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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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

The board of directors of Mansion International Holdings Limited (the “Company” and the “Directors”, respectively) announces the unaudited condensed consolidated financial results of the Company and its subsidiaries for the six months ended 30 September 2022. This announcement, containing the full text of the 2022/23 interim 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 interim results. The printed version of the Company’s 2022/23 interim 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.

By Order of the Board
Mansion International Holdings Limited
Yao Ruhe
Chairman

Hong Kong, 14 November 2022

As at the date of this announcement, the executive Directors are Mr. Yao Ruhe (Chairman), Ms. Wong Ka Man and Ms. Kam Chun Fong; and the independent non-executive Directors are Mr. Wu Chi King, Mr. Lang Yonghua and Ms. Wong Ying Yu.

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 “**Director(s)**”, 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.*



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yao Ruhe (*Chairman*)

Mr. Kwan Kar Man

(resigned on 1 April 2022)

Ms. Kam Chun Fong

(appointed on 1 April 2022)

Ms. Wong Ka Man

Independent Non-executive Directors

Mr. Lang Yonghua

(appointed on 1 April 2022)

Ms. Wong Ying Yu

Mr. Wu Chi King

BOARD COMMITTEES

Audit Committee

Mr. Wu Chi King (*Chairman*)

Mr. Lang Yonghua

(appointed on 1 April 2022)

Mr. Wang Rongqian

(resigned on 1 April 2022)

Ms. Wong Ying Yu

Remuneration Committee

Mr. Lang Yonghua (*Chairman*)

(appointed on 1 April 2022)

Mr. Wang Rongqian (*Chairman*)

(resigned on 1 April 2022)

Ms. Wong Ying Yu

Mr. Wu Chi King

Nomination Committee

Mr. Wu Chi King (*Chairman*)

Mr. Lang Yonghua

(appointed on 1 April 2022)

Mr. Wang Rongqian (resigned on 1 April 2022)

Ms. Wong Ying Yu

COMPLIANCE OFFICER

Ms. Wong Ka Man

COMPANY SECRETARY

Mr. Kwan Kar Man

(resigned on 1 April 2022)

Mr. Tse Fung Chun

(appointed on 1 April 2022)

AUTHORISED REPRESENTATIVES

Mr. Kwan Kar Man

(ceased on 1 April 2022)

Ms. Wong Ka Man

Mr. Tse Fung Chun

(appointed on 1 April 2022)

INDEPENDENT AUDITOR

McMillan Woods (Hong Kong) CPA Limited

24/F., Siu On Centre,

188 Lockhart Road,

Wan Chai, Hong Kong

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Union Registrars Limited

Suites 3301-04, 33/F.,

Two Chinachem Exchange Square,

338 King's Road, North Point,

Hong Kong



**HEADQUARTERS AND PRINCIPAL
PLACE OF BUSINESS IN
HONG KONG**

Room 204, 2/F., Empire Court,
2-4 Hysan Avenue, Causeway Bay,
Hong Kong

**PRINCIPAL SHARE REGISTRAR AND
TRANSFER OFFICE IN THE
CAYMAN ISLANDS**

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive,
PO Box 2681, Grand Cayman,
KY1-1111, Cayman Islands

REGISTERED OFFICE

Cricket Square, Hutchins Drive,
PO Box 2681, Grand Cayman,
KY1-1111, Cayman Islands

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
DBS Bank (Hong Kong) Limited

COMPANY WEBSITE

www.mansionintl.com

STOCK CODE

8456

INTERIM RESULTS

The board of Directors (the “**Board**”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2022 (the “**Period**”), together with the comparative figures for the corresponding period in 2021, as follows:

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

For the six months ended 30 September 2022

	Notes	Three months ended 30 September		Six months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	4	19,971	20,874	35,125	38,992
Cost of sales		(12,582)	(12,302)	(22,143)	(22,426)
Gross profit		7,389	8,572	12,982	16,566
Other income, gains and losses	5	68	(2,561)	7,118	(2,560)
Selling and distribution costs		(5,512)	(4,453)	(8,421)	(9,210)
Administrative and other expenses		(9,792)	(10,799)	(13,591)	(17,656)
Finance costs	6	(164)	(195)	(321)	(396)
Loss before tax		(8,011)	(9,436)	(2,233)	(13,256)
Income tax credit	7	13	-	-	-
Loss for the period		(7,998)	(9,436)	(2,233)	(13,256)
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		-	(506)	-	(1,140)
Release of translation reserve upon disposal of subsidiaries		-	3,362	-	3,362
Total comprehensive expense attributable to owners of the Company		(7,998)	(6,580)	(2,233)	(11,034)
Loss per share:					
Basic and diluted (HK cents)	9	(3.78)	(19.92)	(1.06)	(28.37)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Notes	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	10	4,423	2,943
Right-of-use assets	11	3,818	2,877
Deposits	13	1,013	1,060
		9,254	6,880
Current assets			
Inventories		5,207	6,786
Trade receivables	12	9,654	4,078
Deposits, prepayments and other receivables	13	5,497	7,257
Cash and bank balances		8,080	19,682
		28,438	37,803
Current liabilities			
Trade and bills payables	15	1,252	2,879
Contract liabilities	16	97	97
Accruals and other payables	17	4,905	5,779
Other borrowings	18	11,727	11,727
Provisions	19	1,198	1,296
Lease liabilities	20	2,504	3,927
		21,683	26,878
Net current assets		6,755	10,925
Total assets less current liabilities		16,009	17,805

	Notes	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Non-current liabilities			
Provision	19	–	215
Lease liabilities	20	1,785	1,133
		1,785	1,348
Net Assets			
		14,224	16,457
Equity			
Equity attributable to owners of the Company			
Share capital	21	42,305	42,305
Reserves		(28,081)	(25,848)
		14,224	16,457

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Attributable to owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Other reserve HK\$'000	Share option reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
As at 1 April 2021 (Audited)	9,215	93,224	5,987	288	8	-	(2,222)	(129,119)	(22,619)
Loss for the period	-	-	-	-	-	-	-	(13,256)	(13,256)
Other comprehensive expense:									
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	(1,140)	-	(1,140)
Release of translation reserve upon disposal of subsidiaries	-	-	-	-	-	-	3,362	-	3,362
Total comprehensive expense for the period	-	-	-	-	-	-	2,222	(13,256)	(11,034)
Equity settled share-based payment	-	-	-	-	-	250	-	-	250
Share issued upon exercise of share options (note 20)	400	450	-	-	-	(250)	-	-	600
Transaction with owners	400	450	-	-	-	-	-	-	850
As at 30 September 2021 (Unaudited)	9,615	93,674	5,987	288	8	-	-	(142,375)	(32,803)
As at 1 April 2022 (Audited)	42,305	118,409	-	-	8	-	-	(144,265)	16,457
Loss for the period	-	-	-	-	-	-	-	(2,233)	(2,233)
Total comprehensive expense for the period	-	-	-	-	-	-	-	(2,233)	(2,233)
As at 30 September 2022 (Unaudited)	42,305	118,409	-	-	8	-	-	(146,498)	14,224

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Net cash (used in) from operating activities	(9,702)	870
Investing activities		
Interest received	–	2
Proceeds from disposal of property, plant and equipment	100	–
Purchases of property, plant and equipment	(2,000)	(5)
Net cash (used in) investing activities	(1,900)	(3)
Net cash used in financing activities	–	(1,947)
Net decrease in cash and cash equivalents	(11,602)	(1,080)
Cash and cash equivalents at the beginning of the period	19,682	3,417
Effect of exchange rate changes on cash and cash equivalents	–	–
Cash and cash equivalents at the end of the period	8,080	2,337



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 Room 204, 2/F., Empire Court, 2–4 Hysan Avenue, Causeway Bay, Hong Kong.

The Company is an investment holding company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the sale of baby and children garments by Original Equipment Manufacturing (“**OEM**”) and Original Brand Manufacturing (“**OBM**”).

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The unaudited condensed consolidated financial statements of the Group for the Period (the “**Interim Financial Statements**”) have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules. The Interim Financial Statements do not include all the information required in annual consolidated financial statements in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRSs, HKASs and Interpretations issued by the HKICPA, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 March 2022 (the “**Annual Financial Statements 2021/22**”).

The Interim Financial Statements have been prepared on the historical cost basis and 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.

Significant accounting policies

In the current period, the Group has adopted all the new and revised Hong Kong HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The accounting policies applied in the Interim Financial Statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 March 2022. A number of new or amended standards are effective from 1 April 2022 but they do not have a material effect on the Interim Financial Statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Interim 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 Interim Financial Statements are consistent with those used in the Annual Financial Statements 2021/22.

4. REVENUE AND SEGMENT INFORMATION

The Group determines its operating segments based on the internal reports reviewed by the executive Directors, who are the chief operating decision-maker, that are used to allocate resources and assess performance, which are analysed based on business as follows:

Original Equipment Manufacturing (“ OEM ”)	OEM business directly to the overseas brand companies or designated sourcing companies mainly located in Hong Kong, the United Kingdom (the “ UK ”) and the United States (the “ US ”); and
Original Brand Manufacturing (“ OBM ”)	OBM business under our own brand “Mides” and complementary third party brand products through our self-operated retail stores and department store counters in Hong Kong, and wholesale in Hong Kong, the People’s Republic of China (the “ PRC ”) and Macau.

Segment results represents loss before tax by each segment. Unallocated expenses mainly included staff costs, legal and professional fees, repairs and maintenance, telephone expenses, travelling expenses, advertising and promotion and motor vehicle expenses. This is the measure reported to the executive Directors for the purpose of resource allocation and assessment of segment performance.

Revenue

All revenue are recognised at a point in time. An analysis of the Group’s revenue for the three months and the six months ended 30 September 2022 is as follows:

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$’000 (Unaudited)	2021 HK\$’000 (Unaudited)	2022 HK\$’000 (Unaudited)	2021 HK\$’000 (Unaudited)
OEM	13,564	13,639	22,862	24,563
OBM	6,407	7,235	12,263	14,429
	19,971	20,874	35,125	38,992



Segment revenue and results

The following is an analysis of the Group's revenue and results by business.

Six months ended 30 September 2022

	OEM HK\$'000 (Unaudited)	OBM HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
REVENUE, recognised at a point in time			
External sales	22,862	12,263	35,125
RESULTS			
Segment results	1,083	(3,484)	(2,401)
Gain on disposal of subsidiaries (note 14)			6,458
Directors' remuneration			(168)
Finance costs			(321)
Unallocated expenses			(5,801)
Loss before tax			(2,233)

Six months ended 30 September 2021

	OEM HK\$'000 (Unaudited)	OBM HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
REVENUE, recognised at a point in time			
External sales	24,563	14,429	38,992
RESULTS			
Segment results	1,242	(5,106)	(3,864)
Bank interest income			2
Loss on disposal of subsidiaries (note 14)			(2,526)
Directors' remuneration			(418)
Finance costs			(396)
Unallocated expenses			(6,054)
Loss before tax			(13,256)

5. OTHER INCOME, GAINS AND LOSSES

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Bank interest income	–	1	–	2
Expected credit losses on trade receivables	–	(10)	–	(10)
Sundry income and expenses, net	68	244	104	244
Receive (refund) of government subsidies	–	(270)	576	(270)
Loss on disposal of property, plant and equipment	–	–	(20)	–
Gain on disposal of subsidiaries (note 14)	–	(2,526)	6,458	(2,526)
	68	(2,561)	7,118	(2,560)

6. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interests on other borrowings	127	84	252	167
Interests on lease liabilities	37	111	69	229
	164	195	321	396

7. INCOME TAX CREDIT (EXPENSE)

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Current — Hong Kong Profits tax — tax for the Period	13	–	–	–
	13	–	–	–
Deferred tax — charge for the Period	–	–	–	–
Income tax credit	13	–	–	–

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 PRC, the applicable EIT rates for domestic and foreign enterprises are unified at 25%.

8. DIVIDEND

The Board has resolved not to declare the payment of any dividend for the Period (2021: Nil).

9. LOSS PER SHARE

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

	Three months ended 30 September		Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Loss				
Loss attributable to owners of the Company for the purposes of basic and diluted loss per share (HK\$'000)	(7,998)	(9,436)	(2,233)	(13,256)
Number of shares				
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	211,524,720	47,373,800	211,524,720	46,727,352

Diluted loss per share is same as the basic loss per share as there are no dilutive potential ordinary shares in existence during the Period and the corresponding period in 2021.

10. PROPERTY, PLANT AND EQUIPMENT

During the Period, property, plant and equipment with carrying amounts of approximately HK\$120,000 and HK\$2.0 million was disposed and acquired respectively (six months ended 30 September 2021: Nil and HK\$5,000). Also, depreciation of approximately HK\$380,000 was charged during the Period (six months ended 30 September 2021: HK\$187,000).

11. RIGHT-OF-USE ASSETS

	Office premises HK\$'000 (Note)	Warehouses and retail stores HK\$'000 (Note)	Total HK\$'000
As at 1 April 2022 (Audited)	–	2,877	2,877
Addition	–	3,860	3,860
Disposal	–	(1,530)	(1,530)
Depreciation	–	(1,389)	(1,389)
As at 30 September 2022 (Unaudited)	–	3,818	3,818

Notes:

The Group has obtained the right to use other properties as offices, warehouses and retail stores through tenancy agreements. The leases typically run for an initial period of two to three years.

The Group leases a number of retail stores which contain variable lease payment terms that are based on sales generated from the retail stores and minimum annual lease payment terms that are fixed. These payment terms are common in retail stores in Hong Kong where the Group operates. During both periods, none of the variable lease payment based on sales generated from the retail stores was recognised as the variable lease payment terms were not fulfilled.

Some leases include an option to renew the lease when all terms are renegotiated.

12. TRADE RECEIVABLES

The following is an aged analysis of trade receivables based on the invoice dates and net of loss allowance at the end of the reporting period:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Within 30 days	7,441	3,665
31 days to 120 days	2,213	413
121 days to 1 year	–	–
More than 1 year	–	–
	9,654	4,078

13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Non-current		
Rental and utilities deposits	1,013	1,060
Current		
Rental, utilities and other deposits	1,685	3,227
Prepayments	220	3,969
Other receivables	3,592	61
	5,497	7,257

14. GAIN ON DISPOSAL OF SUBSIDIARIES

On 1 April 2022, Flair Elite Limited, a direct wholly-owned subsidiary of the Company, has entered into a sales and purchase agreement with an independent third party (the "Buyer") of the Group, to dispose of its direct wholly-owned subsidiary, Mantex Suppliers Co. Limited ("Mantex Suppliers"), at a cash consideration of HK\$1. The Mantex Suppliers carried out the business of wholesale of children wear during the year ended 31 March 2022 and up to the disposal date. The disposal was completed on 1 April 2022 (the "Completion Date"), on which date control of the Mantex Suppliers was passed to the Buyer.

Gain on disposal of subsidiary amounted to HK\$6,458,000 was analysed as follows:

	For the six months ended 30 September 2022: (Unaudited) HK\$'000
Proceeds from disposal (at a cash consideration of HK\$1)	–
Add: Net liabilities of Mantex Suppliers as at the Completion Date	6,458
Gain on disposal of subsidiary	6,458

15. TRADE PAYABLES

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Trade payables	1,252	2,879

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

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Within 30 days	1,084	751
31 days to 1 year	168	667
More than 1 year	–	1,461
	1,252	2,879

16. CONTRACT LIABILITIES

The contract liabilities represented the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of each period.

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Billing in advance of sale of goods	97	97

The Group also sells gift certificates to the customers who redeems the gift certificates for goods offered at the retail stores. The gift certificates are non-refundable and valid for one year from the date of issue.

The following is the movement in contract liabilities during the period/year:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Balance as at beginning of the period/year	97	12,975
Decrease in contract liabilities as a result of recognising revenue during the period/year that was included in the contract liabilities at the beginning of the period/year	–	(12,975)
Increase in contract liabilities as a result of billing in advance of sale of goods	–	97
Balance as at end of the period/year	97	97

The Group has applied the practical expedient to its sales contracts for the production of baby clothing and baby accessories and therefore the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for garment production that had an original expected duration of one year or less.

17. ACCRUALS AND OTHER PAYABLES

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Accruals and other payables	4,905	5,779

Note: The amounts mainly represented accrued staff costs and commission.

18. OTHER BORROWINGS

On 17 May 2019, the Group entered into an agreement with a director to borrow a loan of HK\$20,000,000. The loan which matures on 30 June 2021, is unsecured and the effective interest rate is 4% per annum. On 24 April 2020, the same director has resigned and the balance was reclassified to other borrowing. As at 30 September 2022, the outstanding balance of the loan was approximately HK\$8,367,000.

On 3 August 2021, the Group entered into an agreement with an independent third party to borrow a loan of HK\$3,360,000. The loan which matured on 2 August 2022, was unsecured and the effective interest rate was 5% per annum.

19. PROVISIONS

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Analysed for reporting purpose as:		
Non-current liabilities	–	215
Current liabilities	1,198	1,296
	1,198	1,511

	Long service payment HK\$'000	Reinstatement cost HK\$'000	Total HK\$'000
At 1 April 2022 (Audited)	554	957	1,511
Utilisation of provision	(217)	(96)	(313)
As at 30 September 2022 (Unaudited)	337	861	1,198

20. LEASE LIABILITIES

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Lease liabilities payable:		
Within one year	3,414	3,927
Within a period of more than one year but not exceeding two years	875	1,133
Within a period of more than two years but not exceeding five years	–	–
	4,289	5,060
Less: Amount due for settlement with 12 months shown under current liabilities	2,504	(3,927)
Amount due for settlement after 12 months shown under non-current liabilities	1,785	1,133

The incremental borrowing rates applied to lease liabilities range from 4.25% to 4.37% (31 March 2022: from 4.25% to 4.37%).

21. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
500,000,000 ordinary shares of HK\$0.2 each		
As at 1 April 2021	2,000,000,000	20,000
Share Consolidation (note a)	(1,900,000,000)	–
Increase of authorised ordinary shares (note b)	400,000,000	80,000
As at 31 March 2022, 1 April 2022 and 30 September 2022	500,000,000	100,000
Issued and fully paid:		
211,524,720 ordinary shares of HK\$0.2 each		
As at 1 April 2021	921,476,000	9,215
Share Consolidation (note a)	(875,402,200)	–
Share issued upon exercise of share options (note c)	6,807,380	1,361
Rights Issue and placing of new shares (note d)	158,643,540	31,729
As at 31 March 2022, 1 April 2022 and 30 September 2022	211,524,720	42,305



Note:

- (a) On 15 June 2021, an ordinary resolution was passed at the extraordinary general meeting of the Company that every twenty issued and unissued existing shares of a par value of HK\$0.01 each in the share capital of the Company be consolidated into one consolidated share of a par value of HK\$0.2 each in the share capital of the Company (the “**Share Consolidation**”). The Share Consolidation became effective on 17 June 2021.

For details, please refer to the announcements of the Company dated 14 May 2021 and 15 June 2021 and the circular of the Company dated 24 May 2021.

- (b) On 16 December 2021, an ordinary resolution was passed at the extraordinary general meeting of the Company that the authorised share capital of the Company was increased from HK\$20,000,000 divided into 100,000,000 shares to HK\$100,000,000 divided into 500,000,000 shares by the creation of an additional 400,000,000 unissued shares.
- (c) During the year ended 31 March 2022, 6,807,380 share options were exercised to subscribe for 6,807,380 ordinary shares of the Company at the consideration of approximately HK\$2.9 million of which approximately HK\$1.4 million was credited to share capital and the balance of approximately HK\$1.5 million was credited to the share premium account. Amount of approximately HK\$1 million has been transferred from share options reserve to the share premium account in accordance with the accounting policy adopted by the Company.
- (d) On 8 February 2022, the Company allotted and issued 112,853,469 new shares on the basis of three rights share for every one share held by qualifying shareholders at the subscription price of HK\$0.35 per rights share (“**Rights Issue**”). The Company also allotted and issued 45,790,071 new shares for the unsubscribed rights shares at the placing price of HK\$0.35 per placing share. The gross proceeds from the Rights Issue was approximately HK\$55.5 million and costs incurred for the Rights Issue amounted to approximately HK\$1.2 million.

For details, please refer to the announcements of the Company dated 5 November 2021, 16 December 2021, 25 January 2022 and 7 February 2022, the circular of the Company dated 25 November 2021 and prospectus of the Company dated 4 January 2022.

22. RELATED PARTY TRANSACTIONS

During the Period, the Group entered into the following transactions with related parties:

Compensation of key management personnel

The emoluments of executive Directors who are also identified as members of key management of the Group during the Period were approximately HK\$168,000 (six months ended 30 September 2021: HK\$268,000).



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the sale of baby and children garments by OEM and OBM. In 2022, 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 Period, sending a severe shock to the global economy.

For our OEM business, the Group sells its OEM goods to the customers in Hong Kong and exports to overseas mainly the United Kingdom (the “**UK**”) and the United States of America (the “**US**”). The OEM revenue decreased 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 People’s Republic of China (the “**PRC**”). During the Period, due to the threat of COVID-19, OBM revenue in Hong Kong and the PRC have declined.

FINANCIAL REVIEW

Revenue

The Group’s revenue decreased by approximately 9.9% to approximately HK\$35.1 million for the Period as compared to that of approximately HK\$39.0 million for the six months ended 30 September 2021 (the “**Corresponding Period**”).

The revenue of the Group’s OEM business decreased by approximately 6.9% to approximately HK\$22.9 million for the Period as compared to that of approximately HK\$24.6 million for the Corresponding Period. Such decrease was mainly due to the threat of COVID-19.

The revenue of the Group’s OBM business decreased by approximately 15.0% to approximately HK\$12.3 million for the Period as compared to that of approximately HK\$14.4 million for the Corresponding Period. Such decrease was mainly due to the willingness of spending by the consumers, which is affected by the pandemic of COVID-19.

Cost of sales, gross profit and gross profit margin

The Group’s cost of sales decreased by approximately 1.3% to approximately HK\$22.1 million for the Period as compared to that of approximately HK\$22.4 million for the Corresponding Period which is in line with the decrease in revenue during the Period. The Group’s gross profit decreased by approximately HK\$3.6 million to approximately HK\$13.0 million for the Period as compared to that of approximately HK\$16.6 million for the Corresponding Period, resulting from the decrease in the Group’s revenue and the Group’s gross profit margin also decreased from 42.5% to 37.0% for the Period.



Expenses

The Group's selling and distribution costs decreased by approximately 8.6% to approximately HK\$8.4 million for the Period as compared to those of approximately HK\$9.2 million for the Corresponding Period, which was mainly due to the decrease in revenue for the Period. The Group's administrative and other expenses decreased by approximately 23.0% to approximately HK\$13.6 million for the Period as compared to those of approximately HK\$17.7 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.

Finance costs

The Group's finance costs decreased by approximately 18.9% to approximately HK\$321,000 during the Period as compared to those of approximately HK\$396,000 for the Corresponding Period. The decrease in finance cost due to the Group has settled certain borrowings during the year ended 31 March 2022.

Loss before tax

The Group's loss before tax decreased by approximately 83.2% to approximately HK\$2.2 million for the Period as compared to that of approximately HK\$13.3 million for the Corresponding Period. Such decrease was mainly due to the gain on disposal of subsidiaries of approximately HK\$6.5 million and the decrease in administrative and other expenses of approximately HK\$4.1 million during the Period.

DIVIDEND


The Board has resolved not to declare the payment of any dividend for the Period (2021: Nil).

OUTLOOK

Under the economic impacts of COVID-19, there is a decrease in OEM business of the Group which is caused by the threat of the COVID-19. Looking forward, the Board believes that the performance of OEM business of the Group will be dependent on the pandemic of COVID-19. Besides, persistently tense economic, trade and political relations between the PRC and the US, geopolitical tensions, and global financial market volatility also continue to warrant attention. OEM performance is thus expected to remain under pressure in the coming periods.

OBM sales continued to drop during the Period, 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 the 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.



Nonetheless, the Directors will do our best to prepare and weather the challenging period ahead by implementing cost reduction initiatives including further streamline the operations. For our OEM business, we shall also reduce our Group's costs by restructuring our production by working with other manufacturers across Asia Pacific. This action will allow us to continue to work with our established customers while further expanding our business into children's and teenagers' wear. We shall see a reduction of brick and mortar retail outlets in Hong Kong for our OBM business while developing and expanding our online business. We believe that there has been a change in customer buying behaviour from offline to online since the pandemic and social unrest. We shall put significant effort into our eCommerce site while partnering with other online retailers to grow our online business.

Looking ahead to 2022/2023, in view of present economic uncertainty and difficulties, the Group is reviewing its existing assets structure and business strategies and may make adjustment to our existing assets structure, with the aim to consolidate our resources, so as to be flexibly prepared for uncertainties in the future. At the same time, the Group will strictly adhere to its cost control policy and swiftly adjust business strategies of our business in response to ever-changing market dynamics.

Finally, the Group foresees that global economy will be getting better in year 2022/2023. We will actively explore all suitable investment opportunities to diversify the Group's business horizons and will work hard to strengthen overall business development in order to generate better financial returns for shareholders.


LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's sources of funds were mainly cash generated from operations for the Period. As at 30 September 2022, the Group had cash and bank balances of approximately HK\$8.1 million (31 March 2022: approximately HK\$19.7 million).

As at 30 September 2022, the Group's other borrowings amounted to approximately HK\$11.7 million (31 March 2022: HK\$11.7 million). The Group's other borrowings are unsecured, repayable on demand or within one year and denominated in Hong Kong Dollars and Renminbi, and bear interest from 0% to 5% (31 March 2022: 0% to 5%) per annum.

The current ratio was 1.3 as at 30 September 2022 (31 March 2022: 1.4) and the gearing ratio was approximately 1.1 as at 30 September 2022 (31 March 2022: 1.0).

Note: Gearing ratio is calculated as the total debt (including other borrowings and lease liabilities) divided by the total equity.



The Group did not use any financial instruments for hedging purposes during the Period (31 March 2022: Nil). As at 30 September 2022, the share capital and equity attributable to owner of the Company amounted to approximately HK\$42.3 million and HK\$14.2 million respectively (31 March 2022: share capital and equity attributable to owner of the Company of HK\$42.3 million and HK\$16.5 million respectively).

CAPITAL COMMITMENTS

The Group did not have any significant capital commitments as at 30 September 2022 (31 March 2022: Nil).

CHARGE OVER ASSETS OF THE GROUP

The Group did not have any charge over assets of the Group as at 30 September 2022 (31 March 2022: Nil).

ACQUISITIONS AND DISPOSALS

Disposal of subsidiaries

On 1 April 2022, Flair Elite Limited, a direct wholly-owned subsidiary of the Company, has entered into a sales and purchase agreement with an independent third party (the “**Buyer**”) of the Group, to dispose of its direct wholly-owned subsidiary, Mantex Suppliers Co. Limited (“**Mantex Suppliers**”), at a cash consideration of HK\$1. The Mantex Suppliers carried out the business of wholesale of children wear during the year ended 31 March 2022 and up to the disposal date. The disposal was completed on 1 April 2022 (the “**Completion Date**”), on which date control of the Mantex Suppliers was passed to the Buyer.

Save as disclosed above, the Group did not have any acquisitions and disposals of subsidiaries, associates and joint ventures during the Period.

MATERIAL INVESTMENTS, AND PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

As at 30 September 2022, the Group does not have any material investments and future plans for material investments or capital assets.

CONTINGENT LIABILITIES

As at 30 September 2022, the Group had no material contingent liabilities (31 March 2022: Nil).

EVENTS AFTER REPORTING PERIOD

There was no important event affecting the Group which have occurred since 30 September 2022.



EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2022, the Group had about 40 (31 March 2022: 50 in Hong Kong and the PRC) employees working in Hong Kong. As the guiding principles, the Group uses its best endeavours offer to the most competitive compensation to our employees based on factors, including their qualifications, experience, responsibilities and performance, and treats all of our staff equally and fairly. The Group provides a safe and equal-working environment.

Our employees are compensated with a fair and equitable manner, and the opportunity to grow and excel with the Group through continuous learning at all levels. Our employees are entitled to mandatory provident fund scheme, medical insurance and statutory holidays. The Group rewards employees with competitive remuneration, including salaries, allowance and performance bonus. Furthermore, the Company has adopted a share option scheme to reward the eligible participants for their contribution to the Group. The Group also provides internal training to our staff to enhance their technical and product knowledge.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

The Board proposed to raise gross proceeds of approximately HK\$55.5 million on the basis of three (3) rights shares for every one (1) existing Share held on the record date by issuing 158,643,540 rights shares at the subscription price of HK\$0.35 per rights share (assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or before the record date as announced by the Company from time to time subject to the approval of the Stock Exchange (the "**Record Date**"). The rights issue (the "**Rights Issue**") is only available to the qualifying Shareholders and will not be extended to the excluded Shareholders. The estimated net proceeds (after the deduction of the costs and expenses which the Company will incur in the Rights Issue) will be approximately HK\$54.3 million (assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or before the Record Date). The Company intends to apply the net proceeds from the Rights Issue for (i) approximately HK\$15.4 million for the payment of rental expenses and management fee for the next 12 months; (ii) approximately HK\$22.0 million for the payment of salaries of the Group's employees for the next 12 months; (iii) approximately HK\$5.8 million for the working capital for the existing OEM business; and (iv) approximately HK\$11.1 million for the repayment of part of the current debts of the Group. The Rights Issue were approved by the Shareholders at the EGM held on 16 December 2021. Up to the date hereof, the Rights Issue was completed in 8 February 2022. For the further details of the Rights Issue, please refer to the prospectus of the Company dated 4 January 2022, the circular of the Company dated 25 November 2021, the announcements of the Company dated 5 November 2021, 16 November 2021, 25 January 2022 and 7 February 2022.

As disclosed in the Prospectus, the net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Rights Issue were approximately HK\$54.3 million, which was different from the estimated net proceeds of approximately HK\$53.4 million. The Group has adjusted the use of net proceeds in the same manner and in the same proportion as shown in the Prospectus. As at 30 September 2022, the Group had utilised approximately HK\$47.6 million of the net proceeds as follows:

Implementation plans	Adjusted use of net proceeds in the same manner and in the same proportion as stated in the Prospectus HK\$ million	Actually utilised up to 30 September 2022 HK\$ million
Payment of rental expenses and management fee	15.7	9.0
Payment of salaries of the Group's employees	22.4	22.4
Working capital for the existing OEM business	4.9	4.9
Repayment of part of the current debts of the Group	11.3	11.3
Total	54.3	47.6

The remaining unutilised net proceeds from the Rights Issue is expected to be fully utilised before 31 December 2022.

FUND RAISING ACTIVITIES

During the Period, the Group did not conduct any fund raising activities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

MANAGEMENT CONTRACT

No contracts, other than the executive Directors' employment contracts, concerning the management of the Company and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Period.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transaction, arrangement or contract of significance in relation to the Group's business to which the Company, or its holding company or any of its subsidiaries or fellow subsidiaries was a party, and in which a Director and his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the six-month period or at any time during the Period.



SHARE OPTION SCHEME

The Company has adopted the share option scheme on 28 December 2017 (the “**Share Option Scheme**”). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

Details of the Share Option Scheme are as follows:

1. *Purposes*

The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group.

2. *Eligible participants*

The eligible participants include any employee, any Directors, any suppliers, any customers, any person or entity that provides research, development or other technological support, any Shareholder, any adviser or consultant of the Company, any of its subsidiaries or any entity in which the Group holds an equity interest, and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group.

3. *Total number of Shares available for issue*

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the total number of Shares in issue as at 9 August 2021, being the date of approval of the refreshment of 10% general scheme limit under the Share Option Scheme by the Shareholders (i.e. 4,807,380 Shares, representing approximately 10% of the total number of Shares in issue as at 9 August 2021).

4. *Maximum entitlement of each participant*

The total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme (including both exercised and outstanding options) to each participant in any 12-month period must not exceed 1% of the Shares in issue for the time being (the “**Individual Limit**”). Any further grant of options to a participant in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders’ approval in the general meeting of the Company with such participant and his/her associates abstaining from voting.

Where any grant of options to a substantial Shareholder or an independent non-executive Director (the “**INED**”) or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% of the Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such further grant of options must be approved by the Shareholders.



5. *Period of the Share Option Scheme*

The Share Option Scheme will remain in force for a period of ten years commencing on 28 December 2017, being the date of adoption of the Share Option Scheme, to 27 December 2027.

6. *Time of acceptance of the offer*

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option.

7. *Minimum period for which an option must be held before it can be exercised*

There is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised unless otherwise determined by the Directors and stated in the offer for the grant of options to a grantee.

8. *Consideration for the option*

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

9. *Subscription price for Shares*

The subscription price for the Shares under the Share Option Scheme will be a price determined by the Director, but shall not be less than the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer of the grant; and (c) the nominal value of a Share.

10. *Transfer or assignment*

An option is personal to the grantee and shall not be transferable or assignable.

11. *Termination of the Share Option Scheme*

The Company may by resolution in the general meeting at any time terminate the Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

No option has been granted, exercised, cancelled or lapsed under the Share Option Scheme during the current period. The Company did not have any outstanding share options, warrants, derivatives or securities which are convertible or exchangeable into Shares as at 30 September 2022 and up to the date of this report.



CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2022, the interests of the Directors of the Company in shares, underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") as 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 the required standard of dealings by the Directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Long positions in shares and underlying shares of the Company

Name	Capacity	Number of ordinary Shares held	Approximate percentage of the issued share capital of the Company as at 30 September 2022
Mr. Yao Ruhe	Beneficial owner	400,000	0.19%

Save as disclosed above, none of the Directors and chief executive of the Company had any interests or short position in the shares, underlying shares or debentures of the Company or its associated corporation as at 30 September 2022.

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

As at 30 September 2022, the Company had not been notified by any persons (other than the Directors whose interests were disclosed above) who had interests or short positions in the Shares or underlying Shares 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. The Company periodically reviews its corporate governance practices to ensure that it continues to meet the requirements of the CG Code.

Code provision A.6.7 of the CG Code stipulates that INEDs 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 September 2022 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 the Shareholders.

CODE OF CONDUCT REGARDING 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) or their respective close associates (as defined in the GEM Listing Rules) had interests in any business apart from the Group’s businesses which competed or was likely to compete, either directly or indirectly, with the businesses of the Group and any other conflicts of interest which any such person had or might have 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.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date hereof, there is sufficient public float of not less than 25% of the Company's issued Shares as required under the GEM Listing Rules.

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 has resigned as an INED, chairman of the remuneration committee of the Company (the "**Remuneration Committee**"), and a member of each of the audit committee (the "**Audit Committee** ") and the nomination committee (the "**Nomination Committee**") of the Company with effect from 1 April 2022.
2. Ms. Kam Chun Fong was appointed as an executive Director with effect from 1 April 2022.
3. Mr. Cheung Desmond Lap Wai has resigned as an executive Director, the company secretary, an authorised representative and the process agent of the Company with effect from 1 April 2022.
4. Mr. Lang Yonghua was appointed as an INED, chairman of the Remuneration Committee, and a member of each of the Audit Committee and the Nomination Committee with effect from 1 April 2022.



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 auditor, 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. Wu Chi King, Mr. Lang Yonghua and Ms. Wong Ying Yu. Mr. Wu Chi King 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 internal controls and 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
Yao Ruhe
Chairman

Hong Kong, 14 November 2022

As at the date hereof, the executive Directors are Mr. Yao Ruhe (chairman), Ms. Kam Chun Fong and Ms. Wong Ka Man; and the INEDs are Mr. Lang Yonghua, Ms. Wong Ying Yu and Mr. Wu Chi King.

This report 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 report will also be published and will remain on the Company's website at www.mansionintl.com.