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MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

PROPOSED CAPITAL REORGANISATION AND CONNECTED TRANSACTION IN RELATION TO THE ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

PROPOSED CAPITAL REORGANISATION

The Company proposes to implement the Capital Reorganisation involving the Capital Reduction and the Share Sub-division as follows:

(i) the issued share capital of the Company will be reduced by cancelling the paid-up capital to the extent of HK$0.40 on each of the then issued Existing Shares such that the par value of each issued Existing Share will be reduced from HK$0.50 to HK$0.10; and

(ii) immediately following the Capital Reduction, each of the authorised but unissued Existing Shares of par value of HK$0.50 will be sub-divided into five (5) authorised but unissued New Shares of par value of HK$0.10 each.

Upon the Capital Reorganisation becoming effective, the New Shares will be identical in all respects and rank *pari passu* with each other.

ISSUE OF THE CONVERTIBLE BONDS

On 25 March 2026 (after trading hours), the Company, the First Subscriber, the Second Subscriber and the Third Subscriber entered into the Subscription Agreement, pursuant to which the Company is desirous of issuing the Convertible Bonds in the principal amount of HK$594,264,000 at the coupon rate of 2% per annum maturing on 31 December 2029 convertible into not more than 1,485,660,000 Conversion Shares and the First Subscriber, Second Subscriber and the Third Subscriber are desirous of subscribing for the Convertible Bonds in the principal amount of HK$461,787,000, HK$117,588,000 and HK$14,889,000 respectively.

In the case of the Conversion Rights having been exercised in full at the initial Conversion Price of HK$0.40, a total number of 1,485,660,000 Conversion Shares will be allotted and issued by the Company, representing (i) approximately 229.55% of the existing total number of issued Shares as at the date of the Subscription Agreement; and (ii) approximately 69.66% of the total number of issued Shares as enlarged by the allotment and issue of the Conversion Shares (assuming there is no other change in the total number of Shares in issue from the date of the Subscription Agreement and up to the date of full conversion of the Convertible Bonds) after taking into account the effect of the Capital Reorganisation.

LISTING RULES IMPLICATIONS

As at the date of the Subscription Agreement, each of the First Subscriber and the Second Subscriber is wholly owned by Mr. Hu, who is also the Third Subscriber, an executive Director and the beneficial owner of China DaDi which holds 477,327,672 Shares, representing approximately 73.75%, being the controlling Shareholder. As such, each of the First Subscriber, Second Subscriber and the Third Subscriber is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into the Subscription Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to Independent Shareholders' approval by way of poll at the SGM. As Mr. Hu is considered to have material interest in the Subscriptions, he had abstained from voting on the Board resolutions of the Company in relation to the Subscriptions and the transactions contemplated thereunder. Any Shareholder who has a material interest in the Subscriptions shall abstain from voting at the SGM on the resolutions in respect of the Subscription Agreement and the transactions contemplated thereunder.

GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as no Shareholder has a material interest in the Capital Reorganisation, no Shareholder will be required to abstain from voting on the special resolutions in relation to the Capital Reorganisation at the SGM. China DaDi and its associates will abstain from voting on the proposed resolution to approve the Subscriptions at the SGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, no other Shareholder has a material interest in the Subscriptions and is required to abstain from voting on the proposed resolutions to approve the Subscriptions at the SGM.

The Independent Board Committee (comprising all independent non-executive Directors) has been established to advise the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation, the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Conversion Shares. A circular containing, among other things, (i) further information regarding the Capital Reorganisation; (ii) further details of the Subscription Agreement and the transactions contemplated thereunder; (iii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder; (iv) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder, and (v) a notice convening the SGM, will be despatched to the Shareholders on or before 20 April 2026.

Shareholders and potential investors of the Company should note that the Capital Reorganisation is conditional upon the fulfillment of the conditions as set out in the section headed "Conditions of the Capital Reorganisation" in this announcement and Subscription Completion is conditional upon, among others, the Capital Reorganisation having become effective. Accordingly, the Capital Reorganisation and the Subscriptions may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED CAPITAL REORGANISATION

The Company proposes to implement the Capital Reorganisation involving the Capital Reduction and the Share Sub-division as follows:

(i) the issued share capital of the Company will be reduced by cancelling the paid-up capital to the extent of HK$0.40 on each of the then issued Existing Shares such that the par value of each issued Existing Share will be reduced from HK$0.50 to HK$0.10; and

(ii) immediately following the Capital Reduction, each of the authorised but unissued Existing Shares of par value of HK$0.50 will be sub-divided into five (5) authorised but unissued New Shares of par value of HK$0.10 each.

Upon the Capital Reorganisation becoming effective, the New Shares will be identical in all respects and rank *pari passu* with each other.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon the following conditions:

(i) the passing of a special resolution by the Shareholders at the SGM to approve the Capital Reorganisation and transactions contemplated thereunder;

(ii) the Stock Exchange granting the listing of, and permission to deal in, the New Shares upon the Capital Reorganisation becoming effective; and

(iii) the compliance with the requirements of section 46(2) of the Companies Act and the Listing Rules to effect the Capital Reorganisation, which includes the Directors being satisfied that on the date the Capital Reorganisation is to take effect, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due.

Subject to the fulfilment of the conditions of the Capital Reorganisation, the effective date of the Capital Reorganisation is expected to be on Wednesday, 13 May 2026.

As at the date of this announcement, none of the conditions above has been fulfilled.

Application for listing of the New Shares

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the New Shares upon the Capital Reorganisation becoming effective.

Subject to the granting of listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares or any debt securities of the Company are listed or dealt in on any other stock exchanges other than the Stock Exchange, and at the time when the Capital Reorganisation becomes effective, the New Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Effects of the Capital Reorganisation

As at the date of this announcement, the authorised share capital of the Company is HK$500,000,000 divided into 1,000,000,000 Existing Shares of par value of HK$0.50 each, of which 647,198,595 Existing Shares have been issued as fully paid or credited as fully paid and 352,801,405 Existing Shares remain unissued.

Upon the Capital Reorganisation becoming effective and assuming that no further Existing Shares will be allotted, issued or repurchased from the date of this announcement and up to and including the effective date of the Capital Reorganisation, the authorised share capital of the Company will be HK$500,000,000 divided into 5,000,000,000 New Shares of par value of HK$0.10 each, of which 647,198,595 New Shares have been issued and are fully paid or credited as fully paid and 4,352,801,405 New Shares remain unissued. The issued share capital of the Company will be reduced to HK$64,719,859.50 divided into 647,198,595 New Shares in issue which are fully paid or credited as fully paid.

The credit of HK$258,879,438 arising from the Capital Reduction will be transferred to the Contributed Surplus Account and the Board will be authorised to utilise credits in the Contributed Surplus Account in such manner as permissible under the Bye-laws and the Companies Act, including to set off against the accumulated losses of the Company.

Assuming there will be no change in the number of issued Shares from the date of this announcement and up to the date on which the Capital Reorganisation becomes effective, the share capital structure of the Company will be as follows:

	As at the date of this announcement	**Immediately after the Capital Reorganisation becoming effective**
Par value	HK$0.50 per Existing Share	HK$0.10 per New Share
Authorised share capital:		
Amount of authorised share capital	HK$500,000,000	HK$500,000,000
Number of authorised shares	1,000,000,000 Existing Shares	5,000,000,000 New Shares
Issued share capital:		
Amount of issued share capital	HK$323,599,297.50	HK$64,719,859.50
Number of issued shares	647,198,595 Existing Shares	647,198,595 New Shares
Authorised but unissued share capital:		
Amount of unissued shares capital	HK$176,400,702.50	HK$435,280,140.50
Number of unissued shares	352,801,405 Existing Shares	4,352,801,405 New Shares

Other than the relevant expenses, including but not limited to professional fees and printing charges to be incurred in relation to the Capital Reorganisation, the implementation of the Capital Reorganisation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group.

Effects on share certificate(s) for the New Shares

The Capital Reorganisation will not affect any of the rights of the existing Shareholders. All existing share certificates of the Company will continue to be evidence of title to the Shares and continue to be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangement for free exchange of the existing share certificates (in blue colour) of the Company for new share certificates for the New Shares after the Capital Reorganisation takes effect. Immediately following the Capital Reorganisation becoming effective, new share certificates (in yellow colour) will be issued bearing the par value of HK$0.10 per New Share.

REASONS FOR THE CAPITAL REORGANISATION

The proposed Capital Reorganisation will enable the par value of the Shares to be reduced from HK$0.50 to HK$0.10 each. Upon the Capital Reorganisation becoming effective, the credit arising from the Capital Reduction will be transferred to the Contributed Surplus Account to be applied by the Company in any manner as permitted by or consistent with all applicable laws, the Memorandum of Association and the Bye-laws including towards offsetting the accumulated losses of the Company from time to time.

Furthermore, under the laws of Bermuda, the Company is restricted in its ability to issue Shares at a price lower than their par value. The Capital Reduction will reduce the par value of the New Shares to a lower amount of HK$0.10 each while will also increase the number of the unissued shares of the authorised capital of the Company which will provide the Company with greater flexibility for issue of New Shares when necessary.

In view of the above reasons, the Board considers that the Capital Reorganisation is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Capital Reorganisation is set out below. All times and dates in this timetable refer to Hong Kong local times and dates. This timetable is for indicative purpose only and may be varied due to additional time required for compliance with regulatory requirements in Bermuda or otherwise. Any subsequent changes to the expected timetable will be announced by the Company as and when appropriate.

Event	**Time and Date 2026**
Despatch of Company's circular in relation to the Capital Reorganisation to the Shareholders together with notice of SGM and proxy form for SGM	Monday, 20 April
Latest time for lodging transfer documents of the Shares to qualify for attendance and voting at the SGM	4:30 p.m. on Tuesday, 5 May
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the SGM (both days inclusive)	Wednesday, 6 May to Monday, 11 May
Latest time and date for lodging forms of proxy for the SGM (not less than 48 hours prior to the time of SGM)	4:00 p.m. on Saturday, 9 May
Record date for attendance and voting at the SGM	Monday, 11 May
Expected time and date of the SGM	4:00 p.m. on Monday, 11 May
Publication of announcement of the poll results of the SGM	Monday, 11 May
Register of members of the Company re-opens	Tuesday, 12 May
The following events are conditional on the fulfillment of the conditions for the implementation of the Capital Reorganisation as set out in this announcement.	
Expected effective date of the Capital Reorganisation	Wednesday, 13 May
Dealing in the New Shares commences	9:00 a.m. on Wednesday, 13 May

ISSUE OF THE CONVERTIBLE BONDS

On 25 March 2026 (after trading hours), the Company, the First Subscriber, the Second Subscriber and the Third Subscriber entered into the Subscription Agreement, pursuant to which the Company is desirous of issuing the Convertible Bonds in the principal amount of HK$594,264,000 at the coupon rate of 2% per annum maturing on 31 December 2029 convertible into not more than 1,485,660,000 Conversion Shares and the First Subscriber, Second Subscriber and the Third Subscriber are desirous of subscribing for the Convertible Bonds in the principal amount of HK$461,787,000, HK$117,588,000 and HK$14,889,000 respectively.

The Subscription Agreement

Date

25 March 2026 (after trading hours)

Parties

(1) the Company, as the issuer;

(2) the First Subscriber;

(3) the Second Subscriber; and

(4) the Third Subscriber

(each a "**Party**" and collectively, the "**Parties**")

Conditions precedent of the Subscription Agreement

The Subscription Completion shall be subject to the following conditions precedent:

(i) (if required) all necessary consent, approval and authorisations (if any) by regulators pursuant to the Listing Rules and any other rules and regulations which may be applicable to the Subscriptions having been obtained by the Company (collectively, the "**Necessary Approvals**"), and such Necessary Approvals shall be valid and effective up to the juncture immediately prior to the Subscription Completion, and shall not be threatened with any withdrawal, revocation or cancellation at all times prior to the Subscription Completion;

(ii) the Independent Shareholders having resolved at the SGM to grant the Specific Mandate and to approve, amongst other things, the Subscription Agreement and the transactions contemplated thereunder;

(iii) the Stock Exchange having approved the listing of and dealings with the Conversion Shares;

(iv) requisite approval, consent or authorisation by any third party to the Subscriptions having been obtained by the respective Parties;

(v) the Capital Reorganisation becoming effective;

(vi) the Subscribers having conducted due diligence investigation on the legal, commercial, accounting, auditing, compliance and such other respect(s) of the Company as the Subscribers shall deem fit and appropriate, with the Subscribers being reasonably satisfied with the results thereof;

(vii) the representations and warranties by the Company as specified in the Subscription Agreement remaining true, correct, valid, binding and effective up to the Subscription Completion; and

(viii) the representations and warranties by the Subscribers as specified in the Subscription Agreement remaining true, correct, valid, binding and effective up to the Subscription Completion.

Save and except that conditions precedent (vi) and (vii) above may be waived by the Subscribers unilaterally at any time prior to the Long Stop Date by notice in writing to the Company and that such condition precedent (viii) may be waived by the Company unilaterally at any time prior to the Long Stop Date by notice in writing to the Subscribers, no other conditions precedent can be waived by any Party, and

(a) the Company shall use its best endeavours to ensure such conditions precedent (i) to (v) and (vii) above (if such condition precedent (vii) above have been waived by the Subscribers, then conditions precedent (i) to (v) above only) shall be fulfilled and satisfied as soon as possible after the execution of the Subscription Agreement, and in any event, no later than the Long Stop Date; and

(b) the Subscribers shall use their best endeavours to ensure that the conditions precedent (iv), (vi) and (viii) above (if such conditions precedent (viii) above have been waived by the Company, then conditions precedent (iv) and (vi) above only) shall be fulfilled and satisfied as soon as possible after the execution of the Subscription Agreement, and in any event, no later than the Long Stop Date.

Save as otherwise stated, if any condition precedent above (save and except such conditions precedent having been waived pursuant to the above paragraph) shall not have been fulfilled by the Long Stop Date, the Subscription Agreement shall, unless the Parties agree in writing to postpone the Long Stop Date to another date (being a Business Day), automatically terminate and cease to be of any effect except for certain provisions in the Subscription Agreement which shall remain in force, and none of the Parties shall have any claim of any nature or liabilities under the Subscription Agreement whatsoever against the other Party save for any antecedent breaches of any term in the Subscription Agreement.

Consideration of the Subscriptions

The consideration of the Subscriptions, which is equivalent to the entire principal amount of the Convertible Bonds, shall be settled and discharged by the Subscribers by setting off (i) the then outstanding principal amount and the accrued interest in the sum of HK$461,787,000 of the Promissory Note due from the Company to the First Subscriber up to 28 February 2026 (i.e. the Note Amount), (ii) the principal amount of HK$100,000,000 and the accrued interest of HK$17,588,000 of an unsecured revolving loan due from a subsidiary of the Company to the Second Subscriber up to 28 February 2026 (i.e. HK$117,588,000, the Duofu Amount) and (iii) the principal amount of HK$1,127,000 and the accrued interest of HK$13,762,000 of an unsecured revolving loan due from a subsidiary of the Company to the Third Subscriber up to 28 February 2026 (i.e. HK$14,889,000, the Hu Amount).

Reference is also made to the announcement of the Company dated 12 March 2026 in relation to a disposal of Decent Start Limited, a wholly-owned subsidiary of the Company and the consideration of which will set off by HK$104 million of the principal amount of the Promissory Note. Assuming the said transaction is completed, the then outstanding principal amount of the Promissory Notes will be reduced from HK$550,000,000 to HK$446,000,000 and the accrued interest thereon is HK$15,787,000 up to 28 February 2026.

According to the Subscription Agreement, the Subscribers shall waive any other outstanding interest (if any) in relation to the Total Amount as at the Subscription Completion and such set off shall constitute full and final settlement of the Total Amount.

Without prejudice to any other provision of the Subscription Agreement, there shall not be any reduction or deduction whatsoever to the consideration of the Subscriptions. The entire amount of the consideration of the Subscriptions shall be utilised by the Company to repay and discharge the Total Amount.

Subscription Completion

The Subscription Completion shall take place on the Completion Date (or at such other time as the Parties may otherwise agree in writing) whereby each Party shall perform its obligations set out in the Subscription Agreement.

Principal Terms of the Convertible Bonds

The terms of the Convertible Bonds, which were determined after arm's length negotiations among the Company and the Subscribers, are summarised below:

Issuer:	The Company
Principal amount:	HK$594,264,000

Interest: Interest at the coupon rate of 2% per annum shall accrue on the principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate) calculated from the First Issue Date (the "**Interest**"), and the Interest shall, and shall continue to, accrue on the principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate) until full redemption and/or full conversion of the Convertible Bonds. The Interest shall be paid by the Company on each anniversary of the First Issue Date, with the last payment of Interest to be made on the Maturity Date, the last Conversion Date or the last Redemption Date (whichever shall be appropriate).

Unless otherwise specified in the CB Instrument, all Interest shall be paid by the Company in cash.

Maturity Date: 31 December 2029, and in case such a date is not a Business Day, then on the immediately following Business Day.

Denomination: The Convertible Bonds shall be issued in denominations and integral amounts of HK$500,000 or its multiple or, without prejudice to any other provisions in the CB Instrument, in such other denominations or integral amounts as the Company deems fit and appropriate provided that such denominations or integral amounts shall not exceed HK$500,000.

Conversion Price: The initial Conversion Price of HK$0.40 per Conversion Share represents:

(i) a premium of 14.29% over the closing price of HK$0.35 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and

(ii) a discount of approximately 2.44% to the average closing price of HK$0.41 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement.

The initial Conversion Price was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the prevailing market price of the Shares. The conversion price is comparable to the recent average closing prices of the Shares, being approximately close to the 1-month and 2-month average closing prices of approximately HK$0.4073 and approximately HK$0.3988, respectively and premium over the 3-month average closing price of approximately HK$0.3795. The Directors consider that the Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Adjustments to the Conversion Price:

The Conversion Price shall from time to time be subject to adjustment in accordance with the CB Instrument if, whilst any of the Convertible Bonds remains outstanding, any of the following events or circumstances in relation to the Shares shall occur:

(i) if and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation or subdivision;

(ii) if and whenever the Company shall pay or make any capital distribution (as specified pursuant to the CB Instrument) to the Shareholders;

(iii) if and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or shall issue or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 95% of the average of the closing price of one Share as quoted for the last 5 trading days immediately prior to such issue or grant to Shareholders is made;

(iv) if and whenever the Company shall (a) issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class by way of rights; or (b) grant to all or substantially all Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares);

(v) if and whenever the Company shall wholly for cash (a) issue (other than as mentioned in sub-paragraph (iii) above) any Shares (other than the Shares issued on the exercise of Conversion Rights (as defined below) or on the exercise of any other rights of conversion into or exchange or subscription for, Shares); or (b) issue or grant (other than as mentioned in sub-paragraph (iii) above) options, warrants or other rights to subscribe for or purchase Shares, in each case at less than 95% of the average of the closing price of one Share as quoted for the last 5 trading days immediately prior to such issue or grant to Shareholder is made;

(vi) save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this sub-paragraph, if and whenever the Company shall issue wholly for cash any securities (other than the Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription, in each case at less than 95% of the average of the closing price of one Share as quoted for the last 5 trading days immediately prior to such issue or grant to Shareholders is made.

Conversion Shares: In the case of the Conversion Rights (as defined below) having been exercised in full, a total number of 1,485,660,000 Conversion Shares will be allotted and issued by the Company upon full conversion of the Convertible Bonds at the initial Conversion Price of HK$0.40 per Conversion Share, representing:

(i) approximately 229.55% of the existing total number of issued Shares as at the date of the Subscription Agreement; and

(ii) approximately 69.66% of the total number of issued Shares as enlarged by the allotment and issue of the Conversion Shares (assuming there is no other change in the total number of Shares in issue from the date of the Subscription Agreement and up to the date of full conversion of the Convertible Bonds) after taking into account the effect of the Capital Reorganisation.

The aggregate nominal value of 1,485,660,000 Conversion Shares is HK$148,566,000.

Conversion period: The period commencing on the Business Day immediately after the First Issue Date and expiring on the earlier of the fifth (5th) Business Day before Maturity Date or the date (if any) on which the Company has redeemed the entire principal amount of the Convertible Bonds pursuant to the conditions contained in the CB Instrument, both days inclusive, provided that if the Company fails to redeem the Convertible Bonds on the Maturity Date in accordance with the CB Instrument, the Conversion Period shall continue until the Company has redeemed the entire principal amount of the Convertible Bonds or the outstanding part thereof (whichever shall be appropriate) (the "**Conversion Period**").

Conversion rights:	Each Bondholder shall have the right, exercisable during the Conversion Period in the manner provided in the conditions contained in the CB Instrument, to convert the whole or any part (in multiples of HK$500,000) of the principal amount of the Convertible Bond (or such outstanding part thereof, whichever shall be appropriate) held by such Bondholder into such number of Conversion Shares as will be determined by dividing the principal amount of the Convertible Bonds to be converted by the Conversion Price in effect on the Conversion Date (the "**Conversion Rights**").
Conversion restrictions:	No Bondholder shall exercise any Conversion Rights and the Company shall not be required to issue any Conversion Share in the event that the exercise of such Conversion Rights by the Bondholder will cause: (1) the Bondholder and/or parties acting in concert with it being required by regulatory authority to make a mandatory general offer for the Shares held by the other Shareholders in accordance with the Takeovers Code, unless the Bondholder undertakes to the Company to fully comply with all applicable requirements under the Takeovers Code; and/or (2) the public float of the Company being less than 25% of its issued share capital.
Redemption at maturity:	All Convertible Bonds which have not been redeemed or converted in accordance with the conditions contained in the CB Instrument by the Maturity Date shall be redeemed by the Company on the Maturity Date either in cash by paying such redemption amount which equals to the entire principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate) or further and/or in the alternative, by such other mode or manner of redemption as the Company and the majority Bondholders may agree in writing prior to the Maturity Date.
Redemption prior to maturity:	Without prejudice to any other conditions contained in the CB Instrument, the Company may at its sole and absolute discretion redeem the principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate) at any time during Redemption Period by paying such redemption amount equivalent to the principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate) to the Bondholder(s).

Redemption on default:

If any of the events ("**Events of Default**", and each an "**Event of Default**") specified below occur, the Company shall forthwith give notice thereof to the Bondholders and each Bondholder may (without prejudice to any other rights and remedies available to the Bondholders), at its option, opt to convert their Convertible Bonds in its entirety or, alternatively serve a notice for redemption on the Company in respect of part or all of the Convertible Bonds held by it, whereupon such Convertible Bonds shall become immediately due and payable at a redemption amount equal to the entire principal amount of such Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate). For avoidance of any doubt and without prejudice to any other conditions contained in the CB Instrument, the Bondholder(s) (or any of them, if appropriate) shall not, and shall not be entitled to, request or demand for any redemption of the Convertible Bonds or any principal amount of the Convertible Bonds by the Company prior to the Maturity Date unless an Event of Default occurs. Any one (or more) of the following event shall constitute an Event of Default:

(i) any failure to pay the principal of the Convertible Bonds when due and such failure continues for a period of thirty (30) Business Days;

(ii) any default made by the Company in the performance or observance of any provision of the CB Instrument or any breach by the Company of any undertaking, warranty or representation given by it under these terms (other than the covenant to pay the principal in respect of the Convertible Bonds) and such default is incapable of remedy (in which event no such notice as is referred to below shall be required), or if capable of remedy is not remedied within thirty (30) Business Days of service by any Bondholder on the Company of notice requiring such default to be remedied;

(iii) a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved otherwise than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction the terms of which shall have previously been approved in writing by a Resolution of Bondholders;

(iv) it is or becomes unlawful for the Company to perform or comply with any of its obligations under the CB Instrument or any Convertible Bond, or due to no fault on the part of any Bondholder any such obligation is not or ceases to be enforceable or is claimed by the Company not to be enforceable;

(v) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (a) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Convertible Bonds or the CB Instrument, (b) to ensure that those obligations are legally binding and enforceable, and (c) to make the Convertible Bonds or the CB Instrument admissible in evidence in the courts of Hong Kong, is not taken, fulfilled or done by the requisite time;

(vi) any material breach of the representations, warranties and undertakings made by the Company to the Bondholder(s) in reliance of which the Bondholder(s) subscribe the Convertible Bonds; or

(vii) any event occurs which has an analogous effect to any of the events referred to the above sub-paragraphs (i) to (vi).

Ranking of the Conversion Shares: Subject to the CB Instrument, the Conversion Shares issued upon exercise of Conversion Rights shall rank *pari passu* in all respects with all other existing Shares outstanding at the Conversion Date and all the Conversion Shares shall include rights to participate in all dividends and other distributions the record date of which falls on or after the Conversion Date.

Transferability: Subject to compliance with the Listing Rules and regulatory requirements, the Convertible Bonds may (subject to the provisions of the CB Instrument) be transferred to any person provided that where the Convertible Bond(s) is/are intended to be transferred to a connected person (as defined in the Listing Rules) (other than the associates of the Bondholder), such transfer shall comply with the requirements under the Listing Rules and/or requirements imposed by the Stock Exchange, if any.

Any transfer of the Convertible Bonds shall be in respect of the whole or any part (in multiples of HK$500,000) of the principal amount of the Convertible Bonds (or such outstanding part thereof, whichever shall be appropriate).

Status of the Convertible Bonds:	The obligations of the Company arising under the Convertible Bonds constitute general, unsecured and unsubordinated obligations of the Company and rank equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.
Application for listing:	The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

THE SPECIFIC MANDATE

The issue of the Conversion Shares is subject to the Shareholders' approval. The Conversion Shares will be allotted and issued pursuant to the Specific Mandate to be sought from the Shareholders at the SGM.

INFORMATION ON THE SUBSCRIBERS

The First Subscriber

The First Subscriber is a company incorporated in the British Virgin Islands with limited liability and its principal business is investment holding. As at the date of the Subscription Agreement, the First Subscriber is wholly owned by Mr. Hu. The First Subscriber is also the holder of the Promissory Notes.

The Second Subscriber

The Second Subscriber is a company incorporated in Hong Kong with limited liability and its principal business is investment holding. As at the date of the Subscription Agreement, the Second Subscriber is wholly owned by Mr. Hu.

The Third Subscriber

Mr. Hu, the executive Director and the chairman of the Board. As at the date of the Subscription Agreement, each of China Dadi (being the controlling Shareholder holding 477,327,672 Shares, approximately 73.75% of the existing total number of issued Shares), the First Subscriber and the Second Subscriber is wholly owned by Mr. Hu.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AGREEMENT AND THE ISSUE OF THE CONVERTIBLE BONDS

The Company is an investment holding company. The Group has been principally engaged in provision of property management services, renovation and decoration services and hotel operation.

The issue of the Convertible Bonds to the Subscribers is primarily intended to settle the outstanding liabilities due from the Company to the Subscribers. This arrangement allows the Company to restructure its existing indebtedness in a more efficient and sustainable manner. The terms and conditions of the Convertible Bonds have been determined after arm's length negotiations between the Company and the Subscribers, taking into account the current financial position and funding needs of the Company.

The issue of the Convertible Bonds and the settlement of the consideration of the Subscriptions by way of set-off the Total Amount will enable the Company to restructure a substantial portion of its existing indebtedness without any immediate cash outflow. Upon the Subscription Completion, indebtedness in an aggregate amount of approximately HK$594.3 million, comprising (i) HK$461.8 million under the Promissory Note, (ii) HK$117.6 million under the unsecured revolving loan, and (iii) HK$14.9 million under the unsecured revolving loan, together with the principal and the accrued interest thereon, will be fully settled and replaced by the Convertible Bonds. In addition, the Subscribers have agreed to waive all outstanding interest (if any) as at the Subscription Completion, which will reduce the Group's finance costs.

The Convertible Bonds will only carry an interest rate of only 2% per annum, which is significantly lower than the Promissory Notes of 4% per annum and the two unsecured revolving loans with the interest rate of 8% per annum. As a result, the issuance of the Convertible Bonds will further substantially reduce the finance cost of the Group.

The maturity dates of the Promissory Notes and the two unsecured revolving loans fall on 31 December 2027 but the Convertible Bonds will mature on 31 December 2029. This represents an extension of the repayment period of the substantial liabilities of the Group so it will provide the Group with greater financial flexibility, reduce short to medium-term liquidity pressure, and allow more time for the Company to implement its business strategies and improve its operating performance.

In addition, the Convertible Bonds are convertible into shares of the Company, subject to the relevant conversion conditions. Upon the conversion of the Convertible Bonds, whether the whole or any part, the outstanding indebtedness can be capitalised into equity. This will (i) reduce the Group's gearing level, (ii) strengthen its financial position, and (iii) enhance its capital structure without requiring immediate cash outflow.

In light of the above, the Directors consider that the issue of the Convertible Bonds is a prudent and beneficial arrangement for the Company. It enables the Group to reduce its finance costs, extend its debt maturity profile, improve liquidity, and strengthen its capital structure through potential debt-to-equity conversion. Accordingly, the Directors consider that the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Under the terms and conditions contained in the CB Instrument, the exercise of the Conversion Rights attached to the Convertible Bonds shall not result in the Company failing to meet the public float requirements under the Listing Rule and the table below is for illustration purposes only. Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after full conversion of the Convertible Bonds at the initial Conversion Price (assuming there is no other change in the total number of issued Shares from the date of this announcement and up to the date of full conversion of the Convertible Bonds):

Shareholders	**As at the date of this announcement**		**Immediately after full conversion of the Convertible Bonds at the initial Conversion Price (assuming there is no other change in the total number of issued Shares from the date of this announcement and up to the date of full conversion of the Convertible Bonds)**	
	No. of Shares	*Approximate %*	*No. of Shares*	*Approximate %*
China DaDi *(Note 1)*	477,327,672	73.75%	477,327,672	22.38%
First Subscriber *(Note 1)*	–	–	1,154,467,500	54.13%
Second Subscriber *(Note 1)*	–	–	293,970,000	13.78%
Third Subscriber *(Note 1)*	–	–	37,222,500	1.75%
Sub-total	477,327,672	73.75%	1,962,987,672	92.04%
Other public Shareholders	169,870,923	26.25%	169,870,923	7.96%
Total	647,198,595	100.00%	2,132,858,595	100.00%

Note:

1. Each of China DaDi, the First Subscriber and the Second Subscriber is wholly owned by Mr. Hu, who is the Third Subscriber and the executive Director.

❖ Certain percentage figures included in the table above have been subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding them.

The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 8.08 of the Listing Rules.

LISTING RULES IMPLICATIONS

As at the date of the Subscription Agreement, each of the First Subscriber and the Second Subscriber is wholly owned by Mr. Hu, who is also the Third Subscriber, an executive Director and the beneficial owner of China DaDi which holds 477,327,672 Shares, representing approximately 73.75%, being the controlling Shareholder. As such, each of the First Subscriber, Second Subscriber and the Third Subscriber is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into the Subscription Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to Independent Shareholders' approval by way of poll at the SGM. As Mr. Hu is considered to have material interest in the Subscriptions, he had abstained from voting on the Board resolutions of the Company in relation to the Subscriptions and the transactions contemplated thereunder. Any Shareholder who has a material interest in the Subscriptions shall abstain from voting at the SGM on the resolutions in respect of the Subscription Agreement and the transactions contemplated thereunder.

GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as no Shareholder has a material interest in the Capital Reorganisation, no Shareholder will be required to abstain from voting on the special resolution in relation to the Capital Reorganisation at the SGM. China DaDi and its associates will abstain from voting on the proposed resolutions to approve the Subscriptions at the SGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, no other Shareholder has a material interest in the Subscriptions and is required to abstain from voting on the proposed resolutions to approve the Subscriptions at the SGM.

The Independent Board Committee (comprising all independent non-executive Directors) has been established to advise the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transactions contemplated thereunder.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation, the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Conversion Shares. A circular containing, among other things, (i) further information regarding the Capital Reorganisation; (ii) further details of the Subscription Agreement and the transactions contemplated thereunder; (iii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder; (iv) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the transactions contemplated thereunder, and (v) a notice convening the SGM, will be despatched to the Shareholders on or before 20 April 2026.

Shareholders and potential investors of the Company should note that the Capital Reorganisation is conditional upon the fulfillment of the conditions as set out in the section headed "Conditions of the Capital Reorganisation" in this announcement and Subscription Completion is conditional upon, among others, the Capital Reorganisation having become effective. Accordingly, the Capital Reorganisation and the Subscriptions may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Bondholder(s)"	the holder(s) of the Convertible Bonds or any outstanding amount thereof for the time being
"Business Day(s)"	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the Extreme Conditions is announced in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"Bye-laws"	the bye-laws of the Company as amended, supplemented or modified from time to time
"Capital Reduction"	the proposed reduction of the par value of each of the issued Existing Shares from HK$0.50 to HK$0.10 per issued Existing Share by cancelling the paid up share capital to the extent of HK$0.40 per issued Existing Share
"Capital Reorganisation"	collectively, the Capital Reduction and the Share Sub-division
"CB Instrument"	the instrument to be executed by the Company as a deed under and pursuant to which the Convertible Bonds are to be constituted and issued
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC

"China DaDi"	China DaDi Group Limited, a company incorporated in the British Virgin Islands, the controlling Shareholder, which is wholly-owned by Mr. Hu
"Companies Act"	the Companies Act 1981 of Bermuda, as amended from time to time
"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)
"Completion Date"	any Business Day within a period of five (5) Business Days after the fulfilment and/or satisfaction (or waiver, as appropriate) of the conditions precedent of the Subscription Agreement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Contributed Surplus Account"	the contributed surplus account of the Company
"Conversion Date"	the date on which the Company receives or is deemed to have received a duly completed and executed a conversion notice in the form contained in the CB Instrument together with the certificate(s) of the Convertible Bonds being converted by a Bondholder pursuant to the conditions contained in the CB Instrument
"Conversion Price"	the initial conversion price of HK$0.40 per each Conversion Share, and the conversion price may be subject to such adjustment(s) as set out in the paragraph headed "**Adjustments to the Conversion Price**" above, but in any event, the Conversion Price shall not be lower than the par value of each New Share
"Conversion Share(s)"	the New Share(s) to be allotted and issued by the Company under the Specific Mandate to the Subscribers upon exercising of the Conversion Rights by the Subscribers in accordance with the CB Instrument
"Convertible Bonds"	the convertible bonds to be issued by the Company to the Subscribers pursuant to the terms of the Subscription Agreement in the principal amount of HK$594,264,000 at the coupon rate of 2% per annum maturing on 31 December 2029 convertible into not more than 1,485,660,000 Conversion Shares at the Conversion Price of HK$0.40 per Conversion Share in accordance with the CB Instrument

"Director(s)"	the director(s) of the Company
"Duofu Amount"	HK$117,588,000, comprising the principal amount of HK$100,000,000 and the outstanding interest up to 28 February 2026 of HK$17,588,000 indebted by a subsidiary of the Company to the Second Subscriber
"Existing Share(s)"	ordinary share(s) of par value of HK$0.50 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
"Extreme Conditions"	the extreme conditions as announced by any Hong Kong Government department or body or otherwise, whether or not under or pursuant to the revised "Code of Practice in Times of Adverse Weather" and "Extreme Conditions" issued by the Labour Department of the Hong Kong Government in April 2024 in the event of serious disruption of public transport services or government services, extensive flooding, major landslides or large-scale power outrage after typhoons or incidents similar in seriousness or nature
"First Issue Date"	the initial date of issue of the Convertible Bonds (or any principal amount thereof, as the case may be) under and pursuant to the conditions as contained in the CB Instrument
"First Subscriber"	Total Idea International Limited, the holder of the Promissory Note, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Hu
"General Rules of HKSCC"	the terms and conditions regulating the use of HKSCC's services, as may be amended, supplemented and/or otherwise modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Operational Procedures"	the operational procedures of the HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of CCASS or any other platform, as from time to time in force

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hu Amount"	HK$14,889,000, comprising the principal amount of HK$1,127,000 and the outstanding interest up to 28 February 2026 of HK$13,762,000 indebted by a subsidiary of the Company to the Third Subscriber
"Independent Board Committee"	the independent committee of the Board, comprising all the independent non-executive Directors, namely Ms. Pau Yee Ling, Mr. Wong Kwan Kit and Ms. Zhou Hong, established for the purpose of advising the Independent Shareholders in relation to the Subscriptions
"Independent Financial Adviser"	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscriptions
"Independent Shareholders"	Shareholders other than the Subscribers and its associate(s)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange as may be amended from time to time
"Long Stop Date"	5:00 p.m. on 30 June 2026
"Maturity Date"	31 December 2029, and in case such a date is not a Business Day, then on the immediately following Business Day
"Memorandum of Association"	the memorandum of association of the Company as amended, supplemented or modified from time to time
"Mr. Hu"	Mr. Hu Xingrong, the executive Director and the chairman of the Board, who is interested in 477,327,672 Shares, representing 73.75% of the existing total number of issued Shares
"New Share(s)"	the ordinary share(s) with par value of HK$0.10 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
"Note Amount"	HK$461,787,000, comprising the principal amount of HK$446,000,000 of the Promissory Notes and the outstanding interest up to 28 February 2026 of HK$15,787,000 (assuming completion of the Proposed Disposal) indebted by the Company to the First Subscriber

"Promissory Notes"	the promissory notes issued by the Company with outstanding principal amount of HK$550,000,000 at the coupon rate of 4% per annum maturing on 31 December 2027 with outstanding interest up to 28 February 2026 amount of HK$19,468,000 held by the First Subscriber
"Proposed Disposal"	the proposed disposal of the entire issued share capital of a wholly-owned subsidiary of the Company by the Company and the assignment of the sale loan to the purchaser in the aggregate consideration of HK$104,000,000 pursuant to the sale and purchase agreement dated 12 March 2026, details of which are disclosed in the announcement of the Company dated 12 March 2026
"Redemption Date"	in respect of each Convertible Bond, any Business Day which falls within the Redemption Period on which such Convertible Bond shall become due and payable for redemption in accordance with the conditions contained in the CB Instrument
"Redemption Period"	the period commencing on the Business Day immediately after the First Issue Date and ending on the Maturity Date (both days inclusive)
"Resolution of Bondholders"	a resolution of Bondholders duly passed at a meeting of Bondholders duly convened and held in accordance with the conditions contained in the CB Instrument or a resolution of Bondholders passed by way of a resolution in writing of Bondholders as prescribed in the conditions contained in the CB Instrument
"Second Subscriber"	Duofu Holdings Group Co., Limited, a company incorporated in Hong Kong with limited liability, which is wholly-owned by Mr. Hu
"SGM"	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation, the Subscription Agreement and the transactions contemplated thereunder
"Share(s)"	the Existing Share(s) or the New Share(s) (as the case may be)
"Shareholder(s)"	holder(s) of the Share(s) from time to time
"Share Sub-division"	the proposed sub-division of each authorised but unissued Existing Share into five (5) authorised and unissued New Shares

"Specific Mandate"	the specific mandate to be granted by the Shareholders to the Board at the SGM to the Directors to allot and issue the Conversion Shares upon the exercise of the Conversion Rights by the Bondholder(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscribers"	collectively, the First Subscriber, the Second Subscriber and the Third Subscriber
"Subscriptions"	the subscriptions of the Convertible Bonds pursuant to the Subscription Agreement
"Subscription Agreement"	the conditional subscription agreement dated 25 March entered into among the Company, the First Subscriber, the Second Subscriber and the Third Subscriber in relation to the Subscriptions
"Subscription Completion"	the completion of the Subscriptions pursuant to the Subscription Agreement
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission of Hong Kong
"Third Subscriber"	Mr. Hu
"Total Amount"	HK$594,264,000, comprising the Note Amount, Duofu Amount and Hu Amount
"%"	per cent.

By order of the Board
MAN SANG INTERNATIONAL LIMITED
HU XINGRONG
Chairman

Hong Kong, 25 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.