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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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2023

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 three months ended 30 June 2023. This announcement, containing the full text of the 2023/24 first 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 first quarterly results. The printed version of the Company’s 2023/24 first 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.

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

Hong Kong, 14 August 2023

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.*

FIRST 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 three months ended 30 June 2023 (the “**Period**”), together with the comparative figures for the corresponding period in 2022, as follows:

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

For the three months ended 30 June 2023

	Notes	Three months ended 30 June	
		2023 HK\$'000	2022 HK\$'000
Revenue	3	16,551	15,154
Cost of sales		(10,429)	(9,561)
Gross profit		6,122	5,593
Other income, gains and losses	4	125	7,050
Selling and distribution costs		(2,446)	(2,909)
Administrative and other expenses		(3,075)	(3,799)
Finance costs	5	(130)	(157)
Profit before tax		596	5,778
Income tax expense	6	–	(13)
Profit for the period		596	5,765
Other comprehensive expense for the period that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		–	–
Other comprehensive expense for the period		–	–
Total comprehensive income (expense) attributable to owners of the Company		596	5,765
Earnings per share:			
Basic and diluted (HK cents)	8	0.28	2.73

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2023

	Attributable to owners of the Company							
	Share capital	Share premium	Capital reserve	Statutory reserve	Other reserve	Exchange reserve	Accumulated losses	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 April 2022 (Audited)	42,305	118,409	-	-	8	-	(144,265)	16,457
Profit and total comprehensive income for the period	-	-	-	-	-	-	5,765	5,765
As at 30 June 2022 (Unaudited)	42,305	118,409	-	-	8	-	(138,500)	22,222
As at 1 April 2023 (Audited)	42,305	118,409	-	-	8	-	(150,273)	10,449
Profit and total comprehensive income for the period	-	-	-	-	-	-	596	596
As at 30 June 2023 (Unaudited)	42,305	118,409	-	-	8	-	(149,677)	11,045

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

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 are principally engaged in the sale of baby and children garments.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2023 (the “**First 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 First Quarterly Financial Statements. In addition, the First Quarterly Financial Statements include applicable disclosures required by the GEM Listing Rules.

The First 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 First Quarterly Financial Statements were consistent with those applied for the consolidated financial statements of the Group for the year ended 31 March 2023 (the “**Annual Financial Statements 2022/23**”), 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 2023.

The First Quarterly Financial Statements have been prepared on the historical cost basis. The preparation of the First 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 First Quarterly Financial Statements are consistent with those used in the Annual Financial Statements 2022/23.

3. REVENUE (UNAUDITED)

All revenue are recognised at a point in time. An analysis of the Group’s revenue for the three months ended 30 June 2023 and 2022 is as follows:

	Three months ended 30 June	
	2023 HK\$’000	2022 HK\$’000
Sales of baby and children garments	16,551	15,154



4. OTHER INCOME, GAINS AND LOSSES (UNAUDITED)

	Three months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Government subsidy	–	576
Bank interest income	1	–
Sundry income	125	36
Loss on disposal of property, plant and equipment	–	(20)
Gain on disposal of subsidiary	–	6,458
	125	7,050

5. FINANCE COSTS (UNAUDITED)

	Three months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Interest on other borrowings	129	125
Interest on lease liabilities	1	32
	130	157

6. INCOME TAX EXPENSE (UNAUDITED)

	Three months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Current — Hong Kong profits tax — tax for the Period	–	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.

7. DIVIDEND

The Board has resolved not to declare the payment of any dividend for the Period (2022: Nil).

8. EARNINGS (LOSS) PER SHARE (UNAUDITED)

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

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Profit (loss)		
Profit (loss) attributable to owners of the Company for the purposes of basic and diluted earnings (loss) per share	596	5,765
	2023	2022
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings (loss) per share	211,524,720	211,524,720

Diluted earnings (loss) per share is same as the basic earnings (loss) per share as there are no dilutive potential ordinary shares in existence during the Period and the corresponding period in 2022.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the sale of baby and children garments. In 2022/2023, the threat of the COVID-19 continuing impact on the local economic activities and supply chains in the Asian region. Hong Kong retail market has been shaky for much of the period, under the negative impact of the COVID-19 pandemic. However, thanks to another batch of consumption vouchers in April 2023 and Mainland's re-opening in January 2023, Hong Kong consumption market finally shook off the lingering effects of the pandemic. As such, the Group has recorded an increase in revenue for the three months ended 30 June 2023 (the "**Period**") by approximately HK\$1.4 million, as compared to the Corresponding Period. Despite the uncertainties and challenges the Group faces this year, the Group foresees that our business performance will be getting better in year 2023/2024 as a result of the local economy have started on the path of recovery from the COVID-19.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 9.2% to approximately HK\$16.6 million for the Period as compared to that of approximately HK\$15.2 million for the three months ended 30 June 2022 (the "**Corresponding Period**").

The revenue of the Group's business slightly increased was mainly due to the willingness of spending by the consumers, which is started to be recovered from the COVID-19. Also, the Group believed that the disbursement of electronic consumption vouchers will stimulate the consumers' spending on the sales products of the Group in coming year.

Cost of sales, gross profit and gross profit margin

The Group's cost of sales increased by approximately 9.1% to approximately HK\$10.4 million for the Period as compared to that of approximately HK\$9.6 million for the Corresponding Period which was in line with the increase in revenue during the Period. The Group's gross profit increased by approximately 9.5% to approximately HK\$6.1 million for the Period as compared to that of approximately HK\$5.6 million for the Corresponding Period, resulting from the increase in the Group's revenue. The Group's gross profit margin also slightly increased from 36.9% to 37.0% for the Period.

Expenses

The Group's selling and distribution costs decreased by approximately 15.9% to approximately HK\$2.4 million for the Period as compared to those of approximately HK\$2.9 million for the Corresponding Period. The Group's administrative and other expenses decreased by approximately 19.1% to approximately HK\$3.1 million for the Period as compared to those of approximately HK\$3.8 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.

Finance costs

The Group's finance costs decreased by approximately 17.2% to approximately HK\$130,000 during the Period as compared to those of approximately HK\$157,000 for the Corresponding Period. The decrease in finance cost due to the decrease in interest on lease liabilities during the period.

Profit (loss) before tax

The Group's profit before tax decreased to approximately HK\$0.6 million for the Period as compared to the profit before tax of approximately HK\$5.8 million for the Corresponding Period. Such decrease was mainly due to the gain on disposal of subsidiary of approximately HK\$6.5 million during the corresponding Period and there was no such impact during the Period.

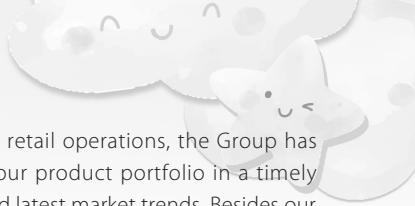
DIVIDEND

The Board has resolved not to declare the payment of any dividend for the Period (2022: Nil).

OUTLOOK

Under the economic impacts of COVID-19, there is an increase in the sale of baby and children garments business of the Group which was mainly due to the effort of our sales team. Looking forward, the Board believes that the performance of the Group's business 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. The business performance is thus expected to remain under pressure in the coming year and will remain very difficult in the near term amid the deep economic recession.

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.



Even though the past years were very tough for the Group's retail operations, the Group has made certain important strategic moves such as adjusting our product portfolio in a timely manner in response to the changes in customer preferences and latest market trends. Besides our signature own brand "Mides", the Group is gradually increasing its sales efforts on its other brands such as "All I Adore" and other complementary third party brands. Looking forward, the Group intend to maintain a sustainable and profitable retail business and will progressively develop its online and social media distribution channels to fuel its future growth.

Looking ahead to 2023/2024, the Group foresees that global economy will be getting better in year 2023/2024 as a result of the disbursement of HK\$5,000 electronic consumption vouchers from government and the local economy has started on the path of recovery from the COVID-19. 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.

MATERIAL ACQUISITIONS AND DISPOSALS

There were no material acquisitions and disposals of subsidiaries and affiliated companies by the Group during the Period under review.

EVENT AFTER THE REPORTING PERIOD

There was no important event affecting the Group which have occurred since 30 June 2023.

FUND RAISING ACTIVITIES

The Group did not conduct any fund raising activities during the Period.

SHARE OPTION SCHEME

The Company has adopted the share option scheme on 28 December 2017 and has been amended on 28 April 2023 (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 Directors (including independent non-executive Directors) and employees of any member of the Group (including persons who are granted options under this Share Option Scheme as an inducement to enter into employment contracts with any member 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 or awards of the Group must not in aggregate exceed 10% of the total number of Shares in issue as at 28 April 2023, being the date of approval of the refreshment of 10% general scheme limit under the Share Option Scheme by the Shareholders (i.e. 21,152,472 Shares, representing approximately 10% of the total number of Shares in issue as at 28 April 2023).

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.

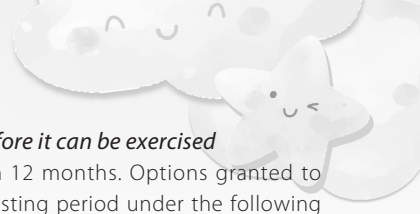
Where any grant of options to a substantial Shareholder or an independent non- executive Director (the “**INED**”) or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled 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*

The vesting period for options shall not be less than 12 months. Options granted to employee participants may be subject to a shorter vesting period under the following circumstances:

- (a) grants of Options with performance-based vesting conditions as determined by the Board, in lieu of time-based vesting criteria;
- (b) grants of Options with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of 12 months; and
- (c) grants of Options with a total vesting and holding period of more than 12 months.

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. Subject to the Stock Exchange granting the necessary waiver, a grantee may transfer any options to a vehicle (such as a trust or a private company) for the benefit of the grantee and any family members of such grantee including but not limited to for estate planning and/or tax planning purposes that would continue to meet the purpose of the Share Option Scheme and comply with other requirements of Chapter 23 of the GEM Listing Rules.

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 Period. The Company did not have any outstanding share options, warrants, derivatives or securities which are convertible or exchangeable into Shares as at 30 June 2023 and up to the date of this report.

As at 30 June 2023 and up to the date of this report, there were 21,152,472 shares available to be granted under the Share Option Scheme of the Company.

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.

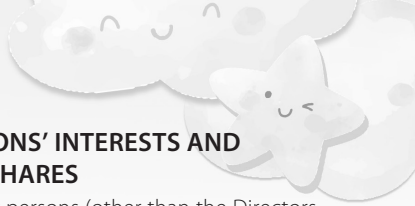
CORPORATE GOVERNANCE AND OTHER INFORMATION DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the interests of the Directors and chief executive of the Company in Shares, underlying Shares and debentures 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) (the "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

Name	Capacity	Number of ordinary Shares held	Approximate percentage of the issued share capital of the Company as at 30 June 2023
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 June 2023.



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

As at 30 June 2023, 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.

PURCHASE, SALE OR REDEMPTION OF 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.

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 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.

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 D.3.3 of the Corporate Governance Code as contained in Appendix 15 to the GEM Listing Rules. 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. 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 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 August 2023

As at the date hereof, 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.

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