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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)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF ASSETS OF A SUBSIDIARY**

The Board announces that between 21 May 2017 and 16 June 2017, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into two separate transactions with Purchaser A and Purchaser B respectively, pursuant to which the Vendor agreed to sell, and each of Purchaser A and Purchaser B agreed to acquire Assets A and Assets B at the total consideration of HK\$1,100,000 and HK\$555,000 respectively.

The Board is of the view that the First Disposal and the Second Disposal should not be aggregated as a single transaction pursuant to Rules 19.22 and 19.23 of the GEM Listing Rules because (i) the First Disposal and the Second Disposal were entered into by the Vendor with two different parties, and Purchaser A and Purchaser B are not connected or associated with one another; and (ii) the First Disposal and the Second Disposal involved the disposal of two different types of vehicles which were previously allocated for carrying out different services under two different tender contracts.

As one or more of the applicable percentage ratios (as defined under Rule 19.04(9) of the GEM Listing Rules) in relation to each of the First Disposal and the Second Disposal exceed 5% but are less than 25%, each of the First Disposal and the Second Disposal standing alone constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

THE FIRST DISPOSAL

The Vendor had entered into three revocable vehicle transfer agreements with Purchaser A, the details of which are summarised as follows:

	Date of Agreement	Parties	Assets which have been disposed of and their net book value as at 31 March 2017	Consideration
Vehicle Transfer Agreement 1	21 May 2017	Vendor: Man Shing Cleaning Service Company Limited Purchaser A: Yue Fat Motor Service Limited	Vehicle A Net book value: HK\$0	HK\$320,000
Vehicle Transfer Agreement 2	22 May 2017	To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Purchaser A and its ultimate beneficial owner(s) are Independent Third Parties.	Vehicle B Net book value: HK\$0	HK\$440,000
Vehicle Transfer Agreement 3	16 June 2017		Vehicle C Net book value: HK\$0	HK\$340,000

The total net book value of Assets A of the Vendor as at 31 March 2017 is nil.

Each of the above-mentioned vehicle transfer agreements provided that if the disposed vehicle has material mechanical faults within three months from the date of each of the said agreements or as at the date of the cheque to be paid by Purchaser A for Assets A, whichever is the later, Purchaser A has the right to return the defective vehicle to the Vendor and the Vendor cannot refuse to accept the defective vehicle.

After execution of these three vehicle transfer agreements, the Vendor and Purchaser A had agreed on the payment of, and Purchaser A had paid, the total amount of consideration for Assets A to the Vendor on 25 August 2017. The First Disposal is subsequently completed on 28 August 2017.

THE SECOND DISPOSAL

The Vendor had entered into two irrevocable vehicle transfer agreements with Purchaser B, the details of which are summarised as follows:

	Date of Agreement	Parties	Assets which have been disposed of and their net book value as at 31 March 2017	Consideration
Vehicle Transfer Agreement 1	8 June 2017	Vendor: Man Shing Cleaning Service Company Limited	Vehicle D Net book value: HK\$79,600	HK\$277,500
Vehicle Transfer Agreement 2	8 June 2017	Purchaser B: Johnson Cleaning Services Company Limited	Vehicle E Net book value: HK\$71,604	HK\$277,500

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Purchaser B and its ultimate beneficial owner(s) are Independent Third Parties.

The total net book value of Assets B of the Vendor as at 31 March 2017 is HK\$151,204.

After execution of the above-mentioned vehicle transfer agreements, the Vendor and Purchaser B had agreed on the payment of, and Purchaser B had paid, the total amount of consideration for Assets B to the Vendor on 9 June 2017. The Second Disposal was subsequently completed on 20 June 2017.

Basis of determining the consideration

The consideration for the Assets was determined after arm's length negotiations between the Vendor and the Purchasers, with reference to the net book value of the Assets as mentioned above. The Board believes that the consideration is fair and reasonable.

Delivery of the Assets

Pursuant to the Vehicle Transfer Agreements, the Vendor should deliver Vehicle A, Vehicle B and Vehicle C to Purchaser A on 23 May 2017, 23 May 2017 and 19 June 2017, respectively; and should deliver Vehicle D and Vehicle E to Purchaser B on 15 June 2017.

Upon delivery of the Assets, the Vendor should provide the vehicle registration documents and the executed notices of transfer of ownership of vehicle to the Purchasers.

GAIN FROM THE DISPOSALS AND USE OF PROCEEDS

Based on the difference between the amounts of consideration for the Assets and the net book value of the Assets as mentioned above, the Group is expected to realise a gain of approximately HK\$1,503,796 (before taxation) as a result of the Disposals.

The proceeds from the Disposals will be used as general working capital of the Group for its future business development.

GENERAL INFORMATION ON THE GROUP AND THE PURCHASERS

The Group is principally engaged in the provision of environmental cleaning solutions including street cleaning solutions, building cleaning solutions, bus and ferry cleaning solutions and other cleaning services which include, among others, refuse collection and waste disposal services, sewage management and pest control and fumigation services.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Purchaser A is a company incorporated with limited liability in Hong Kong which is principally engaged in the business of vehicle repair and maintenance and car dealership and Purchaser B is a company incorporated with limited liability in Hong Kong which is principally engaged in cleaning services business.

REASONS FOR AND BENEFIT OF ENTERING INTO THE VEHICLE TRANSFER AGREEMENTS

Assets A are part of the Group's specialised vehicles assigned for carrying out waste collection services under a tender contract which expired in May 2017, whereas Assets B are part of the Group's specialised vehicles assigned for carrying out street cleaning services under another tender contract which expired in April 2017. In accordance with market practice, the Group entered into the Vehicle Transfer Agreements to dispose of the Assets to save maintenance costs and to optimise its resources allocation for future business development.

The Directors are of the view that the terms of the Vehicle Transfer Agreements are fair and reasonable and the Disposals are in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

The Board is of the view that the First Disposal and the Second Disposal should not be aggregated as a single transaction pursuant to Rules 19.22 and 19.23 of the GEM Listing Rules because (i) the First Disposal and the Second Disposal were entered into by the Vendor with two different parties, and Purchaser A and Purchaser B are not connected or associated with one another; and (ii) the First Disposal and the Second Disposal involved the disposal of two different types of vehicles which were previously allocated for carrying out different services under two different tender contracts.

As one or more of the applicable percentage ratios (as defined under Rule 19.04(9) of the GEM Listing Rules) in relation to each of the First Disposal and the Second Disposal exceed 5% but are less than 25%, each of the First Disposal and the Second Disposal standing alone constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Assets”	Assets A and Assets B
“Assets A”	the assets held under the name of the Vendor including Vehicle A, Vehicle B and Vehicle C, and which have been disposed of pursuant to the terms and conditions of the three vehicle transfer agreements dated 21 May 2017, 22 May 2017 and 16 June 2017 respectively, and entered into between the Vendor and Purchaser A
Assets B	the assets held under the name of the Vendor including Vehicle D and Vehicle E, and which have been disposed of pursuant to the terms and conditions of the two vehicle transfer agreements dated 8 June 2017 and entered into between the Vendor and Purchaser B
“Board”	the board of Directors
“Company”	Man Shing Global Holdings Limited (萬成環球控股有限公司), a company incorporated in the Cayman Islands with limited liability on 18 March 2016, the shares of which are listed on the GEM of the Stock Exchange
“Directors”	the director(s) of the Company
“Disposals”	the First Disposal and the Second Disposal
First Disposal	the disposal of Assets A pursuant and subject to the terms and conditions of the three vehicle transfer agreements dated 21 May 2017, 22 May 2017 and 16 June 2017 respectively
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“Purchaser A”	Yue Fat Motor Service Limited (裕發汽車服務有限公司), a company incorporated with limited liability in Hong Kong and an Independent Third Party

Purchaser B	Johnson Cleaning Services Company Limited (莊臣有限公司), a company incorporated with limited liability in Hong Kong and an Independent Third Party
Purchasers	Purchaser A and Purchaser B
Second Disposal	the disposal of Assets B pursuant and subject to the terms and conditions of the two vehicle transfer agreements dated 8 June 2017
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vehicle A”	16 ton refuse compaction vehicle
“Vehicle B”	30 ton refuse compaction vehicle
“Vehicle C”	24 ton refuse compaction vehicle
“Vehicle D”	5.5 ton lorry
“Vehicle E”	5.5 ton lorry
“Vehicle Transfer Agreements”	the three vehicle transfer agreements dated 21 May 2017, 22 May 2017 and 16 June 2017 respectively, and entered into between the Vendor and Purchaser A; and the two vehicle transfer agreements dated 8 June 2017 and entered into between the Vendor and Purchaser B
“Vendor”	Man Shing Cleaning Service Company Limited, (萬成清潔服務有限公司), a company incorporated with limited liability in Hong Kong, which is an indirect wholly-owned subsidiary of our Company

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

Hong Kong, 28 August 2017

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Wong Chong Shing, Mr. Wong Man Sing, Mr. Wong Chi Ho and Mr. Chan Shing Yi Jacky, 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 be published on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.manshing.com.hk.