D.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 the 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 2023 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, 10 November 2023

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.

