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Mansion International Holdings Limited
民 信 國 際 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8456)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2020

The board of directors of Mansion International Holdings Limited (the “**Company**”, the “**Directors**” and the “**Board**”, respectively) announces the unaudited condensed consolidated financial results of the Company and its subsidiaries for the nine months ended 31 December 2020. This announcement, containing the full text of the 2020/21 third quarterly report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) in relation to the information to accompany the preliminary announcement of third quarterly results. The printed version of the Company’s 2020/21 third quarterly report will be delivered to the shareholders of the Company and available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at www.mansionintl.com in due course in the manner as required by the GEM Listing Rules.

For and on behalf of
Mansion International Holdings Limited
Cheung Desmond Lap Wai
*Chairman, Executive Director and
Acting Chief Executive Officer*

Hong Kong, 14 February 2021

As at the date of this announcement, the executive Directors are Mr. Cheung Desmond Lap Wai (chairman and acting chief executive officer) and Mr. Kwan Kar Man; and the independent non-executive Directors are Mr. Cho Chi Kong, Mr. Wang Rongqian and Mr. Tan Yik Chung Wilson.

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 Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published and will remain on the Company’s website at www.mansionintl.com.

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

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.

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This report, for which the directors of Mansion International Holdings Limited (the “Company” and the “Directors”, respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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.



THIRD QUARTERLY RESULTS

The board of Directors (the “**Board**”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the nine months ended 31 December 2020 (the “**Period**”), together with the comparative figures for the corresponding period in 2019, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three and nine months ended 31 December 2020

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue	3	21,961	61,893	66,308	159,479
Cost of sales		(17,507)	(34,775)	(54,670)	(93,193)
Gross profit		4,454	27,118	11,638	66,286
Gain on disposal of a subsidiary	9	11,530	–	11,530	–
Other income, gains and losses	4	3,766	321	6,871	1,005
Selling and distribution costs		(6,319)	(8,906)	(16,320)	(24,349)
Administrative and other expenses		(14,142)	(14,184)	(32,157)	(46,784)
Finance costs	5	(223)	(1,730)	(1,716)	(5,310)
(Loss) profit before tax		(934)	2,619	(20,154)	(9,152)
Income tax credit (expense)	6	(4)	63	(17)	(56)
(Loss) profit for the period		(938)	2,682	(20,171)	(9,208)
Other comprehensive (expense) income for the period that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of financial statements of foreign operations		(3,438)	321	(2,339)	(973)
Total comprehensive (expense) income attributable to owners of the Company		(4,376)	3,003	(22,510)	(10,181)
(Loss) earnings per share:					
Basic and diluted (HK cents)	8	(0.11)	0.67	(3.42)	(2.30)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2020

	Attributable to owners of the Company							Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Other reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	
As at 31 March 2019 (Audited)	4,000	57,015	5,987	288	8	1,608	(3,926)	64,980
Loss for the period	-	-	-	-	-	-	(9,208)	(9,208)
Other comprehensive expense:								
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	(973)	-	(973)
Total comprehensive expense for the period	-	-	-	-	-	(973)	(9,208)	(10,181)
As at 31 December 2019 (Unaudited)	4,000	57,015	5,987	288	8	635	(13,134)	54,799
As at 1 April 2020 (Audited)	4,615	62,131	5,987	288	8	1,026	(64,274)	9,781
Loss for the period	-	-	-	-	-	-	(20,171)	(20,171)
Other comprehensive expense:								
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	(2,339)	-	(2,339)
Total comprehensive expense for the period	-	-	-	-	-	(2,339)	(20,171)	(22,510)
Proceeds from placing of new shares	4,600	32,200	-	-	-	-	-	36,800
Issuing expenses of placing of new shares	-	(1,107)	-	-	-	-	-	(1,107)
As at 31 December 2020 (Unaudited)	9,215	93,224	5,987	288	8	(1,313)	(84,445)	22,964

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 17 May 2017. Its shares (the “**Shares**”) in issue are listed on GEM. The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and its principal place of business in Hong Kong is located at 5/F., 822 Lai Chi Kok Road, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in the sale of baby and children garments.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The unaudited condensed consolidated financial statements of the Group for the Period (the “**Third Quarterly Financial Statements**”) have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (collectively the “**HKFRSs**”) and the provisions of the Hong Kong Companies Ordinance, which concern the preparation of the Third Quarterly Financial Statements. In addition, the Third Quarterly Financial Statements include applicable disclosures required by the GEM Listing Rules.

The Third Quarterly Financial Statements are presented in Hong Kong dollars (“**HK\$**”) which is the functional currency of the Company’s major operating subsidiaries and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

The principal accounting policies applied in the preparation of the Third Quarterly Financial Statements were consistent with those applied for the consolidated financial statements of the Group for the year ended 31 March 2020 (the “**Annual Financial Statements 2019/20**”), except for the adoption of new or revised standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants mandatory for annual periods beginning on or after 1 April 2020.

The adoption of the new and revised standards has had no significant financial effect on the Third Quarterly Financial Statements.

The Third Quarterly Financial Statements have been prepared on the historical cost basis. The preparation of the Third Quarterly Financial Statements in conformity with HKFRSs requires the use of certain critical accounting estimates. The significant judgments, estimates and assumptions applied in the preparation of the Third Quarterly Financial Statements are consistent with those used in the Annual Financial Statements 2019/20.

3. REVENUE (UNAUDITED)

All revenue are recognised at a point in time. An analysis of the Group's revenue for the three months and nine months ended 31 December 2020 is as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Original Equipment Manufacturing ("OEM")	9,934	39,786	36,035	107,807
Original Brand Manufacturing ("OBM")	12,027	22,107	30,273	51,672
	21,961	61,893	66,308	159,479

4. OTHER INCOME, GAINS AND LOSSES (UNAUDITED)

	Three months ended 31 December		Nine months ended 31 December	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Government subsidies	1,333	–	4,163	–
Bank interest income	–	1	4	64
Change in fair value of financial assets at fair value through profit or loss	–	305	15	901
Reversal of expected credit loss on trade receivables	–	(22)	–	928
Gain on disposal of property, plant and equipment	–	–	4	–
Sundry income and expenses, net	2,433	37	2,685	(888)
	3,766	321	6,871	1,005

5. FINANCE COSTS (UNAUDITED)

	Three months ended 31 December		Nine months ended 31 December	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Interest on bank borrowings	33	889	675	2,921
Interest on other borrowings	73	219	506	17
Interest on finance lease	–	–	–	1
Interest on lease liabilities	117	622	535	1,878
	223	1,730	1,716	5,310

6. INCOME TAX CREDIT(EXPENSE) (UNAUDITED)

	Three months ended 31 December		Nine months ended 31 December	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Current tax – PRC Enterprise Income Tax (“EIT”)				
– tax for the Period	(4)	–	(17)	–
Deferred tax				
– credit (charge) for the period	–	63	–	(56)
Income tax credit (expense)	(4)	63	(17)	(56)

The applicable tax rates for Hong Kong Profits Tax were calculated at 8.25% of the first HK\$2,000,000 of estimated assessable profits of the qualifying corporation and 16.5% of the remaining estimated assessable profits.

In accordance with the EIT Law of the People's Republic of China (the “PRC”), the applicable EIT rates for domestic and foreign enterprises are unified at 25%.

7. DIVIDEND

The Board has resolved not to declare the payment of any dividend for the Period (2019: Nil).

8. (LOSS) EARNINGS PER SHARE (UNAUDITED)

The calculation of the basic and diluted (loss) earnings per share is based on the following data:

	Three months ended 31 December		Nine months ended 31 December	
	2020	2019	2020	2019
(Loss) earnings				
(Loss) profit attributable to owners of the Company for the purposes of basic and diluted (loss) earnings per share (HK\$'000)	<u>(938)</u>	<u>2,682</u>	<u>(20,171)</u>	<u>(9,208)</u>
Number of shares				
Weighted average number of ordinary shares for the purposes of basic and diluted (loss) earnings per share ('000)	<u>846,476</u>	<u>400,000</u>	<u>590,276</u>	<u>400,000</u>

Diluted earnings (loss) per share was same as the basic earnings (loss) per share as there were no dilutive potential ordinary shares in existence during the three and nine months ended 31 December 2020 and 2019.

9. GAIN ON DISPOSAL OF A SUBSIDIARY

During the period ended 31 December 2020, the Group entered into an agreement to dispose of its entire equity interest in Zhongshan Anpin Electrical Appliance Company Limited ("**Zhongshan Anpin**") which held a right-of-use asset in the PRC at a cash consideration of RMB11,000,000 (equivalent to approximately HK\$12,287,000). The disposal was completed in November 2020.

The asset of Zhongshan Anpin at the date of disposal were as follows:

	Total HK\$'000
Right-of-use Asset	757
Gain on disposal of a subsidiary	11,530
Total consideration	12,287
Satisfied by cash	12,287

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the sale of baby and children garments by OEM and OBM. Since the beginning of 2020, the threat of the COVID-19 seriously disrupted a wide range of local economic activities and supply chains in the Asian region. The epidemic even evolved into a pandemic during the nine months ended 31 December 2020, sending a severe shock to the global economy.

For our OEM business, the Group exports its OEM goods to overseas mainly the United Kingdom (the "**UK**") and the United States of America (the "**US**"). The OEM revenue decline significantly in the Period caused by the threat of the COVID-19.

For our OBM business, the Group sells its OBM goods through the self-operated retail stores and department store counters in Hong Kong and the PRC. During the Period, due to the threat of the COVID-19, OBM revenue in Hong Kong and the PRC have declined significantly.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 58.4% to approximately HK\$66.3 million for the Period as compared to that of approximately HK\$159.5 million for the nine months ended 31 December 2019 (the "**Corresponding Period**"). The revenue of the Group's OEM business decreased by approximately 66.6% to approximately HK\$36 million for the Period as compared to that of approximately HK\$107 million for the Corresponding Period. Such decrease was mainly due to the loss of one of the major customers for the Period. However, our sales team has found some new customers to diversify the customer base. The orders from the new customers will become more stable in the coming periods.

The revenue of the Group's OBM business decreased by approximately 41.4% to approximately HK\$30.3 million for the Period as compared to that of approximately HK\$51.7 million for the Corresponding Period. Such decrease was mainly due to the threat of the COVID-19.

Cost of sales, gross profit and gross profit margin

The Group's cost of sales decreased by approximately 41.3% to approximately HK\$54.7 million for the Period as compared to that of approximately HK\$93.2 million for the Corresponding Period. The Group's gross profit decreased by approximately 82.4% to approximately HK\$11.6 million for the Period as compared to that of approximately HK\$66.3 million for the Corresponding Period, resulting from the decrease in the Group's revenue from OEM business. The Group's gross profit margin decreased from 41.6% to 17.6% for the Period.

Expenses

The Group's selling and distribution costs decreased by approximately 33% to approximately HK\$16.3 million for the Period as compared to those of approximately HK\$24.3 million for the Corresponding Period. Such decrease was in line with the decrease in the Group's revenue. The Group's administrative and other expenses decreased by approximately 31.2% to approximately HK\$32.2 million for the Period as compared to those of approximately HK\$46.8 million for the Corresponding Period. Such decrease was mainly due to the Group's cost controls on operating costs in order to improve the Group's operating performance.

Profit or loss before tax

The Group's loss before tax increased by approximately 119% to approximately HK\$20.1 million for the Period as compared to that of approximately HK\$9.2 million for the Corresponding Period. Such increase was mainly due to a decrease in revenue from OEM business.

DIVIDEND

The Board has resolved not to declare the payment of any dividend for the Period (2019: Nil).

OUTLOOK

OEM exports to the US and the UK are expected to continue to decline in the next financial quarter as the COVID-19 situation remains serious in these markets. The global economy will remain sluggish until the COVID-19 pandemic is well contained. Besides, persistently tense economic, trade and political relations between the PRC and the US, geopolitical tensions, and global financial market volatility continue to warrant attention. OEM performance is thus expected to remain under pressure in the next financial year.

OBM sales continued to drop during the period ended 31 December 2020, as the COVID-19 pandemic and resulting anti-pandemic measures brought inbound tourism to a standstill and seriously disrupted consumption-related activities. The business environment for OBM will remain very difficult in the near term amid the deep economic recession.

The potential impact of the COVID-19 on the global economy is tremendous but still uncertain. Concerns about the impact from the COVID-19 heighten and these weigh on the corporate earnings and the global economic outlook. The negative effect resulting from the COVID-19 is largely dependent on the situation and duration of the pandemic development. Future adverse changes in economic conditions would negatively affect the Group's financial position and performance. The Group will continue to monitor the development and the volatile market conditions.

In the current abnormal business conditions, the Group is conscious about the importance of liquidity of the Group's on-going operations. Managing cash flow is very critical during a period of crisis. The Group is considering actions to reduce inventories with a view to maintaining more cash and will increase the outsourcing of its production procedures to different sub-contractors in order to minimize the fixed costs incurred by our factory.

FUND RAISING ACTIVITIES

Placing of new shares under specific mandate

On 7 August 2020, the Company and CNI Securities Group Limited (the “**Placing Agent**”) entered into a placing agreement in relation to placing of up to 460,000,000 placing shares at a price of HK\$0.08 per placing share under specific mandate (the “**Placing**”). The new shares were issued under the specific mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the extraordinary general meeting held on 14 September 2020. An aggregate of 460,000,000 new shares were allotted and issued to not less than six placees on 16 October 2020. The net proceeds from the Placing amounted to approximately HK\$35.2 million, in which 48% was assigned for use as general working capital for payment of certain rental expense, utilities and staff costs, and the balance of 52% was assigned for settlement of certain trade payables and overhead expenses of the Group.

Details of the Placing were disclosed in the Company's announcement dated 7 August 2020, 30 September 2020 and 16 October 2020 and the Company's circular dated 28 August 2020.

During the Period, save as disclosed above, the Group did not conduct any fund raising activities.

SHARE OPTION SCHEME

As no share option has been granted since the adoption of the share option scheme of the Company, there was no share option outstanding as at 31 December 2020 and no share option was exercised, cancelled or lapsed during the Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2020, none of the Directors nor the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the **"SFO"**)), which were required to be (a) 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 under such provisions of the SFO); or (b) recorded in the register referred to therein pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2020, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of and complied with the applicable code provisions of the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules (the **"CG Code"**) during the Period and up to the date hereof, save for the deviations from code provisions A.2.1 and A.6.7 of the CG Code as disclosed below. The Company periodically reviews its corporate governance practices to ensure that it continues to meet the requirements of the CG Code.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Cheung Desmond Lap Wai (**"Mr. Cheung"**), the acting chief executive officer (**"CEO"**), was appointed as the chairman of the Company on 21 May 2020. He is mainly responsible for overseeing the financial and accounting, human resources and administrative matters as well as the OBM business of the Group. In view of Mr. Cheung's aforesaid responsibilities and extensive experience and working knowledge in the Group since October 2008, the Board believed that it was in the best interest of the Group to have Mr. Cheung taking up both roles for effective management and business development. The Board considered that the balance of power and authority, accountability and independent decision-making under the above arrangement would not be impaired because of the diverse background and experience of the independent non-executive Directors. Further, the audit committee of the Company (the **"Audit Committee"**) consisted of three independent non-executive Directors, and all of the independent non-executive Directors have free and direct access to the Company's external auditors and independent professional advisers when they consider necessary.

In order to maintain good corporate governance and to fully comply with code provision A.2.1 of the CG Code, the Board will regularly review the need to appoint different individuals to perform the roles of chairperson and CEO separately and to make appropriate changes if considered necessary.

Code provision A.6.7 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Some individual Directors were unable to attend the annual general meeting of the Company held on 30 July 2020 or the extraordinary general meeting held on 14 September 2020 due to other business engagements. This constitutes a deviation from code provision A.6.7 of the CG Code.

The company secretary of the Company had reminded the Directors to attend general meetings in future in order to establish effective communications with shareholders of the Company.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors (the “**Required Standard of Dealings**”). Following specific enquiries made by the Company on all the Directors, each of them has confirmed he/she had complied with the Required Standard of Dealings throughout the Period. No incident of non-compliance was noted by the Company during the Period.

COMPETING INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDER AND THEIR RESPECTIVE CLOSE ASSOCIATES

None of the Directors or the controlling shareholder(s) of the Company or their respective close associates (as defined in the GEM Listing Rules) had interests in any business apart from the Group's businesses which competes or was likely to compete, either directly or indirectly, with the businesses of the Group and no such person had, or may have any other conflicts of interest with the Group during the Period and up to the date hereof.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, the Company did not redeem its listed securities, nor did the Company or any of its subsidiaries purchase or sell such securities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 29 May 2020, Mei Li Hua Children Garment Company Limited ("**MLH**"), a wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with Zhongshan Anpin Electrical Appliance Company Limited (the "**Transferee**"). The Group proposed to reorganise its assets and set up a wholly-owned subsidiary (the "**Target Company**"), and transfer its factory and land to the Target Company. MLH has conditionally agreed to sell the entire equity interests in the Target Company to the Transferee by two tranches (the "**Disposal**"). The transferor shall firstly sell 5% equity interests in the Target Company for the first consideration of RMB550,000 (equivalent to HK\$596,695), and the transferor shall then sell 95% equity interests in the Target Company for the second consideration of RMB10,450,000 (equivalent to HK\$11,337,205) after the first completion. The aggregation of the first consideration and the second consideration of RMB11,000,000 (equivalent to HK\$11,933,900) shall be settled by cash after deducting the earnest money. Details of the Disposal were disclosed in the Company's announcements dated 15 May 2020, 29 May 2020 and 11 June 2020. The Disposal has been completed in November 2020. Save as disclosed as above, there were no material acquisitions and disposals of subsidiaries, associates and joint ventures during the Period.

EVENT AFTER THE REPORTING PERIOD

Refreshment of general mandate

At the annual general meeting of the Company held on 30 July 2020 (the "**AGM**"), the shareholders of the Company approved the granting of general mandate to the Directors to allot, issue and deal with up to 92,295,200 new shares, being 20% of the aggregate number of issued shares of 461,476,000 on the date of the AGM (the "**Existing General Mandate**").

With reference to the Company's circular dated 5 February 2021 (the "**Circular**"), since the granting of the Existing General Mandate and up to the latest practicable date (the "**Latest Practicable Date**") as defined in the Circular, the Existing General Mandate has not been utilized and the Company has the power to issue up to a maximum of 92,295,200 shares under the Existing General Mandate, represents only approximately 10% of the issued shares of the Company as enlarged by the completion of the Placing. In light of the next annual general meeting which will be held no later than July 2021, it is possible that the Company may not have sufficient general mandate to promptly meet fund raising and/or investment opportunities for more than 6 months. The Company proposed to grant to the Directors at the extraordinary general meeting of the Company (the "**EGM**") to allot, issue and deal with new shares of 184,295,200, not exceeding 20% of the aggregate number of issued shares as at the date of the EGM (the "**New General Mandate**"). The New General Mandate will empower the Directors to issue new shares under the refreshed limit and provide the Company with the flexibility and ability to capture any appropriate capital raising or business opportunities in an appropriate time.

The grant of the New General Mandate will be subject to the approval of the independent shareholders of the Company at the EGM to be held on Tuesday, 2 March 2021.

Please refer to the Circular for details.

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change in information of the Directors for the Period and up to the date hereof is set out below:

1. Mr. Wang Rongqian was appointed as an independent non-executive Director (the "**INED**"), chairman of the remuneration committee of the Company, and a member of each of the Audit Committee and nomination committee of the Company on 25 January 2021; and
2. Mr. Choi Wing San Wilson has resigned as an INED, chairman of the remuneration committee of the Company, and a member of each of the Audit Committee and nomination committee of the Company on 25 January 2021.

REVIEW OF FINANCIAL STATEMENTS

The Company established the Audit Committee on 26 January 2018 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, re-appointment and removal of external auditors, review the financial statements and material advice in respect of financial reporting, and oversee internal control and risk management procedures of the Group.

The Audit Committee currently comprises three INEDs, namely Mr. Tan Yik Chung Wilson ("**Mr. Tan**"), Mr. Wang Rongqian and Mr. Cho Chi Kong. Mr. Tan is the chairman of the Audit Committee. The Audit Committee has reviewed this report, including the unaudited condensed consolidated results of the Group for the Period and discussed with the management of the Company the accounting principles and practices adopted by the Group as well as other financial reporting matters. The Audit Committee is of the opinion that the preparation of such results have complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board
Mansion International Holdings Limited
Cheung Desmond Lap Wai
Chairman, Executive Director and
Acting Chief Executive Officer

Hong Kong, 14 February 2021

As at the date hereof, the executive Directors are Mr. Cheung Desmond Lap Wai (chairman and acting chief executive officer) and Mr. Kwan Kar Man; and the INEDs are Mr. Cho Chi Kong, Mr. Wang Rongqian and Mr. Tan Yik Chung Wilson.

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