THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Man Sang International Limited (the "**Company**"), you should at once hand this circular, together with the accompanying form of proxy, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agents through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

(I) PROPOSED CAPITAL REORGANISATION; (II) CONNECTED TRANSACTION IN RELATION TO THE ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE AND (III) NOTICE OF SPECIAL GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

Gram Capital Limited
嘉林資本有限公司

A notice convening a special general meeting of Man Sang International Limited to be held at 7/F, Wheelock House, 20 Pedder Street, Central, Hong Kong on Thursday, 21 May 2026 at 4:00 p.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the special general meeting is also enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange at www.hkex.com.hk and the Company at www.msil.com.hk.

Whether or not you are able to attend the special general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the special general meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjourned meeting (as the case may be) should you so wish. In such event, the instrument appointing a proxy shall be deemed revoked.

30 April 2026

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NOTICE OF SGM SGM-1

In this circular, 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" in this circular, 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" or "Gram Capital"	Gram Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO, being the independent financial adviser 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)
"Latest Practicable Date"	27 April 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"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 and the circular of the Company dated 24 April 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
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"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)
"Share Sub-division"	the proposed sub-division of each authorised but unissued Existing Share into five (5) authorised and unissued New Shares
"Shareholder(s)"	holder(s) of the Share(s) from time to time
"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
"Subscription Agreement"	the conditional subscription agreement dated 25 March 2026 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
"Subscriptions"	the subscriptions of the Convertible Bonds 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.

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. Shareholders should note that the expected timetable is subject to the satisfaction of all the conditions of the Capital Reorganisation and is therefore 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	Thursday, 30 April
Latest time for lodging transfer documents of the Shares to qualify for attendance and voting at the SGM	4:30 p.m. on Friday, 15 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)	Monday, 18 May to Thursday, 21 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 Tuesday, 19 May
Record date for attendance and voting at the SGM	Thursday, 21 May
Expected time and date of the SGM	4:00 p.m. on Thursday, 21 May
Publication of announcement of the poll results of the SGM	Thursday, 21 May
Register of members of the Company re-opens	Friday, 22 May
The following events are conditional on the fulfillment of the conditions for the implementation of the Capital Reorganisation as set out in this circular.	
Expected effective date of the Capital Reorganisation	Tuesday, 26 May
Dealing in the New Shares commences	9:00 a.m. on Tuesday, 26 May



MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

Executive Directors:
Mr. HU Xingrong *(Chairman)*
Ms. CONG Wenlin

Independent non-executive Directors:
Ms. PAU Yee Ling
Mr. WONG Kwan Kit
Ms. ZHOU Hong

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business:
in Hong Kong:
14/F, Teda Building
87 Wing Lok Street
Sheung Wan
Hong Kong

30 April 2026

To the Shareholders

Dear Sir or Madam,

(I) PROPOSED CAPITAL REORGANISATION; (II) CONNECTED TRANSACTION IN RELATION TO THE ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE AND (III) NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 25 March 2026 in relation to, among other things, the Capital Reorganisation and the issue of Convertible Bonds.

The purpose of this circular is to provide you with information in respect of, 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 Gram Capital 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.

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.

None of the above conditions can be waived. Subject to the fulfilment of the conditions of the Capital Reorganisation, the effective date of the Capital Reorganisation is expected to be on Tuesday, 26 May 2026.

As at the Latest Practicable Date, none of the conditions above has been fulfilled.

Application for listing of the New Shares

An application has been 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 Latest Practicable Date, 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 Latest Practicable Date 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 Latest Practicable Date 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 Latest Practicable Date	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

As at the Latest Practicable Date, the Company did not have any other outstanding derivatives, options, warrants, conversion rights, securities in issue, convertible securities or other similar rights which are convertible or exchangeable into, any Existing Shares or 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.

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 was 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 were 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

The principal terms of the Subscription Agreement are as follows:

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 and the circular of the Company dated 24 April 2026 in relation to the 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 discount of approximately 5.88% to the closing price of HK$0.425 per Share as quoted on the Stock Exchange on the Latest Practicable Date; (ii) 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

(iii) 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 then prevailing market price of the Shares. The conversion price was comparable to the then 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 prior to the date of the Subscription Agreement. 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) ***Consolidation and subdivision:*** If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation or subdivision, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such alteration by the following fraction:

$$\frac{A}{B}$$

where

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective from the day on which such consolidation or subdivision becomes effective.

(ii) ***Capital distribution:*** If and whenever the Company shall pay or make any capital distribution (as specified pursuant to the CB Instrument) to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such capital distribution by the following fraction:

$$\frac{A - B}{A}$$

where

A is the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date on which the capital distribution is made; and

B is the fair market value on the date of such capital distribution, as determined in good faith by the independent accountant or financial advisor acting as an expert, of the portion of the capital distribution which is attributable to one Share.

Such adjustment shall become effective on the date that such capital distribution is actually made.

(iii) ***Issue of Shares by ways of rights:*** 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, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where

A is the number of Shares in issue immediately before such grant or issue;

B is the number of Shares which the aggregate amount (if any) payable for the rights, or for the options or warrants or other rights issued by way of rights, and for the total number of Shares comprised therein would purchase at such fair market value per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the grant.

Such adjustment shall become effective on the date of the issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be).

(iv) ***Issue of other securities by way of rights:*** 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),

the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue, grant or offer by the following fraction:

$$\frac{A - B}{A}$$

where

A is the fair market value of one Share, as determined in good faith by the independent accountant or financial advisor acting as an expert, on the day immediately preceding the date on which such issue or grant is made; and

B is the fair market value on the date of such grant is made as determined in good faith by the independent accountant or financial advisor acting as an expert, of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of the issue of the securities or grant of such rights, options or warrants (as the case may be).

(v) ***Issue of Shares other than by way of rights:*** 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 Shareholders is made, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{C}$$

where

A is the number of Shares in issue immediately before the issue of such additional Shares;

B is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at such fair market value per Share; and

C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue or grant by the Company of options, warrants or other rights to subscribe for or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of the issue of such Shares or, as the case may be, the issue or grant of such options, warrants or other rights.

(vi) ***Issue of Shares upon conversion or exchange:*** 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, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where

A is the number of Shares in issue immediately before such issue;

B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued upon conversion or exchange of or upon exercise of the right of subscription attached to such securities would purchase at such fair market value per Share; and

C is the maximum number of Shares to be issued upon conversion into or exchange of such securities or upon the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of the issue of such securities.

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 Latest Practicable Date; 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 Latest Practicable Date 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 an unsecured revolving loan, and (iii) HK$14.9 million under another 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.

EFFECTS ON 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 Latest Practicable Date; 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 Latest Practicable Date and up to the date of full conversion of the Convertible Bonds):

Shareholders	**As at the Latest Practicable Date**		**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 Latest Practicable Date and up to the date of full conversion of the Convertible Bonds)**	
	No. of Shares	*Approximate %*	*No. of Shares*	*Approximate %*
Substantial Shareholders				
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%

Notes:

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.

EQUITY FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Ms. Pau Yee Ling, Mr. Wong Kwan Kit and Ms. Zhou Hong, being all independent non-executive Directors, has been established to advise the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder. The Company has, with the approval of the Independent Board Committee, appointed Gram Capital Limited as the Independent Financial Adviser in accordance with the requirements under the Listing Rules to advise the Independent Board Committee and the Independent Shareholders in this regard.

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% of the existing total number of issued Shares, 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 resolution in respect of the Subscription Agreement and the transactions contemplated thereunder.

SGM

The SGM will be convened and held at 7/F, Wheelock House, 20 Pedder Street, Central, Hong Kong at 4:00 p.m. on Thursday, 21 May 2026 for the purpose of considering and, if thought fit, approving 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.

As at the Latest Practicable Date, 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 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, as at the Latest Practicable Date, no other Shareholder has a material interest in the Subscriptions and is required to abstain from voting on the proposed resolution to approve the Subscriptions at the SGM.

The notice of the SGM is set out on pages SGM-1 to SGM-3 of this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time appointed for holding of the SGM or any adjournment thereof to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Completion and return of the form of proxy shall not preclude you from attending and voting at the SGM or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

To determine the entitlement of the members of the Company to attend and vote at the SGM to be held on Thursday, 21 May 2026, the register of members of the Company will be closed on Monday, 18 May 2026 to Thursday, 21 May 2026, both days inclusive. In order to qualify for attending and voting at the SGM, all transfer documents should be lodged for registration with the share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 15 May 2026.

All the resolutions proposed to be approved at the SGM will be taken by poll and an announcement will be made by the Company after the SGM on the results of the SGM.

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 circular 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.

RECOMMENDATION

The Directors consider that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Capital Reorganisation.

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on pages 33 to 34 of this circular and the letter from Gram Capital on pages 35 to 46 of this circular which contain their advice to the Independent Board Committee and the Independent Shareholders regarding the Subscription Agreement and the transactions contemplated thereunder as well as the principal factors and reasons taken into consideration in arriving at their advice.

The Directors, excluding Mr. Hu who had abstained from voting on the Board resolutions of the Company and including the independent non-executive Directors whose view are expressed in the letter from the Independent Board Committee, consider that the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors, excluding Mr. Hu and including the independent non-executive Directors, recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Special Mandate for the allotment and issue of the Conversion Shares. You are advised to read the letter from the Independent Board Committee and the letter from Gram Capital mentioned above before deciding how to vote at the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix and the notice of SGM, which form part of this circular.

Yours faithfully,
For and on behalf of the Board of
Man Sang International Limited
Hu Xingrong
Chairman



MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

30 April 2026

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO THE ISSUE OF THE CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

We refer to the circular of the Company (the "**Circular**") dated 30 April 2026, of which this letter forms part. Unless the context otherwise requires, terms and expressions defined in the Circular shall have the same meanings herein.

We have been appointed by the Board as the members of the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the terms of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate) are fair and reasonable so far as Company and the Independent Shareholders are concerned, on normal commercial terms and in the interests of the Company and Shareholders as a whole.

Gram Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard.

We would like to draw your attention to the letter from the Board set out on pages 9 to 32 of the Circular which contains, among other things, information on the Subscriptions and the letter from Gram Capital set out on pages 35 to 46 of the Circular which contains its advice in respect of the Subscription Agreement and the transactions contemplated thereunder. Your attention is also drawn to the additional information set out in the Circular.

Having considered the Subscription Agreement and the transactions contemplated thereunder as well as the advice of the Independent Financial Adviser, we are of the opinion that the terms of the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate) are fair and reasonable so far as the Independent Shareholders are concerned. Although the Subscription Agreement and the transactions contemplated thereunder are not conducted in the ordinary and usual course of business of the Company, they are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the SGM to approve the Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate).

Yours faithfully,
For and on behalf of
Independent Board Committee of
Man Sang International Limited

Ms. Pau Yee Ling	**Mr. Wong Kwan Kit**	**Ms. Zhou Hong**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscriptions for the purpose of inclusion in the Circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

30 April 2026

To: The Independent Board Committee and the Independent Shareholders of Man Sang International Limited

Dear Sirs,

CONNECTED TRANSACTION IN RELATION TO ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of issuing of the Convertible Bonds under Specific Mandate, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 30 April 2026 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 25 March 2026 (the "**Agreement Date**"), the Company entered into the Subscription Agreement with the First Subscriber, the Second Subscriber and the Third Subscriber, pursuant to which the Company was 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 were 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.

With reference to the Board Letter, the Subscriptions constitutes connected transactions of the Company and is subject to Independent Shareholders' approval by way of poll at the SGM under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Ms. Pau Yee Ling, Mr. Wong Kwan Kit and Ms. Zhou Hong (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Subscriptions are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Subscriptions are in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Subscriptions and the grant of the Specific Mandate at the SGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of (i) any relationships or interests between Gram Capital and the Company; or (ii) any services provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement, during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Company. We have assumed that all information and representations that have been provided by the Company, for which it is solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Company's representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Subscriptions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters, the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Subscribers, their respective subsidiaries or associates (as the case may be), nor have we considered the taxation implication on the Group or the Shareholders as a result of the Subscriptions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/ or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nevertheless, Shareholders will be notified if there are any material changes to our opinion, advice and/or recommendation in this letter after the Latest Practicable Date. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of these information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Subscriptions, we have taken into consideration the following principal factors and reasons:

Background of and reasons for the Subscriptions

Information on the Group

With reference to the Board Letter, the Company is an investment holding company. The Group is principally engaged in provision of property management services, renovation and decoration services and hotel operation.

Set out below is a summary of the Group's consolidated financial performance for each of the two years ended 31 March 2025 as extracted from the Company's annual report for the year ended 31 March 2025 (the "**FY2024/25 Annual Report**") and the six months ended 30 September 2025 as extracted from the Company's interim report for the six months ended 30 September 2025 (the "**FY2025/26 Interim Report**"):

	Six months ended 30 September 2025	**For the year ended 31 March 2025 ("FY2024/25")**	**For the year ended 31 March 2024 ("FY2023/24")**	**Year on year change**
	(unaudited)	(audited)	(audited)	
	HK$'000	*HK$'000*	*HK$'000*	*%*
Revenue	43,883	138,047	126,710	8.95
Gross profit	18,990	25,482	16,608	53.43
Profit/(Loss) attributable to equity holders of the Company	450,470	(592,211)	(551,828)	7.32

As depicted from the above table, the Group's revenue increased by approximately 8.95% from approximately HK$127 million for FY2023/24 to approximately HK$138 million for FY2024/25. With reference to the FY2024/25 Annual Report, such increase was contributed primarily from the Group's renovation and decoration segment. With the Group's revenue increase and effective cost control measures being imposed, the Group's gross profit increased by approximately 53.43% from approximately HK$17 million for FY2023/24 to approximately HK$25 million for FY2024/25.

Despite the improvement in the Group's revenue and gross profit, the loss for the year attributable to equity holders of the Company increased by approximately 7.32% from approximately HK$552 million for FY2023/24 to approximately HK$592 million for FY2024/25. Such increase was mainly caused by increase in finance cost.

According to the FY2024/25 Annual Report, the Group had total net current liabilities of approximately HK$2,428 million as at 31 March 2025. Such total net current liabilities and the Group's net loss of approximately HK$592 million for FY2024/25 indicated the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern. According to the FY2025/26 Interim Report, the Group had total net current liabilities of approximately HK$0.4 million and total net liabilities of approximately HK$587 million as at 30 September 2025.

Information on the Subscribers

With reference to the board letter:

(i) 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 Latest Practicable Date, the First Subscriber is wholly owned by Mr. Hu. The First Subscriber is also the holder of the Promissory Notes.

(ii) 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 Latest Practicable Date, the Second Subscriber is wholly owned by Mr. Hu.

(iii) The Third Subscriber is Mr. Hu, the executive Director and the chairman of the Board. As at the Latest Practicable Date, China DaDi (being the controlling Shareholder holding 477,327,672 Shares, approximately 73.75% of the existing total number of issued Shares) is wholly owned by Mr. Hu.

Reasons for and benefits of the Subscription Agreement and the issue of the Convertible Bonds

With reference to the Board Letter:

(a) 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.

(b) 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 an unsecured revolving loan, and (iii) HK$14.9 million under another 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.

(c) 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.

(d) 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.

(e) 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.

Having considered the above, in particular:

(i) the Group total net current liabilities as at 31 March 2025 and the Group's net loss of approximately HK$592 million for FY2024/25 indicated the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern. The Group had total net current liabilities of approximately HK$0.4 million and total net liabilities of approximately HK$587 million as at 30 September 2025. Upon the conversion of the Convertible Bonds, whether in whole or in any part, the corresponding outstanding indebtedness can be capitalised into equity;

(ii) 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; and

(iii) the Group only had cash and cash equivalents of approximately HK$14 million as at 30 September 2025, which was far less than the Total Amount of approximately HK$594.3 million, we consider that the Subscriptions will ease the financial pressure of the Group and reduce the Group's finance cost.

Accordingly, we are of the view that although the Subscriptions are not conducted in the ordinary and usual course of business of the Company, they are in the interest of the Company and the Shareholders as a whole.

Principal terms of the Subscriptions and the Convertible Bonds

Date

25 March 2026 (after trading hours)

Issuer

The Company

Subscribers

The First Subscriber, the Second Subscriber and the Third Subscriber

The Convertible Bonds

Principal amount

Principal amount of HK$594,264,000.

Interest

2% per annum

Maturity Date

31 December 2029 (in case such a date is not a Business Day, then on the immediately following Business Day).

Redemption

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 of Default 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).

Conversion price

The initial Conversion Price is HK$0.40 per Conversion Share, represents:

(i) a discount of approximately 5.88% to the closing price of HK$0.425 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a premium of approximately 14.29% over the closing price of HK$0.350 per Share as quoted on the Stock Exchange on the Agreement Date (the "**Agreement Date Premium**"); and

(iii) a premium of approximately 2.30% over the average closing price of HK$0.391 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to and including the Agreement Date (the "**5 Days Premium**").

Set out below is a chart showing the movement of the closing prices of the Shares during the period from 26 March 2025 up to the Agreement Date (the "**Share Review Period**"), being an adequate and representative review period and the duration of which is sufficient for us to perform a thorough analysis on the general trend and level of movement of the closing prices of the Shares:

Historical daily closing price per Share & initial Conversion Price



Source: The Stock Exchange's website

During the Share Review Period, the lowest and highest closing prices of the Shares as quoted on the Stock Exchange were HK$1.14 recorded on 2 May 2025 and HK$0.265 recorded on 7 January 2026. The initial Conversion Price of HK$0.40 per Conversion Share falls within the closing price range of the Shares as quoted on the Stock Exchange during the Share Review Period.

From the start of the Share Review Period, the closing price of Shares decreased temporarily and hiked to its highest of HK$1.14 on 2 May 2025. Thereafter, the closing price of Shares fluctuated and formed a decreasing trend, reaching its lowest of HK$0.265 on 7 January 2026.

The closing price of Shares recovered to HK$0.52 on 16 March 2026 and decreased to HK$0.35 on the Agreement Date.

As part of our analysis, we identified subscription transactions in relation to issuance of convertible bonds/notes under specific mandate for set-off of debt or loan capitalisation (excluding transactions that involve debt restructuring) announced by companies listed on the Stock Exchange from 25 September 2025 up to the Agreement Date, being a period of six months prior to and including the Agreement Date (the "**CB Comparables**"). To the best of our knowledge and as far as we are aware of, we found five transactions which met the said criteria and they are exhaustive. Shareholders should note that the businesses, operations and prospects of the Company are not the same as the CB Comparables.

Company name (stock code)	Date of announcement	Term (years)	Interest rate per annum (%)	Conversion price premium over the closing price per share on the last trading day immediately prior to/the date of agreement in relation to the respective issuance of convertible bonds/notes (%)	Conversion price premium over the average closing price per share for the last 5 consecutive trading days immediately prior to and including the last trading day immediately prior to/ the date of agreement in relation to the respective issuance of convertible bonds/notes (%)
Moiselle International Holdings Limited (130)	3 October 2025	3	2.5%	20.0	97.1 *(Note 1)*
Sunshine Oilsands Ltd. (2012)	16 November 2025	2	8.0%	12.5	0.5
SEM Holdings Limited (9929)	3 December 2025	2	Nil	6.8	8.7
China Biotech Services Holdings Limited (8037)	29 December 2025	4	10% for first two years; and 12% thereafter	(16.5)	(22.5)
China Water Industry Group Limited (1129)	16 February 2026	2	10%	(31.6)	(8.3)
Maximum (excluding outlier, if any)		**4**	**12.0**	**20.0**	**8.7**
Minimum (excluding outlier, if any)		**2**	**Nil**	**(31.6)**	**(22.5)**
Average (excluding outlier, if any)		**2.6**	**7.1**	**(1.7)**	**(5.4)**
Median (excluding outlier, if any)		**2**	**9.0**	**6.8**	**(3.9)**
The Company	**25 March 2026**	**Around 2.5**	**2.0%**	**14.29**	**2.30**

Source: The Stock Exchange's website

Note:

1. The premium as represented by the conversion price of the transaction is exceptionally high and considered as an outlier.

2. The interest rates of both 10% and 12% were adopted in the calculation of the maximum, minimum and average of interest rate per annum of the CB Comparables.

As depicted from the above table, the conversion prices of the CB Comparables:

(i) ranged from discount of approximately 31.6% to a premium of approximately 20.0%, with average discount of approximately 1.7% and median premium of approximately 6.8%, to/over the respective closing prices of shares on the last trading day immediately prior to or the date of agreement in relation to the respective transaction; and

(ii) ranged from discount of approximately 22.5% to premium of approximately 8.7% (excluding outlier), with average discount of approximately 5.4% (excluding outlier) and median discount of approximately 3.9% (excluding outlier), to/over the respective average closing prices of shares for the last five consecutive trading days immediately prior to the last trading day immediately prior to/the date of agreement in relation to the respective transaction.

The Agreement Date Premium and 5 Days Premium are within the respective ranges of the CB Comparables.

Having considered the above and that the initial Conversion Price of HK$0.4 per Conversion Share falls within the closing price range of the Shares as quoted on the Stock Exchange during the Share Review Period, we are of the view that the initial Conversion Price is fair and reasonable.

As noted from the terms of the CB Comparables, the interest rates of the CB Comparables ranged from nil to 12% per annum. We consider the interest rate of 2% per annum of the Convertible Bonds is in line with those of the CB Comparables. In addition, the interest rate of 2% per annum of the Convertible Bonds 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. Accordingly, we consider the interest rate of 2% of the Convertible Bonds to be fair and reasonable.

As depicted from the above table, the terms of the CB Comparables ranged from two to four years. The term of the Convertible Bonds, being around 2.5 years, is in line with those of the CB Comparables.

Taking into account the principal terms of the Subscriptions as highlighted above, we are of the view that the terms of the Subscriptions are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

Possible dilution effect on the shareholding interests of the existing public Shareholders

As illustrated by the shareholding table contained under the section headed "EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY" of the Board Letter, the shareholding interests of the existing public Shareholders would be diluted by approximately 18.29 percentage points as a result of the full conversion of the Convertible Bonds. Despite the dilution to the existing public Shareholders, taking into account (i) the reasons and benefits for the Subscriptions; and (ii) the terms of the Subscriptions being fair and reasonable, we are of the view that the said level of dilution to the shareholding interests of the existing public Shareholders as a result of the full conversion of the Convertible Bonds is justifiable.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Subscriptions are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the Subscriptions are not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Subscriptions and the grant of the Specific Mandate and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the interests and short positions, if any, of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (b) to be entered in the register pursuant to Section 352 of the SFO; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in Shares and underlying Shares

Name of Director	**Nature of interest**	**Number of Shares/ underlying Shares held**	**Approximate percentage of issued share capital of the Company** *(Note 4)*
Mr. Hu	Interest in a controlled corporation	477,327,672 Shares *(Note 1)*	73.75%
	Interest in controlled corporations	1,448,437,500 underlying Shares *(Note 2, 3)*	223.80%
	Beneficial owner	37,222,500 underlying Shares *(Note 2)*	5.75%

Notes:

1. These Shares were directly owned by China DaDi Group Limited, which is wholly-owned by Mr. Hu.

2. These number of underlying Shares are for illustrative purpose as a result of the Subscriptions but the Subscriptions are not completed yet.

3. The 1,448,437,500 underlying Shares comprises of (i) 1,154,467,500 underlying Shares to be issued to Total Idea International Limited and (ii) 293,970,000 underlying Shares to be issued to Duofu Holdings Group Co., Limited. Each of Total Idea International Limited and Duofu Holdings Group Co., Limited is wholly-owned by Mr. Hu.

4. As at the Latest Practicable Date, the Company's total number of issued Shares was 647,198,595.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they would be taken or deemed to have under such provisions of the SFO); (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Mr. Hu, an executive Director, is a director of China DaDi Group Limited, the Company's substantial shareholder. As at the Latest Practicable Date, so far as known to the Directors, no other Director is a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

3. DISCLOSURE OF INTERESTS OF THE SHAREHOLDERS PURSUANT TO THE SFO

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or had any option in respect of such capital:

Long positions in the Shares and underlying Shares

Name of Shareholder	**Nature of interest**	**Number of Shares/ underlying Shares held**	**Approximate percentage of issued share capital of the Company** *(Note 4)*
China DaDi Group Limited	Beneficial owner	477,327,672 Shares *(Note 1)*	73.75%
Total Idea International Limited	Beneficial owner	1,154,467,500 underlying Shares *(Note 2, 3)*	178.38%
Duofu Holdings Group Co., Limited	Beneficial owner	293,970,000 underlying Shares *(Note 2, 3)*	45.42%
Mr. Hu	Beneficial owner	37,222,500 underlying Shares *(Note 3)*	5.75%

Notes:

1. These Shares were directly owned by China DaDi Group Limited, which is wholly-owned by Mr. Hu.

2. Each of Total Idea International Limited and Duofu Holdings Group Co., Limited is wholly-owned by Mr. Hu.

3. These number of underlying Shares are for illustrative purpose as a result of the Subscriptions but the Subscriptions are not completed yet.

4. As at the Latest Practicable Date, the Company's total number of issued Shares was 647,198,595.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, no other persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have, any interests or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, nor were there any persons, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or held any option in respect of such capital.

4. COMPETING BUSINESS INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests of the Directors of the Company in competing business that were required to be disclosed pursuant to Rule 8.10 of the Listing Rules as informed by the relevant Directors were as follows:

Mr. Hu is the chairman of the board of directors of Doof International Holding Group Company Limited* (多弗國際控股集團有限公司) (the "**Doof Group**"), a company established in the People's Republic of China ("**PRC**") which is a large-scale comprehensive privately-owned enterprise group, which has business of properties development in the PRC. The Company is an investment holding company whose subsidiaries are principally engaged in the provision of property management services and renovation and decoration services and hotel management. Therefore, the business of properties development in the PRC engaged by the Doof Group (the "**Excluded Business**") may be regarded as being potentially competing (directly or indirectly) with the Group's business, and Mr. Hu is regarded as being interested in the Excluded Business.

The Doof Group has a number of properties and land reserves in various regions in the PRC, and the Group has no plans to invest in properties in the same regions. While there is one overlapped region, being Chongqing, the Group's businesses and the Doof Group's business in Chongqing differ greatly in terms of project size, nature and target customers. The Doof Group's development projects generally target middle-class households, whereas the Group targets upper middle and upper class households and high-end customers.

* *for identification purpose only*

The Group and the Excluded Business under the Doof Group are managed by separate companies with separate management and administration. With the overseeing and supervision of the independent non-executive Directors of the Company, the Board is of the view that the Group should be capable of carrying on its businesses independently of, and at arm's length from, the Excluded Business of the Doof Group. The Board shall also regularly assess the Company's business development to ensure that there is no issue of competition.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or any of their respective close associates has any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group.

5. DIRECTORS' MATERIAL INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENT

(a) Save for (i) the disposal of the entire issued share capital of Gloryear Investments Limited (completion took place on 11 April 2025) under a sale and purchase agreement dated 6 February 2025 by the Company to the purchaser which is wholly owned by Mr. Hu (details of which are disclosed in the announcements of the Company dated 6 February 2025 and 11 April 2025 and the circular of the Company dated 18 March 2025); and (ii) the proposed disposal of the entire issued share capital of Decent Start Limited under a sale and purchase agreement dated 12 March 2026 by the Company to the purchaser which is wholly owned by Mr. Hu (details of which are disclosed in the announcement of the Company dated 12 March 2026 and the circular of the Company dated 24 April 2026), as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have, since 31 March 2025 (being the date to which the latest published audited financial statements of the Company were made up), been (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group; and

(b) none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group, save for (i) the master agreement dated 16 June 2023 in connection with the provision of management services and renovation services, details of which are set out in the circular of the Company dated 3 July 2023, in which Mr. Hu has material interests; and (ii) the lease agreement dated 28 January 2026 in connection with the lease of a hotel at Lijiang, the PRC by Lijiang Doof Holiday Hotel Co., Ltd* (麗江多弗度假酒店有限公司), details of which are set out in the announcement of the Company dated 28 January 2026, in which Mr. Hu has material interests.

* *for identification purpose only*

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or have proposed to enter, into any service contracts with the Company or any member of the Group (excluding contracts expiring or determinable within one year without payment of compensation (other than statutory compensation)).

7. EXPERTS AND CONSENTS

The following are the qualifications of the expert who has given opinion or advice which are contained or referred to in this circular:

Name	Qualification
Gram Capital Limited	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

The expert above has given and has not withdrawn its written consent to the issue of this circular with copies of its letter and the references to its name included herein the form and context in which they appear.

As at the Latest Practicable Date, the expert above did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the expert above did not have any direct or indirect interests in any assets which have since 31 March 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.msil.com.hk in accordance with the Listing Rules for a period of not less than 14 days from the date of this circular:

(a) the Subscription Agreement;

(b) the letter from the Independent Board Committee, the text of which is set out under the section headed "Letter from the Independent Board Committee" of this circular;

(c) the letter from Gram Capital, the text of which is set out under the section headed "Letter from the Independent Financial Adviser" of this circular; and

(d) the written consent of the expert as referred to in the section headed "7. EXPERTS AND CONSENTS" of this appendix.

10. MISCELLANEOUS

The English text of this circular and the accompanying form of proxy prevails over the Chinese text in case of inconsistency.

MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of Man Sang International Limited (the "**Company**") will be held at 7/F, Wheelock House, 20 Pedder Street, Central, Hong Kong at 4:00 p.m. on Thursday, 21 May 2026 for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions. Capitalised terms defined in the circular dated 30 April 2026 issued by the Company (the "**Circular**") of which this notice forms part shall have the same meanings when used herein unless otherwise specified:

SPECIAL RESOLUTION

1. "**THAT**: subject to the satisfaction of all conditions set out in the letter from the board under the paragraph headed "Conditions of the Capital Reorganisation" in the Circular, with effect from 26 May 2026 (the "**Effective Date**") or when the conditions are fulfilled (whichever is later):

   (a) the par value of each of the issued and paid existing shares of the Company (the "**Existing Shares**") be reduced from HK$0.50 to HK$0.10 by cancelling the paid up share capital to the extent of HK$0.40 (the "**Capital Reduction**"), such that immediately following the Capital Reduction, the par value of each issued Existing Share will be HK$0.10, and the issued share capital of the Company will be reduced from an amount of HK$323,599,297.50 by HK$258,879,438 to HK$64,719,859.50;

   (b) immediately following the Capital Reduction becoming effective, each of the authorised but unissued existing shares of par value of HK$0.50 be subdivided into five (5) authorised but unissued new shares of par value of HK$0.10 each (the "**New Shares**") (the "**Share Sub-division**") so that immediately following the Capital Reduction and the Share Sub-division, the authorised share capital of the Company will become HK$500,000,000 divided into 5,000,000,000 New Shares, each with a par value of HK$0.10;

   (c) the credit arising from the Capital Reduction be transferred to the contributed surplus account of the Company and may be applied by the board of directors of the Company (the "**Directors**") in any manner as permissible under the Bye-laws and the Companies Act including but not limited to offsetting accumulated losses of the Company as at the effective date of the Capital Reorganisation; and

(d) any one or more of the Directors be and are hereby authorised to take any and all steps, and to do and/or procure to be done any and all acts and things, and to approve, sign and execute (under hand, seal or as a deed) any documents which they in their absolute discretion consider necessary, desirable, expedient or appropriate to effect and implement this resolution and to exercise such discretion in connection, relating to or arising from the Capital Reduction and the Share Sub-division and/or the matters contemplated herein, with such modifications thereto (if any) as they or he may from time to time consider necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Capital Reduction and the Share Sub-division."

ORDINARY RESOLUTION

2. "**THAT**:

(a) the conditional subscription agreement (the "**Subscription Agreement**") (a copy of which has been produced to the meeting marked "A" and initialled by the chairman of the meeting for the purpose of identification) dated 25 March 2026 and entered into between the Company (as issuer) and Total Idea International Limited, Duofu Holdings Group Co., Limited and Mr. Hu Xingrong (as Subscribers) in respect of the issue of the convertible bonds (the "**Convertible Bonds**") in the principal amount of HK$594,264,000 to be issued by the Company (which Convertible Bonds are convertible into conversion shares of the Company (the "**Conversion Shares**") at the initial conversion price of HK$0.40 per Conversion Share, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(b) conditional upon the Stock Exchange having approved the listing of and dealing in the Conversion Shares, the Directors be and are hereby granted the specific mandate (the "**Specific Mandate**") to allot and issue the Conversion Shares in accordance with the terms of the Subscription Agreement; and

(c) any one or more of the Directors be and are hereby authorised to do all such acts and things and sign, ratify or execute all such documents and take all such steps as the director in his/her discretion may consider necessary, appropriate, desirable and expedient to implement, give effect to or in connection with the Subscription Agreement and any of the transactions contemplated thereunder including but not limited to the issue of the Convertible Bonds.

By Order of the Board
Man Sang International Limited
Hu Xingrong
Chairman

Hong Kong, 30 April 2026

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:
14/F, Teda Building, 87 Wing Lok Street
Sheung Wan, Hong Kong

Notes:

1. A member of the Company who is a holder of two or more shares is entitled to attend and vote at the meeting convened (or any adjournment thereof) is entitled to appoint one or more proxies to attend and, subject to the Bye-laws, vote in his stead. A proxy need not be a member of the Company.

2. In order to be valid, the form of proxy, must be deposited together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority, at the offices of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the meeting (or any adjourned thereof).

3. In order to qualify for attending the SGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, whose share registration public offices are located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 15 May 2026.

4. Completion and delivery of the form of proxy will not preclude members from attending and voting in person at the SGM and in such event, the relevant form of proxy shall be deemed to be revoked.

5. In compliance with the Listing Rules and the Bye-laws, all resolutions set out in this notice of the SGM will be voted on by way of poll.

As at the date of this notice, 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.