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**MAN SANG INTERNATIONAL LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 938)**

**UNAUDITED FINANCIAL RESULTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

The board of directors (the “Board”) of Man Sang International Limited (the “Company”) is pleased to announce the unaudited financial results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2020, together with the unaudited comparative figures for the corresponding period in 2019.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2020

		Six months ended	
		30 September	
		2020	2019
		HK\$'000	HK\$'000
	Notes	(Unaudited)	(Unaudited and restated)
Revenue	3	75,123	29,593
Cost of sales		(78,125)	(21,862)
Gross (loss) profit		(3,002)	7,731
Other income and gains, net		1,799	109
Decrease in fair value of financial asset at fair value through profit or loss		—	(974)
Selling expenses		(7,465)	(7,783)
Administrative expenses		(46,229)	(27,353)
Decrease in fair value of investment properties		(16,081)	(18,897)
Finance income		150	21
Finance costs	4	(62,934)	(46,564)
<b>Loss before tax</b>	5	<b>(133,762)</b>	<b>(93,710)</b>
Income tax credits	6	1,007	434
<b>Loss for the period</b>		<b>(132,755)</b>	<b>(93,276)</b>
<b>Attributable to:</b>			
— Equity holders of the Company		(133,936)	(93,276)
— Non-controlling interests		1,181	—
		<b>(132,755)</b>	<b>(93,276)</b>
<b>LOSS PER SHARE</b>	8		
— basic and diluted (HK cents)		<b>(6.79)</b>	<b>(4.89)</b>

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

*For the six months ended 30 September 2020*

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	2019
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
<b>Other comprehensive income (loss)</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	<u>64,061</u>	<u>(101,900)</u>
Total comprehensive loss for the period	<u><u>(68,694)</u></u>	<u><u>(195,176)</u></u>
Attributable to:		
— Equity holders of the Company	<u>(69,934)</u>	(195,176)
— Non-controlling interests	<u>1,240</u>	<u>—</u>
	<u><u>(68,694)</u></u>	<u><u>(195,176)</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2020

		30 September 2020	31 March 2020
	<i>Notes</i>	<i>HK\$'000</i> <b>(Unaudited)</b>	<i>HK\$'000</i> <b>(Audited)</b>
<b>Non-current assets</b>			
Investment properties	9	1,838,091	1,750,181
Property, plant and equipment	9	749,146	720,724
Financial asset at fair value through profit or loss		8,471	8,100
Right-of-use assets		248,168	241,741
Intangible assets		1,661	1,019
Deferred tax assets		548	—
		<b>2,846,085</b>	<b>2,721,765</b>
<b>Current assets</b>			
Properties under development or held for sales		467,132	466,064
Trade and other receivables	10	51,509	35,533
Amounts due from related companies		1,697	2,071
Inventories		1,350	—
Cash and cash equivalents		218,094	1,376,409
		<b>739,782</b>	<b>1,880,077</b>
<b>Current liabilities</b>			
Trade and other payables	11	220,948	218,436
Amounts due to related companies		3,044	1,151
Current income tax liabilities		148,850	141,193
Bank and other borrowings	13	20,011	17,686
Lease liabilities		3,978	5,827
		<b>396,831</b>	<b>384,293</b>
<b>Net current assets</b>		<b>342,951</b>	<b>1,495,784</b>
<b>Total assets less current liabilities</b>		<b>3,189,036</b>	<b>4,217,549</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

— Continued

At 30 September 2020

		<b>30 September</b>	31 March
		<b>2020</b>	2020
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Non-current liabilities</b>			
Deferred income tax liabilities		—	1,002
Promissory notes	<i>12</i>	<b>1,011,315</b>	980,195
Bank and other borrowings	<i>13</i>	<b>1,400,684</b>	2,139,670
Unsecured borrowings from a director	<i>14</i>	<b>317,941</b>	599,046
Lease liabilities		<b>8,229</b>	27,155
		<hr/> <b>2,738,169</b>	<hr/> 3,747,068
<b>Net assets</b>		<hr/> <b>450,867</b>	<hr/> 470,481
<b>Capital and reserves</b>			
Share capital	<i>15</i>	<b>204,728</b>	190,617
Reserves		<b>244,164</b>	279,864
		<hr/> <b>448,892</b>	<hr/> 470,481
Equity attributable to equity holders of the Company		<b>448,892</b>	470,481
Non-controlling interests		<b>1,975</b>	—
		<hr/> <b>450,867</b>	<hr/> 470,481
<b>Total equity</b>		<hr/> <b>450,867</b>	<hr/> 470,481

## NOTES

### 1. BASIS OF PREPARATION

This condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

This condensed consolidated interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

For the six months ended 30 September 2020, the Group reported net loss of approximately HK\$132,755,000. As at 30 September 2020, the Group had total current liabilities of approximately HK\$396,831,000 including bank and other borrowings of approximately HK\$20,011,000. As at the same date, the Group also had capital commitment of approximately HK\$39,432,000 (note 16).

In view of the above, the directors of the Company have reviewed the Group’s cash flow projections covering a period of twelve months from 30 September 2020 which have taken into account the following measures:

- (1) Sales of the properties, leasing of serviced apartments and shopping mall, provision of property management services and renovation and decoration services which are expected to continue to generate operating cash inflow to the Group;
- (2) During the reporting period, the Group has entered into agreements with the lenders to extend the maturity date of the following facilities:
  - (a) Maturity date of promissory notes with aggregate principal amount of HK\$778,000,000 was extended from 28 July 2021 to 28 July 2022;
  - (b) Maturity date of unsecured revolving loan facilities of RMB500,000,000 (equivalent to HK\$570,000,000) and HK\$100,000,000 from Mr. Hu were extended from 6 July 2021 to 6 July 2022;

\* *The English name is for identification purpose only*

- (3) As at the end of the reporting period, the Group had remaining total unutilised facilities provided by Mr. Hu amounted to approximately HK\$407,606,000.

Based on the above, in the opinion of the directors of the Company, the Group will have sufficient working capital to fulfill its financial obligations as and when they fall due in the coming twelve months from 30 September 2020. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the condensed consolidated interim financial information on a going concern basis.

### **Merger accounting for business combination involving entities under common control**

On 13 December 2019, Wenzhou Huiyong Real Estate Development Co., Ltd. \* (溫州暉永房地產開發有限公司) (“Wenzhou Huiyong”), an indirect wholly-owned subsidiary of the Company, has entered into a sale and purchase agreement with Wenzhou Doof Real Estate Group Co., Ltd\* (溫州多弗地產集團有限公司) (“Wenzhou Doof”), a company which Mr. Hu is the ultimate controlling shareholder, for the purchase of its entire equity interest in Zhejiang Doof Property Management Services Co., Ltd. (浙江多弗物業管理服務有限公司) (“Zhejiang Doof”), a private company registered in the People’s Republic of China (the “PRC”) on 16 July 2018, for a cash consideration of RMB500,000 (equivalent to approximately HK\$545,000).

The acquisition was completed on 5 March 2020, and Zhejiang Doof has become an indirect wholly-owned subsidiary of the Group since then. As Zhejiang Doof and the Company are ultimately controlled by Mr. Hu, the acquisition of Zhejiang Doof was regarded as business combination under common control. The net assets of the combining entity or business are consolidated using the existing book values from the controlling party’s perspective. No amount is recognised in respect of goodwill or excess of acquirer’s interest in the net fair value of acquiree’s identifiable assets and liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party’s interest. The adjustments to eliminate share/registered capital of the combining entity or business against the related investment costs have been made to merger reserve in the consolidated statement of changes in equity.

As Mr. Hu became the ultimate controlling shareholder of the Group as stated in the Company’s announcement dated 22 October 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, consolidated statement of changes in equity and the consolidated statement of cash flows for the prior periods have been restated to include the operating results of Zhejiang Doof as if this acquisition had been completed on 22 October 2018, being the earliest date when the combining entity or businesses first came under the control of Mr. Hu. Accordingly, the acquisition has had no impact on the Group’s consolidated statement of financial position at 1 April 2018.

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## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost basis except for investment properties and financial asset at fair value through profit or loss, which are measured at fair values.

The accounting policies used in the preparation of these condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2020 except as described below.

In the current interim period, the Group has applied, for the first time, the Amendments to References to the Conceptual Framework in Hong Kong Financial Reporting Standards ("HKFRSs") and the following amendments to HKFRSs issued by the HKICPA which are effective for the Group's financial year beginning 1 April 2020.

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in HKFRS and the amendments to HKFRSs in the current interim period has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial information.

## 3. REVENUE AND SEGMENT INFORMATION

The executive directors of the Company have been identified as the chief operating decision-maker ("CODM"). The management of the Company determines the operating segments based on the Group's internal reports, which are reviewed by the CODM for performance assessment and resources allocation.

The CODM reviews the overall results of consolidated financial performance of the Group as a whole prepared based on the same accounting policies.

The Group's operating businesses are structured and managed separately according to the nature of the operations and the product perspectives. Each of the Group's reportable operating segment represents a strategic business unit that are subject to risks and returns that are different from the other reportable operating segment. Details of the reportable operating segments are as follows:

1. Property — Property development, sales of properties and leasing of shopping mall and serviced apartments
2. Management services — Provision of property management services



3. Renovation and decoration — Provision of renovation and decoration services

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the six months ended 30 September 2020 (unaudited)

	<b>Property</b> <i>HK\$'000</i>	<b>Management</b> <b>services</b> <i>HK\$'000</i>	<b>Renovation</b> <b>and</b> <b>decoration</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>REVENUE</b>				
Revenue from external customers	<u>26,111</u>	<u>10,154</u>	<u>38,858</u>	<u>75,123</u>
Segment (loss) profit	(88,007)	2,853	3,641	(81,513)
Unallocated income				1,006
Unallocated expenses				<u>(53,255)</u>
Loss before tax				<u>(133,762)</u>

For the six months ended 30 September 2019 (unaudited and restated)

	<b>Property</b> <i>HK\$'000</i>	<b>Management</b> <b>services</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>REVENUE</b>			
Revenue from external customers	<u>23,587</u>	<u>6,006</u>	<u>29,593</u>
Segment loss	(44,104)	(126)	(44,230)
Unallocated income			72
Unallocated expenses			<u>(49,552)</u>
Loss before tax			<u>(93,710)</u>

#### 4. FINANCE COSTS

	Six months ended 30 September	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited and restated)
Finance costs:		
— Interest on bank and other borrowings	51,142	42,763
— Interest on unsecured borrowings from a director	3,147	18,828
— Interest on promissory notes (note 12)	31,120	31,205
— Interest on lease liabilities	540	1,661
	<u>85,949</u>	<u>94,457</u>
Less: amount capitalised on qualifying assets	<u>(23,015)</u>	<u>(47,893)</u>
	<u><u>62,934</u></u>	<u><u>46,564</u></u>

#### 5. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	Six months ended 30 September	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited and restated)
Cost of completed properties held for sale	19,866	18,011
Depreciation of property, plant and equipment	18,171	621
Depreciation of right-of-use assets	4,482	3,609
	<u><u>42,519</u></u>	<u><u>22,241</u></u>

## 6. INCOME TAX CREDITS

	Six months ended	
	30 September	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current income tax:		
— PRC Enterprise Income Tax	146	—
— PRC Land Appreciation Tax	509	4,291
	<u>655</u>	<u>4,291</u>
Deferred income tax	(1,662)	(4,725)
	<u>(1,007)</u>	<u>(434)</u>

### Hong Kong Profits Tax

No Hong Kong Profits Tax has been provided since no assessable profits have been generated during the six months ended 30 September 2020 (2019: nil).

### The PRC Enterprise Income Tax

The PRC Enterprise Income Tax in respect of operations in Mainland China is calculated at a rate of 25% (2019: 25%) on the estimated assessable profits for the six months ended 30 September 2020 under the Law of the PRC's on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law.

### The PRC Land Appreciation Tax

Land Appreciation Tax in the PRC is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value under the applicable regulations, which is calculated based on the proceeds of sales of properties less deductible expenditures including cost of land use rights, borrowing costs, statutory deduction and all property development expenditures.

## 7. DIVIDEND

No dividend was paid or proposed during the six months ended 30 September 2020, nor has any dividend been proposed since the end of the reporting period (2019: nil).

## 8. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to equity holders of the Company is based on the following data:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2020</b>	<b>2019</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited and restated)</b>
<b>Loss</b>		
Loss attributable to equity holders of the Company for the purpose of basic and diluted loss per share	<u><b>(133,936)</b></u>	<u><b>(93,276)</b></u>
	<b>'000</b>	<b>'000</b>

### Number of shares

Weighted average number of shares for the purpose of basic and diluted loss per share	<u><b>1,972,483</b></u>	<u><b>1,906,172</b></u>
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Since there are no potential dilutive shares in issue during the six months ended 30 September 2020 and 2019, basic and dilutive loss per share are the same for both reporting periods.

## 9. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

Valuations of the Group's investment properties as at 30 September 2020 and 31 March 2020 were performed by CHFT Advisory and Appraisals Limited, an independent professional valuer not connected with the Group who holds recognised relevant professional qualification and have recent experience in valuing similar properties in the similar locations for the properties located in Chongqing.

The fair value measurements for the investment properties are included in level 3 of the fair value hierarchy. There were no transfers between levels of fair value hierarchy during the six months ended 30 September 2020 and 2019.

The valuation of the investment properties was determined by using the residual method and income approach. In estimating the fair value of the Group's investment properties, the highest and best use of these properties is their current use.

Under the residual method, sales of each of these properties in its existing conditions with the benefit of vacant possession is being assumed. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as locations and property size.

Under the income approach, by making reference to the capitalised income derived from market observable transactions.

There are no changes to the valuation techniques as at 30 September 2020 and 31 March 2020.

During the six months ended 30 September 2020, addition to the Group's investment properties was approximately HK\$25,156,000 (six months ended 30 September 2019: HK\$43,949,000). As at 30 September 2020, the carrying amount of the investment properties is approximately HK\$1,838,091,000 (31 March 2020: HK\$1,750,181,000), with decrease in fair value of investment properties of approximately HK\$16,081,000 during the six months ended 30 September 2020 (six months ended 30 September 2019: approximately HK\$18,897,000).

Construction work on certain floors in the shopping mall has completed during the current period, while remaining floor area was still under construction as at 30 September 2020.

During the six months ended 30 September 2020, additions to the Group's property, plant and equipment were approximately HK\$14,031,000 (six months ended 30 September 2019: HK\$84,706,000).

## 10. TRADE AND OTHER RECEIVABLES

	<b>30 September 2020 <i>HK\$'000</i> (Unaudited)</b>	31 March 2020 <i>HK\$'000</i> (Audited)
Trade receivables	<b>12,689</b>	5,425
Deposits and other receivables	<b>37,202</b>	28,212
Prepayments	<b>1,618</b>	1,896
	<b>51,509</b>	35,533

	<b>30 September 2020 <i>HK\$'000</i> (Unaudited)</b>	31 March 2020 <i>HK\$'000</i> (Audited)
0 – 30 days	2,463	1,601
31 – 90 days	4,104	3,050
91 – 180 days	3,249	774
More than 180 days	2,873	—
	<u>12,689</u>	<u>5,425</u>

## 11. TRADE AND OTHER PAYABLES

	<b>30 September 2020 <i>HK\$'000</i> (Unaudited)</b>	31 March 2020 <i>HK\$'000</i> (Audited)
Trade payables	14,307	2,188
Construction costs accruals and payables	125,839	145,206
Other accruals and payables	80,802	71,042
	<u>220,948</u>	<u>218,436</u>

The following is an aged analysis of trade payables presented based on the invoice date.

	<b>30 September 2020 <i>HK\$'000</i> (Unaudited)</b>	31 March 2020 <i>HK\$'000</i> (Audited)
0 – 30 days	11,623	149
31 – 90 days	730	131
91 – 180 days	1,221	316
More than 180 days	733	1,592
	<u>14,307</u>	<u>2,188</u>

## 12. PROMISSORY NOTES

	<b>30 September 2020 <i>HK\$'000</i> (Unaudited)</b>	31 March 2020 <i>HK\$'000</i> (Audited)
At the beginning of the period/year	<b>980,195</b>	917,827
Interest charged (note 4)	<b>31,120</b>	62,368
At the end of the period/year	<b><u>1,011,315</u></b>	<b><u>980,195</u></b>

On 28 July 2016, the Company issued promissory notes with aggregate principal amount of HK\$1,168,000,000 as part of the consideration to acquire the entire equity interest in the Gloryyear Group. The promissory notes are unsecured, carries a fixed interest rate of 8% per annum and would mature on 28 July 2019. All interests will be paid on the date of the maturity date. The Company may redeem (in full or in part) the promissory notes at any time after the date of issue of the promissory notes and before the maturity date by serving prior notice to the promissory notes holder. The promissory notes are measured at amortised cost, using the effective interest rates at 8%.

As at 30 September 2020, the promissory notes with aggregate principal amount of HK\$778,000,000 will mature on 28 July 2022. Details are set out in the Company's announcement dated 4 September 2020.

### 13. BANK AND OTHER BORROWINGS

	30 September 2020 <i>HK\$'000</i> (Unaudited)	31 March 2020 <i>HK\$'000</i> (Audited)
Other borrowings	5,903	794,856
Bank borrowing	<u>1,414,792</u>	<u>1,362,500</u>
	<u><b>1,420,695</b></u>	<u><b>2,157,356</b></u>
Current:		
Unsecured other loan - principal portion (note (i))	5,130	—
Unsecured other loan - interest portion (note (i))	773	6,786
Secured bank loan - principal portion (note (ii))	11,400	10,900
Secured bank loan - interest portion (note (ii))	<u>2,708</u>	<u>—</u>
	<u><b>20,011</b></u>	<u><b>17,686</b></u>
Non-current:		
Unsecured other loan - principal portion (note (i))	—	788,070
Secured bank loan - principal portion (note (ii))	<u>1,400,684</u>	<u>1,351,600</u>
	<u><b>1,400,684</b></u>	<u><b>2,139,670</b></u>
Total bank and other borrowings	<u><b>1,420,695</b></u>	<u><b>2,157,356</b></u>



Carrying amount repayable (based on scheduled repayment dates set out in the loan agreements):

	<b>30 September 2020 HK\$'000 (Unaudited)</b>	31 March 2020 HK\$'000 (Audited)
Within 1 year	20,011	17,686
More than 1 year but less than 2 years	22,800	798,970
More than 2 year but less than 5 years	307,800	207,100
More than 5 years	<u>1,070,084</u>	<u>1,133,600</u>
	<u><b>1,420,695</b></u>	<u><b>2,157,356</b></u>
	<b>30 September 2020 HK\$'000 (Unaudited)</b>	31 March 2020 HK\$'000 (Audited)
Carrying amount of bank and other borrowings repayable within one year	<u>16,530</u>	10,900
Interest portions of other borrowings	<u>3,481</u>	6,786
Amounts shown under current liabilities	20,011	17,686
Amounts shown under non-current liabilities	<u>1,400,684</u>	<u>2,139,670</u>
	<u><b>1,420,695</b></u>	<u><b>2,157,356</b></u>

*Notes:*

- (i) The unsecured loan as at 30 September 2020 represented (a) the unsecured loan from a related party to the Group with principal amount of RMB4,500,000 (31 March 2020: nil), equivalent to approximately HK\$5,130,000 (31 March 2020: nil) at interest rate of 15% per annum and interest payable of RMB319,000 (31 March 2020: nil), equivalent to approximately HK\$364,000 (31 March 2020: nil) and (b) the unsecured loan from an independent third party to the Group with nil principal amount at interest rate of 10% per annum and interest payable of RMB359,000 (31 March 2020: RMB 6,226,000), equivalent to approximately HK\$409,000 (31 March 2020: approximately HK\$6,786,000).
- (ii) The secured bank loan as at 30 September 2020 represents the secured bank loan with principal amount of RMB1,238,670,000 (31 March 2020: RMB1,250,000,000), equivalent to approximately HK\$1,412,084,000 (31 March 2020: approximately HK\$1,362,500,000) and interest payable of RMB2,375,000 (31 March 2020: nil), equivalent to approximately HK\$2,708,000 (31 March 2020: nil). The secured bank loan carries a fixed interest rate of 7% per annum, with the interest payable quarterly, and will mature on 30 March 2035. As at 30 September 2020, the bank loan was secured by certain investment properties, properties held for sales and serviced apartments and guaranteed by Mr. Hu, a director of the Company.

The effective interest rate of the secured bank loan is 7% per annum.

## 14. UNSECURED BORROWINGS FROM A DIRECTOR

	30 September 2020 <i>HK\$'000</i> (Unaudited)	31 March 2020 <i>HK\$'000</i> (Audited)
Unsecured borrowings denominated in RMB (note (i))		
— principal portion	199,500	454,726
— interest portion	47,994	45,750
	<u>247,494</u>	<u>500,476</u>
Unsecured borrowings denominated in HK\$ (note (ii))		
— principal portion	62,894	92,285
— interest portion	7,553	6,285
	<u>70,447</u>	<u>98,570</u>
	<u><u>317,941</u></u>	<u><u>599,046</u></u>

*Notes:*

- (i) On 1 June 2018 and 29 August 2018, an unsecured revolving loan facility with an aggregate facility amount of RMB500,000,000 (equivalent to approximately HK\$570,000,000) has been granted from Mr. Hu to certain subsidiaries established in the PRC which carries a fixed interest rate of 9% per annum, with maturity date on 6 July 2022.

As at 30 September 2020, unsecured borrowings with aggregate principal amount of RMB175,000,000 (31 March 2020: RMB417,180,000), equivalent to approximately HK\$199,500,000 (31 March 2020: HK\$454,726,000), has been drawn down. The effective interest rate of the unsecured borrowings is 9% per annum.

- (ii) On 7 January 2019, another unsecured revolving loan facility has been granted from Mr. Hu to an indirectly wholly-owned subsidiary of the Company amounted to HK\$100,000,000, which carries a fixed interest rate of 8% per annum, with maturity date on 6 July 2022.

As at 30 September 2020, unsecured borrowing with principal amount of HK\$62,894,000 (31 March 2020: HK\$92,285,000) has been drawn down. The effective interest rate of the unsecured borrowing is 8% per annum.

At the end of the reporting period, the Group had the following undrawn facilities granted from a director:

	<b>30 September 2020 HK\$'000 (Unaudited)</b>	31 March 2020 HK\$'000 (Audited)
Fixed rate		
— expiring on 6 July 2022	407,606	—
— expiring on 6 July 2021	—	97,989
	<u>407,606</u>	<u>97,989</u>

## 15. SHARE CAPITAL

	Number of shares		Share capital	
	30 September 2020 '000 (Unaudited)	31 March 2020 '000 (Audited)	30 September 2020 HK\$'000 (Unaudited)	31 March 2020 HK\$'000 (Audited)
Ordinary shares of HK\$0.1 each Authorised:				
At the beginning and end of the period/year	<u>5,000,000</u>	<u>5,000,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid, HK\$0.1 each				
At the beginning of the period/year	1,906,172	1,906,172	190,617	190,617
Issue of shares on placements (note)	<u>141,104</u>	<u>—</u>	<u>14,111</u>	<u>—</u>
At the end of the period/year	<u>2,047,276</u>	<u>1,906,172</u>	<u>204,728</u>	<u>190,617</u>

*Note:*

On 24 June 2020, the Company issued 141,104,000 new ordinary shares of HK\$0.1 each at HK\$0.35 per share by way of placement to not less than six individuals, who and whose ultimate beneficial owner are independent third parties. The gross proceeds from the Placing amounted to approximately HK\$49,386,000 and the related directly attributable expenses were approximately HK\$1,041,000.

## 16. CAPITAL COMMITMENTS

	<b>30 September 2020 <i>HK\$'000</i> (Unaudited)</b>	31 March 2020 <i>HK\$'000</i> (Audited)
Capital expenditure contracted for but not provided in the condensed consolidated interim financial information:		
— Construction of properties	<b>38,474</b>	79,973
— Acquisition of properties, plant and equipment	<b>958</b>	2,104
	<b>39,432</b>	82,077

## 17. ACQUISITION OF A SUBSIDIARY

On 8 May 2020, the Group entered into a sale and purchase agreement to acquire 100% equity interest in Wenzhou Junshang Decoration Company Limited at a total consideration of RMB1. The principal activity of Wenzhou Junshang Decoration Company Limited is the provision of design, decoration and engineering services in the PRC. The acquisition was completed in 4 June 2020 and has been accounted for as a business combination.

	<i>HK\$'000</i>
Consideration transferred	
Cash consideration	—

The assets acquired and liabilities assumed at the date of acquisition of subsidiary comprise the following:

	<i>HK\$'000</i>
Cash and cash equivalents	1,883
Trade and other receivables	7,857
Inventories	4,193
Property, plant and equipment	41
Intangible asset	621
Trade and other payables	(13,753)
Deferred tax liability	<u>(107)</u>
Total net identifiable assets	735
Less: non-controlling interests	<u>(735)</u>
	<u><u>—</u></u>

An analysis of the net inflow of cash and cash equivalents in respect of the acquisition of the Wenzhou Junshang Decoration Company Limited is as follows:

	<b>2020</b> <i>HK\$'000</i>
Cash consideration paid	—
Less: cash and cash equivalents acquired	<u>1,883</u>
Net outflow of cash and cash equivalents in respect of the acquisition of the Wenzhou Junshang Decoration Company Limited	<u><u>1,883</u></u>

## **18. EVENT AFTER THE REPORTING PERIOD**

On 14 July 2020, Decent Start Limited (“Decent”), a direct wholly-owned subsidiary of the Company, Mr. Hu and the Company entered into the acquisition agreement (the “Acquisition Agreement”), pursuant to which Decent conditionally agreed to acquire and Mr. Hu conditionally agreed to dispose of the entire issued share capital of 株式會社多弗 (“Doof Japan”) and the shareholder’s loan (“Acquisition of Doof Japan”).

The consideration of JPY848,394,000 (equivalent to approximately HK\$60,575,000) shall be satisfied by the issue and allotment of 163,717,121 new shares of the Company (the “Consideration Shares”) at a price of HK\$0.37 per Consideration Share. Upon completion of the Acquisition of Doof Japan, Doof Japan will become an indirect wholly-owned subsidiary of the Group and adopt merger accounting under common control will be adopted.

The acquisition was completed in October 2020.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The board of directors (the “Board”) of Man Sang International Limited (the “Company”) is pleased to report the results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2020 (the “Current Period”). During the Current Period, the unaudited consolidated loss attributable to equity holders of the Company was HK\$133,936,000 (six months ended 30 September 2019: HK\$93,276,000, as restated). Basic loss per share was 6.79 HK cents (six months ended 30 September 2019: 4.89 HK cents).

### **BUSINESS REVIEW**

During the Current Period, US-China trade frictions continued, and the impact of COVID-19 in the Mainland China gradually reduced. The principal business of the Group is still the development, sales and leasing of properties in Mainland China. Meanwhile, the Group has also begun to develop the property management and renovation and decoration business in Mainland China.

### **CHONGQING PROPERTY**

Chongqing Kingstone Land Co., Limited (重慶皇石置地有限公司) (“Chongqing Kingstone”), an indirect wholly-owned subsidiary of the Company, holds a property located at 77 Qingnian Road, Yuzhong District, Chongqing, the PRC (the “Chongqing Property”). It is close to Jiefangbei Walking Street which is a local famous pedestrian lane with numerous retail shops.

The Chongqing Property includes apartments (for sales purposes), serviced apartments (for lease purposes) managed by an international well-known group of hotel management, and shopping malls (for lease purposes).

The apartments are all available for sales. The serviced apartments have been officially put into operation. The renovation work of the shopping mall was partially completed and the first three retail floors of the shopping mall have started trial operation in October. Although the development progress of the Chongqing Property was affected by COVID-19, it was still proceeding according to the schedule of the redevelopment plan. The Chongqing Property is expected to become one of the new landmarks in Yuzhong District as a result of its geographical advantage, regulation of plan and design and managerial experience.

We believe the lease income from serviced apartments and shopping mall will become the steady income source of the Group in the long run.

### **PROPERTY MANAGEMENT**

In March 2020, the Group completed the acquisition of Zhejiang Huiyong Property Management Service Co., Ltd. (浙江暉永物業管理服務有限公司) (“Huiyong Property Management”), which was recognised as the “2020 Top 100 Property Management Companies in China” by the China Index Academy.

Huiyong Property Management has several property management projects on hand as well as several potential projects in Zhejiang, Jiangsu, Sichuan, Fujian and Guizhou regions. The types of properties under management include residential communities, commercial and office properties, etc.

Through the acquisition of Huiyong Property Management, the Group was given the opportunity to enter into the property management industry, which creates synergies with the Group's existing businesses, diversifies the revenue sources of the Group and improves its overall performance.

## **RENOVATION AND DECORATION**

In June 2020, the Group completed the acquisition of Wenzhou Junshang Decoration Co., Ltd. (温州君尚裝飾有限公司) (“Wenzhou Junshang”). Wenzhou Beichen Construction Co., Ltd. (温州北宸建設有限公司) (“Beichen Construction”), a subsidiary of Wenzhou Junshang, is principally engaged in renovation and decoration services in the PRC.

The business of Beichen Construction is mainly distributed in Zhejiang, Jiangsu and Chongqing. The projects undertaken are mainly residential and hotel decoration projects, and the total project scale in progress continues to expand. Beichen Construction has sufficient capabilities and qualifications to undertake more new projects. Based on the existing scale of business, the Company has begun to actively participate in the bidding of new projects, and gradually expand the size of this company's staff to further increase the scale and number of projects to be undertaken.

Through the acquisition of Wenzhou Junshang, the Group was given the opportunity to enter into the renovation and decoration industry, and acquired resources, skills or technology to expand new businesses and complement existing businesses.

## **LOOKING FORWARD**

The redevelopment of the Chongqing Property has been gradually completed. The Group will continue to focus on (i) monitoring the financial performance of the operation in the Chongqing Property; and (ii) maximising the return from the Chongqing Property so as to generate stable income and cash flows and lower the gearing ratio and the finance costs of the Group.

During the Current Period, the Group was proceeding with the acquisition of a hotel and golf course in Hokkaido, Japan. Although the tourism industry has been affected to a certain extent due to the outbreak of COVID-19, the Group remains positive on the long term prospect of Japan's tourism industry. The Japanese Government has introduced a series of related policies to support the hotel and tourism industry due to the epidemic. At the same time, certain major events are set to take place in Japan, including the Tokyo Olympics and Paralympics, as well as the Osaka-Kansai World Expo, which are expected to improve the performance of target hotel and golf course.



The operation of the golf course is currently subject to seasonality and customers mainly visit golf course from spring to autumn in Hokkaido, Japan. The Group expects to adjust its existing business model, gradually increase winter activities and upgrade hotel facilities (including hot springs, skiing and lodging facilities) on the basis of improving the marketing strategy of the existing golf course and hotel to attract ski enthusiasts from Japan and around the world, provide a full range of winter travel supporting services.

As new projects are successively undertaken by the Group, it is expected that the property management and renovation and decoration businesses will continue to generate revenue growth for the Group, and the business scope of the Group will gradually expand.

On the basis of further improving the operation of existing subsidiaries, the Group will also proactively look for more investment opportunities with promising outlooks and prospects and continue to create value for shareholders.

## **FINANCIAL REVIEW**

During the Current Period, revenue of the Group was HK\$75,123,000 (six months ended 30 September 2019: HK\$29,593,000, as restated), which comprised the sales of residential apartments of the Chongqing Property, income from the operation of serviced apartments, property management services and renovation and decoration services. The revenue has increased by HK\$45,530,000 as a result of revenue increased from property management services and the newly acquired segment.

Gross loss of the Group was HK\$3,002,000 in the Current Period (gross profit for six months ended 30 September 2019: HK\$7,731,000, as restated).

Selling and administrative expenses mainly comprised selling expenses of HK\$7,465,000 (six months ended 30 September 2019: HK\$7,783,000, as restated) and administrative expenses of HK\$46,229,000 (six months ended 30 September 2019: HK\$27,353,000, as restated). The selling and administrative expenses increased by HK\$18,558,000 (six months ended 30 September 2019: HK\$35,136,000, as restated) in the Current Period, which was mainly due to (1) increase in depreciation of property, plant and equipment mainly arose from the serviced apartments of the Chongqing Property and (2) increase in depreciation of right-of-use assets due to adoption of HKFRS 16 Leases.

The loss attributable to owners of the Company increased to HK\$133,936,000 in the Current Period (six months ended 30 September 2019: HK\$93,276,000, as restated), which was mainly attributable to the increase in the selling and administrative expenses as explained above, decrease in fair value of investment properties under construction of HK\$16,081,000 (six months ended 30 September 2019: HK\$18,897,000) and the increase finance costs.

## LIQUIDITY AND CAPITAL RESOURCES

As at 30 September 2020, the Group's total equity was HK\$450,867,000 (31 March 2020: HK\$470,481,000). The decrease in equity was mainly attributable to the loss of the Group during the Current Period of HK\$132,755,000, which was partially offset by (i) the exchange gain on the translation of foreign operations of HK\$64,061,000 arose from the appreciation of Renminbi ("RMB") against Hong Kong dollars during the Current Period and (ii) the increase in share capital and share premium of HK\$48,345,000 due to placing.

As at 30 September 2020, the Group had cash and cash equivalents of HK\$218,094,000 (31 March 2020: HK\$1,376,409,000). Cash and cash equivalents were mainly denominated in Hong Kong dollars and RMB. The current ratio of Group was 1.9 (31 March 2020: 4.9).

As at 30 September 2020, the Group's borrowings comprised of outstanding promissory notes, unsecured borrowings from a director and bank and other borrowings, amounted to HK\$2,749,951,000 (31 March 2020: HK\$3,736,597,000), of which approximately HK\$20,011,000 will be due for repayment in the next twelve months (31 March 2020: HK\$17,686,000).

These borrowings were interest bearing at rates ranging from 7% to 15% per annum and denominated in Hong Kong dollars and RMB. As at the end of the Current Period, gearing ratio of the Group was 6.1 (31 March 2020: 7.9).

As at 30 September 2020, the Group had capital commitment of HK\$39,432,000 (31 March 2020: HK\$82,077,000), while its net current assets and cash and cash equivalents amounted to HK\$739,782,000 (31 March 2020: HK\$1,880,077,000) and HK\$218,094,000 (31 March 2020: HK\$1,376,409,000), respectively.

The directors of the Company have reviewed the Group's cash flow projection covering a period of twelve month from 30 September 2019, which has taken into account of the following measures:

- (1) Sales of the properties, leasing of serviced apartments and shopping mall, provision of property management services and renovation and decoration services which are expected to continue to generate operating cash inflow to the Group;
- (2) During the Current Period, the Group has entered into agreements with the lenders to extend the maturity date of the following facilities:
  - (a) Maturity date of promissory notes with aggregate principal amount of HK\$778,000,000 was extended from 28 July 2021 to 28 July 2022;
  - (b) Maturity date of unsecured revolving loan facilities of RMB500,000,000 (equivalent to HK\$570,000,000) and HK\$100,000,000 was extended from 6 July 2021 to 6 July 2022.
- (3) As at the end of the Current Period, the Group had remaining total unutilised facilities provided by a director amounted to approximately HK\$407,606,000.

Based on the above, in the opinion of the directors, the Group will have sufficient working capital to fulfill its financial obligations as and when they fall due in the coming twelve months from 30 September 2020.

## **CONTINGENT LIABILITIES**

As at 30 September 2020, the Group did not have any material contingent liabilities or guarantees (31 March 2020: Nil).

## **CHARGE ON ASSET**

As at 30 September 2020, the Chongqing Property was pledged to secure banking borrowings granted to Chongqing Kingstone.

## **MATERIAL ACQUISITIONS AND DISPOSAL OF ASSETS, SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

### ***Discloseable and Connected Transaction in relation to the Acquisition of Wenzhou Junshang Decoration Co. Ltd.\****

On 8 May 2020, Wenzhou Rongdong Real Estate Development Co., Ltd. (溫州榮東房地產開發有限公司) (“Wenzhou Rongdong”), an indirect wholly-owned subsidiary of the Company, has entered into a sale and purchase agreement with Mr. Hu Shikuan and Ms. Zhang Tingting, the father and niece of Mr. Hu Xingrong (“Mr. Hu”), and are therefore connected persons of the Company, pursuant to which Wenzhou Rongdong conditionally agreed to acquire, and Mr. Hu Shikuan and Ms. Zhang Tingting conditionally agreed to sell, the entire equity interest in Wenzhou Junshang at the consideration of RMB1 (the “Acquisition of Wenzhou Junshang”).

The Acquisition of Wenzhou Junshang was completed in 4 June 2020. As a result of the completion of the Acquisition of Wenzhou Junshang, Wenzhou Junshang became an indirect wholly-owned subsidiary of the Company and the financial information of Wenzhou Junshang and its subsidiary, Beichen Construction, a company established in the PRC with limited liability, would be consolidated into the consolidated financial statements of the Company.

Details of the Acquisition of Wenzhou Junshang are set out in the announcements of the Company dated 8 May 2020 and 21 May 2020.

### **Major and Connected Transaction relating to Acquisition of the Entire Issued Share Capital of Doof Japan**

On 14 July 2020, Decent Start Limited (“Decent”), a direct wholly-owned subsidiary of the Company, Mr. Hu and the Company entered into an acquisition agreement (the “Acquisition Agreement”), pursuant to which Decent conditionally agreed to acquire and Mr. Hu conditionally agreed to dispose of the entire issued share capital of 株式会社多弗\* Tafutsu Kabushiki Kaisha\* (“Doof Japan”) and the shareholder’s loan (“Acquisition of Doof Japan”).

\* For identification purposes only

The consideration of JPY848,394,046 (equivalent to approximately HK\$60,575,335) shall be satisfied by the issue and allotment of 163,717,121 new shares of the Company (the “Consideration Shares”) at a price of HK\$0.37 (the “Issue Price”) per Consideration Share. Upon completion of the Acquisition of Doof Japan, Doof Japan will become an indirect wholly-owned subsidiary of the Company.

The completion of the Acquisition of Doof Japan (the “Completion”) is subject to fulfilment of the conditions precedent under the acquisition Agreement. Upon Completion, Doof Japan will become a wholly-owned subsidiary of the Company and the financial results of Doof Japan and its subsidiaries will be consolidated into the financial statements of the Group.

In the special general meeting of the Company held on 25 September 2020, the ordinary resolution in relation to the Acquisition of Doof Japan was duly passed by the shareholders of the Company by way of poll. The Acquisition of Doof Japan was completed on 30 October 2020.

Details of the Acquisition of Doof Japan are set out in the announcements of the Company dated 14 July 2020 and 31 August 2020 and in the circular of the Company dated 10 September 2020.

Save as disclosed herein, there was no material acquisition or disposal of subsidiaries, associates or joint ventures during the Current Period.

## **SIGNIFICANT INVESTMENTS HELD BY THE GROUP**

Save as disclosed above, the Group did not held any significant investments as at 30 September 2020.

## **FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed herein, the Company currently does not have any future plans for material investments or capital assets.

## **EXPOSURE TO FLUCTUATION IN EXCHANGE RATES**

The Group principally operates its business in Hong Kong and Mainland China. The Group has subsidiaries operating in Mainland China, in which most of their transactions are denominated in RMB. The Group is exposed to foreign exchange fluctuations arising from RMB, which is the main foreign currency transacted by the Group during the Current Period.

The Group did not enter into any foreign exchange contract as hedging measures during the Current Period. The Group manages its foreign currency risk against RMB by closely monitoring its movement and may use hedging derivatives, such as foreign currency forward contracts, to manage its foreign currency risk as appropriate.

## **HUMAN RESOURCES AND REMUNERATION POLICY**

As at 30 September 2020, the Group had a total workforce of approximately 354 (31 March 2020: 220). The total staff costs, including Directors emoluments and mandatory provident fund contributions, amounted to HK\$26,646,000 for the Current Period (six months ended 30 September 2019: HK\$19,229,000, restated). Employees are remunerated based on their performance and experience. Remuneration package, including salary and year-end discretionary bonus, is determined by reference to market conditions and individual performance. In order to align the interests of staff, Directors and consultants with the Group, share options may be granted to staff, Directors and consultants under the Group's share option scheme (the "2012 Share Option Scheme"). There were no share options outstanding under the 2012 Share Option Scheme as at 30 September 2020.

## **USE OF PROCEEDS**

### **Placing of Existing Shares and Top-Up Subscription for New Shares Under General Mandate**

On 24 June 2020, the Company, China DaDi Group Limited ("China DaDi") and Mr. Hu entered into the placing agreement (the "Placing Agreement") with Roofer Securities ("Placing Agent") pursuant to which the Placing Agent agreed to place, on a best effort basis, up to 141,104,000 existing shares of the Company ("Placing Shares") at a price of HK\$0.35 (the "Placing Price") per Placing Share on behalf of China DaDi (the "Placing").

Pursuant to the Placing, China DaDi and the Company have also entered into the subscription agreement (the "Subscription Agreement") on the same date under which China DaDi conditionally agreed to subscribe for, and the Company conditionally agreed to issue, 141,104,000 new ordinary shares of the Company (the "Subscription Shares") at a price of HK\$0.35 (the "Subscription Price") per Subscription Share (the "Subscription"). The Subscription Shares have a nominal value of HK\$14,110,400 and a market value of HK\$57,852,640, based on the closing price of HK\$0.41 on the date of the Subscription Agreement.

The Placing and the Subscription were completed on 24 June 2020 and 7 July 2020 respectively.

A total of 141,104,000 Placing Shares have been successfully placed at the Placing Price of HK\$0.35 per Placing Share by the Placing Agent to not less than six independent professional, institutional and/or individual investors who, together with their respective ultimate beneficial owners (a) are third parties independent of and not connected with the Company or its connected persons; and (b) are not acting in concert with China DaDi, its associates and persons acting in concert with China DaDi. None of the placees has become a substantial shareholder (as defined under the Listing Rules) of the Company as a result of the Placing.

Further, all the conditions of the Subscription have been fulfilled and completion of the Subscription took place on 7 July 2020. A total of 141,104,000 Subscription Shares (equivalent to the number of the Placing Shares successfully placed under the Placing) were subscribed by China DaDi at the Subscription Price of HK\$0.35 per Subscription Share.

The net proceeds were approximately HK\$48,345,000 received from the Subscription. The Company intends to apply for repayment of borrowings of the Group and as general working capital of the Group. The net price of the Subscription is approximately HK\$0.34 per share of the Company.

The intended and actual use of proceeds from the Subscription up to 30 September 2020 is set out as follows:

<b>Intended use of net proceeds</b>	<b>Original allocation of net proceeds</b>	<b>Utilised amount of net proceeds up to 30 September 2020</b>	<b>Unutilised amount of net proceeds up to 30 September 2020</b>
Repayment of borrowings of the Group	48,000,000	48,000,000	—
General working capital	345,000	345,000	—
	<hr/>	<hr/>	<hr/>
Total	48,345,000	48,345,000	—
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

As at 30 September 2020, the Group's net proceeds from the Subscription has been fully utilised.

## **CORPORATE GOVERNANCE CODE**

The Group recognises the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders, and the Board is fully committed to doing so. The Board believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, achieve high standard of accountability and protect stakeholders' interests.

The Group has adopted a corporate governance statement of policy which provides guidance on the application of the corporate governance principles on the Group, with reference to the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules.

In the opinion of the Directors, the Company has complied with all code provisions as set out in the CG Code throughout the six months ended 30 September 2020 and, where appropriate, the applicable recommended best practices of the CG Code.

## **COMPLIANCE WITH THE MODEL CODE**

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules for securities transactions by the Directors. The Company confirms that, having made specific enquiry of all Directors, all of the Directors confirmed that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 September 2020.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2020.

## **AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS**

The audit committee of the Company, which comprises three independent non-executive Directors, namely Ms. Pau Yee Ling, Mr. Wong Kwan Kit and Mr. Yuen Hoi Po, has reviewed the unaudited interim results and interim report of the Group for the six months ended 30 September 2020 and has recommended their adoption to the Board.

## **EVENT AFTER THE CURRENT PERIOD**

Except for the completion of the acquisition of Doof Japan on 30 October 2020, there was no significant events after the Current Period and up to the date of this announcement.

## **BOARD OF DIRECTORS**

As at the date of this announcement, the executive Directors are Mr. Hu Xingrong (Chairman), Mr. Huang Xiaohai, Mr. Jin Jiangui, Mr. Li Zhenyu and Mr. Xu Haohao; and the independent non-executive Directors are Ms. Pau Yee Ling, Mr. Wong Kwan Kit and Mr. Yuen Hoi Po.

On behalf of the Board  
**Man Sang International Limited**  
**HU XINGRONG**  
*Chairman*

Hong Kong, 25 November 2020