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MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

MAJOR DISPOSAL AND CONNECTED TRANSACTION IN RELATION TO THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY AND THE ASSIGNMENT OF THE SALE LOAN

THE SALE AND PURCHASE AGREEMENT

On 12 March 2026 (after trading hours), the Company (as the vendor), the Purchaser (as the purchaser), the PN Holder and the Guarantor entered into the Sale and Purchase Agreement, pursuant to which (i) the Company has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to acquire, the Sale Share; and (ii) the Company has conditionally agreed to procure the Sale Loan Vendor (a wholly-owned subsidiary of the Company) to assign, and the Purchaser has conditionally agreed to take up an assignment of the Sale Loan.

Upon Completion, the Target Company will cease to be a subsidiary of the Group and its financial results, assets and liabilities will no longer be consolidated into the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Target Company is a direct wholly-owned subsidiary of the Company. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Proposed Disposal exceeds 25% but below 75%, the Proposed Disposal constitutes a major disposal of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Purchaser is wholly-owned by Mr. Hu, who is the Chairman of the Board, an executive Director and the controlling shareholder of the Company, and hence a connected person of the Company. Accordingly, the Proposed Disposal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

SGM

The SGM will be convened for the purposes of considering, and if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

Given Mr. Hu's interest in the Sale and Purchase Agreement, Mr. Hu and his associates will abstain from voting on the resolution(s) to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save as disclosed above, no other Shareholder has a material interest in the Sale and Purchase Agreement and the transactions contemplating thereunder and hence, no other Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the SGM.

GENERAL

A circular containing, among other things, (i) further information on the Proposed Disposal; (ii) a letter from the Independent Board Committee with its recommendation to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser with its recommendation to the Independent Board Committee and the Independent Shareholders; (iv) the financial information of the Disposal Group; (v) a valuation report of the Hokkaido Property; (vi) a notice of the SGM; and (vii) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 2 April 2026, in order to allow sufficient time for the Company to prepare the necessary information to be included therein.

Completion is conditional upon the fulfilment or waiver (as the case may be) of the Conditions and therefore, may or may not take place. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

On 12 March 2026 (after trading hours), the Company (as the vendor), the Purchaser (as the purchaser), the PN Holder and the Guarantor entered into the Sale and Purchase Agreement, pursuant to which (i) the Company has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to acquire, the Sale Share; and (ii) the Company has conditionally agreed to procure the Sale Loan Vendor (a wholly-owned subsidiary of the Company) to assign, and the Purchaser has conditionally agreed to take up an assignment of the Sale Loan.

Details of the Sale and Purchase Agreement are set out below.

THE SALE AND PURCHASE AGREEMENT

Date

12 March 2026 (after trading hours)

Parties

(1) The Company, as the vendor;

(2) China JinNiu Group Limited, as the Purchaser;

(3) The PN Holder; and

(4) Mr. Hu Xingrong, as the Guarantor

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement, the Company has agreed to dispose of, and the Purchaser has agreed to acquire, the Sale Share, representing the entire issued share capital of the Target Company, free from any encumbrances and with all rights now and hereafter attaching thereto including the right to all dividends paid, declared or made in respect thereof on or after date of Completion.

Assignment of Sale Loan

Pursuant to the Sale and Purchase Agreement, the Company has agreed to procure the Sale Loan Vendor (a wholly-owned subsidiary of the Company) to assign, and the Purchaser has agreed to take up an assignment of, all benefits and interests of and in the Sale Loan free from all encumbrances and with all rights attached thereto as at Completion.

As at the date of the Sale and Purchase Agreement, the aggregate amount of the Sale Loan amounted to approximately HK$15.5 million.

Consideration and payment terms

The Consideration payable by the Purchaser to (i) the Company for the Sale Share shall be HK$88,500,000 and (ii) the Sale Loan Vendor for the Sale Loan shall be HK$15,500,000. The aggregate consideration of HK$104,000,000 (comprising HK$88,500,000 for the Sale Share and HK$15,500,000 for the Sale Loan) shall be satisfied in full by the Purchaser by procuring the PN Holder to set off the outstanding principal amount of the Outstanding PN against an amount equal to the Consideration at Completion, whereupon the relevant Outstanding PN shall be cancelled accordingly.

In consideration of the Company agreeing to entering into this Agreement with the Purchaser and subject to Completion taking place, the PN Holder agrees to waive the interest accrued on the Outstanding PN with principal amount of HK$104 million from 12 April 2025 to the date of Completion at Completion.

Conditions

Completion of the Sale and Purchase Agreement is conditional upon satisfaction or waiver of the Conditions below (save for Condition (ii) which is not capable of being waived by the Purchaser):

(i) all necessary consents, confirmations, permits, approvals, licences and authorisations having been obtained from all relevant governmental, regulatory and other governmental authorities or third party in connection with the transactions contemplated under the Sale and Purchase Agreement; and

(ii) the Company having satisfied the Independent Shareholders' approval requirement in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the Listing Rules.

The Company shall use its best endeavour to procure the fulfilment of the Conditions on or before the Long Stop Date. If any of the Conditions has not been fulfilled or waived (as the case may be) on or before the Long Stop Date, none of the Company or the Purchaser shall be obliged to proceed to Completion and thereafter, the Sale and Purchase Agreement shall cease to have any effect and neither party shall have any claims against each other save for any claims arising out of any antecedent breaches of the Sale and Purchase Agreement.

As at the date of this announcement, none of the Conditions had been fulfilled.

Completion

Completion shall take place on the Completion Date, which shall be the third Business Day after fulfilment or waiver (as the case may be) of the Conditions.

Guarantee

The Guarantor has agreed to guarantee the due performance and observance of the terms and obligations under the Sale and Purchase Agreement by the Purchaser and the PN Holder.

BASIS OF THE CONSIDERATION

The Consideration was determined after arm's length negotiations between the Company and the Purchaser, having taken into account (i) the initial investment cost of the Disposal Group of approximately HK$67.1 million; (ii) the accumulated losses before interest, taxes, depreciation, and amortisation attributable to the Disposal Group since its acquisition to 31 December 2025 amounting to approximately HK$21.4 million; (iii) the Sale Loan which amounted to approximately HK$15.5 million as at the date of the Sale and Purchase Agreement; (iv) the Purchaser's assessment of the Hokkaido Hotel's value and growth potential as explained below; and (v) the independent valuation of the Hokkaido Hotel.

An independent valuation of the Hokkaido Hotel using depreciated replacement cost approach has been conducted for reference purposes; however, the consideration was not primarily determined with reference to the indicative appraised value of the Hokkaido Hotel as at 28 February 2026 of JPY 760.5 million (equivalent to approximately HK$37.9 million). The valuation report is still subject to finalisation, and the finalised valuation report will be included in the circular to be issued by the Company. The Consideration represents a premium over the valuation amount, primarily reflecting the Purchaser's commercial assessment of the Hokkaido Hotel and its view that there may be opportunities in the longer term to enhance the utilisation of the Hokkaido Hotel, including through potential redevelopment and/or expansion, subject to merger opportunities available and all necessary approvals. The Group, having regard to its current financial resources and capital allocation priorities, does not intend to pursue such potential redevelopment or expansion opportunities itself. The Company considers that it's a good opportunity to dispose of the Disposal Group at a premium and lessen the Group's liquidity pressure.

INFORMATION ON THE PARTIES

The Group

The Company is an investment holding company.

The Sale Loan Vendor is a wholly-owned subsidiary of the Company which is principally engaged in investment holding.

The Group has been principally engaged in provision of property management services, leasing of properties, renovation and decoration services and hotel operation.

The Purchaser

The Purchaser is an investment holding company incorporated under the laws of the BVI with limited liability. As at the date of this announcement, the Purchaser is wholly owned by Mr. Hu, the controlling shareholder of the Company, the Chairman of the Board and an executive Director.

PN Holder

The PN Holder is an investment holding company incorporated under the laws of the BVI with limited liability, and is wholly owned by Mr. Hu.

Guarantor

Mr. Hu is the Chairman of the Board, an executive Director and the controlling shareholder of the Company.

INFORMATION OF THE DISPOSAL GROUP

The Target Company is an investment holding company incorporated under the laws of the BVI with limited liability and is a direct wholly-owned subsidiary of the Company. The principal asset of the Disposal Group is the Hokkaido Hotel located in Yoichi town of Hokkaido, Japan.

Set out below is the consolidated financial information of the Disposal Group as extracted from its unaudited consolidated management accounts prepared in accordance with Hong Kong Financial Reporting Standards for the two financial years ended 31 March 2024 and 2025, and the six months ended 30 September 2025 respectively.

	For the year ended 31 March		**For the six months ended 30 September**
	2024	**2025**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	9,532	7,446	5,528
Net loss before taxation	(6,433)	(6,520)	(409)
Net (loss)/profit after taxation	(5,368)	(5,613)	26

As at 30 September 2025, the unaudited net assets of the Disposal Group amounted to approximately HK$14.4 million.

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

The Hokkaido Hotel's operation was significantly impacted by rising operating costs, including labor shortages and wage inflation. Increased competition from both local and international operators further exerted pressures on operations of the Hokkaido Hotel.

The Consideration would set off against an equivalent amount of the Outstanding PN. After Completion, the principal amount of the Outstanding PN will be reduced to approximately HK$446 million.

The Directors consider that the Proposed Disposal would relieve the tremendous liquidity pressure of the Company to meet its financial obligations and improve its overall financial position, as well as improving the gearing ratio of the Group.

Having considered the above reasons and benefits, the Directors (excluding the independent non-executive Directors whose views will be set forth in the circular after taking into account the recommendation of the Independent Financial Adviser) consider that the terms of the Sale and Purchase Agreement are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE PROPOSED DISPOSAL

Immediately prior to Completion, the Target Company is wholly-owned by the Company. Upon Completion, the Target Company will cease to be a subsidiary of the Group and its financial results, assets and liabilities will no longer be consolidated into the consolidated financial statements of the Group. The Company will not receive any proceeds from the Proposed Disposal.

It is expected that a gain of approximately HK$64.9 million will be resulted from the Proposed Disposal, which is calculated with reference to (i) the difference between the Consideration of HK$104 million; (ii) the net assets value of the Disposal Group of approximately HK$14.4 million as at 30 September 2025; (iii) the Sale Loan of approximately HK$15.5 million; and (iv) the reverse of exchange reserve of the Group of approximately HK$9.2 million.

Shareholders should note that the actual financial effect on the Group from the Proposed Disposal depends on, among others, the financial position of the Target Company at Completion and the interest accrued on the Outstanding PN at Completion, and is subject to final audit.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Target Company is a direct wholly-owned subsidiary of the Company. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Proposed Disposal exceeds 25% but below 75%, the Proposed Disposal constitutes a major disposal of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Purchaser is wholly-owned by Mr. Hu, who is the Chairman of the Board, an executive Director and the controlling shareholder of the Company, and hence a connected person of the Company. Accordingly, the Proposed Disposal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Given Mr. Hu's interests in the Sale and Purchase Agreement and the transactions contemplated thereunder, Mr. Hu has abstained from voting on the relevant Board resolution(s) approving the Sale and Purchase Agreement and the transactions contemplating thereunder.

SGM

The SGM will be convened for the purposes of considering, and if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

Given Mr. Hu's interest in the Sale and Purchase Agreement, Mr. Hu and his associates will abstain from voting on the resolution(s) to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save as disclosed, no other Shareholder has a material interest in the Sale and Purchase Agreement and the transactions contemplating thereunder and hence, no other Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the SGM.

GENERAL

An Independent Board Committee, comprising the independent non-executive Directors, has been established to advise the Independent Shareholders on the Sale and Purchase Agreement and the transactions as contemplated thereunder.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further information on the Proposed Disposal; (ii) a letter from the Independent Board Committee with its recommendation to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser with its recommendation to the Independent Board Committee and the Independent Shareholders; (iv) the financial information of the Disposal Group; (v) a valuation report of the Property; (vi) a notice of the SGM; and (vii) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 2 April 2026, in order to allow sufficient time for the Company to prepare the necessary information to be included therein.

Completion is conditional upon the satisfaction or waiver (as the case may be) of the Conditions and therefore, may or may not take place. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

"associate(s)"	has the meaning as ascribed in the Listing Rules
"Board"	board of the Directors
"Business Day"	any day on which banks in Hong Kong are open for business, other than a Saturday or a Sunday or a public holiday; or a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
"BVI"	British Virgin Islands

"Company"	Man Sang International Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 938), the vendor of the Sale Share to the Sale and Purchase Agreement
"Completion"	completion of the Proposed Disposal pursuant to the Sale and Purchase Agreement
"Completion Date"	the date of Completion pursuant to the terms and conditions of the Sale and Purchase Agreement
"Condition(s)"	the condition(s) precedent to the Completion
"connected person(s)"	has the meaning as ascribed in the Listing Rules
"Consideration"	the aggregate consideration of HK$104,000,000 (comprising HK$88,500,000 for the Sale Share and HK$15,500,000 for the Sale Loan)
"controlling shareholder"	has the meaning as ascribed in the Listing Rules
"Director(s)"	the director(s) of the Company
"Disposal Group"	the Target Company and its subsidiaries
"Group"	the Company and its subsidiaries
"Guarantor"	Mr. Hu, being the guarantor to the Sale and Purchase Agreement to guarantee the performance of the Purchaser and the PN Holder
"Hokkaido Hotel"	the hotel property and golf course located at 2361-1, Yoichi Cho, Yoichi Gun, Hokkaido, Japan
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	the independent board committee of the Company comprising all independent non-executive Directors established to advise the Independent Shareholders on the Sale and Purchase Agreement and the transactions contemplated thereunder

"Independent Financial Adviser"	Halcyon Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder
"Independent Shareholders"	Shareholder(s) who are not required by the Listing Rules to abstain from voting on the resolution(s) to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder
"JPY"	Japanese Yen, the lawful currency of Japan
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	30 September 2026 (or such other date as may be agreed between the Company and the Purchaser in writing)
"Mr. Hu"	Mr. Hu Xingrong, the Chairman of the Board, an executive Director and a controlling Shareholder of the Company
"Outstanding PN"	the promissory notes issued by the Company with outstanding principal amount of HK$550 million, which is held by the PN Holder as at the date of the Sale and Purchase Agreement
"percentage ratio"	has the meaning as ascribed in the Listing Rules
"PN Holder"	Total Idea International Limited, a limited company incorporated under the laws of the BVI, the holder of the Outstanding PN and wholly owned by Mr. Hu
"Proposed Disposal"	the proposed disposal of the Sale Share by the Company to the Purchaser and the assignment of the Sale Loan to the Purchaser pursuant to the Sale and Purchase Agreement
"Purchaser"	China JinNiu Group Limited, a company incorporated under the laws of BVI and the purchaser to the Sale and Purchase Agreement
"Sale and Purchase Agreement"	the conditional sale and purchase agreement dated 12 March 2026 entered into among the Company, the Purchaser, the PN Holder and the Guarantor in relation to the Proposed Disposal

"Sale Loan"	the outstanding loan in the principal amount of HK$15.5 million advanced by the Sale Loan Vendor to the Target Company which is to be assigned to the Purchaser pursuant to the Sale and Purchase Agreement
"Sale Loan Vendor"	Faithful Goal International Limited, a wholly-owned subsidiary of the Company
"Sale Share"	the entire issued share capital of the Target Company
"SGM"	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder
"Share(s)"	ordinary share(s) of HK$0.5 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s) or voting rights
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Decent Start Limited, a company incorporated under the laws of the BVI with limited liabilities and wholly-owned by the Company as at the date of the Sale and Purchase Agreement
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

By Order of the Board
Man Sang International Limited
HU XINGRONG
Chairman

Hong Kong, 12 March 2026

As at the date of this announcement, the executive Directors are Mr. Hu Xingrong (Chairman) and Ms. Cong Wenlin; and the independent non-executive Directors are Ms. Pau Yee Ling, Mr. Wong Kwan Kit and Ms. Zhou Hong.