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MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

The board (the "**Board**") of directors (the "**Directors**") of Man Sang International Limited (the "**Company**") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 September 2026, together with the comparative figures for the corresponding period in 2025.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2026

	Notes	Six months ended 30 September	
		2026	2025
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
Continuing operations			
Revenue	*4*	**35,192**	43,883
Cost of sales		**(10,471)**	(24,893)
Gross profit		**24,721**	18,990
Other income and gains, net	*5*	**29,432**	876
Administrative expenses		**(13,568)**	(13,044)
Provision of impairment loss on trade and other receivables and contract assets		**(12,107)**	–
Decrease in fair value of investment properties		**(14,258)**	–
Decrease in fair value of derivative financial liabilities	*17*	**31,682**	–
Finance income	*6*	**2**	2
Finance costs	*6*	**(27,625)**	(16,554)
Profit/(Loss) before tax	*7*	**18,279**	(9,730)
Income tax credit/(expense)	*8*	**3,637**	(4,621)
Profit/(Loss) for the period from continuing operations		**21,916**	(14,351)
Discontinued operation			
Profit for the period from discontinued operation		**–**	464,756
Profit for the period		**21,916**	450,405
Attributable to:			
Owners of the Company			
From continuing operations		**22,304**	(14,286)
From discontinued operation		**–**	464,756
		22,304	450,470
Non-controlling interests		**(388)**	(65)
		21,916	450,405
EARNINGS PER SHARE FROM CONTINUING AND DISCONTINUED OPERATIONS	*10*		
– basic *(HK cents)*		**3.45**	69.60
– diluted *(HK cents)*		**0.53**	69.60
EARNINGS/(LOSS) PER SHARE FROM CONTINUING OPERATIONS	*10*		
– basic *(HK cents)*		**3.45**	(2.21)
– diluted *(HK cents)*		**0.53**	(2.21)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2026

	Note	Six months ended 30 September	
		2026	2025
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
Profit for the period		**21,916**	450,405
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**1,566**	4,588
Reclassification of cumulative translation reserve upon disposal of foreign operations	*18*	**13,521**	31,326
Total comprehensive income for the period		**37,003**	486,319
Total comprehensive income/(expenses) for the period attributable to:			
Owners of the Company			
From continuing operations		**37,461**	(9,686)
From discontinued operation		**–**	496,082
		37,461	486,396
Non-controlling interests		**(458)**	(77)
		37,003	486,319

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2026

	Notes	**30 September 2026** ***HK$'000*** **(Unaudited)**	31 March 2026 *HK$'000* (Audited)
Non-current assets			
Investment properties	*11*	**70,231**	88,920
Property, plant and equipment	*11*	**127**	32,293
Right-of-use assets		**5,441**	7,287
Intangible assets		**1,655**	1,640
Deferred income tax assets		**577**	–
Other receivables	*12*	**2,727**	2,656
		80,758	132,796
Current assets			
Inventories		**38**	35
Trade and other receivables	*12*	**37,365**	32,607
Contract assets	*12*	**22,346**	21,844
Amounts due from related companies		**35,991**	34,822
Cash and cash equivalents		**16,274**	17,009
		112,014	106,317
Current liabilities			
Trade and other payables	*13*	**63,675**	68,548
Amounts due to related companies		**2,716**	3,588
Tax payables		**8,875**	8,023
Lease liabilities		**40,729**	34,778
Convertible bonds	*17*	**11,885**	–
Derivative financial liabilities	*17*	**183,975**	–
		311,855	114,937
Net current liabilities		**(199,841)**	(8,620)
Total assets less current liabilities		**(119,083)**	124,176

	Notes	**30 September 2026** ***HK$'000*** **(Unaudited)**	31 March 2026 *HK$'000* (Audited)
Non-current liabilities			
Deferred income tax liabilities		**114**	11,742
Promissory notes	*14*	**–**	538,005
Other borrowings	*15*	**–**	117,819
Unsecured borrowings from the controlling shareholder	*16*	**9,158**	15,060
Lease liabilities		**36,020**	47,962
Convertible bonds	*17*	**405,034**	–
		450,326	730,588
Net liabilities		**(569,409)**	(606,412)
Capital and reserves			
Share capital		**64,720**	323,599
Reserves		**(631,166)**	(927,506)
Equity attributable to owners of the Company		**(566,446)**	(603,907)
Non-controlling interests		**(2,963)**	(2,505)
Total deficit		**(569,409)**	(606,412)

NOTES

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the interim report. The immediate and ultimate holding company and the ultimate controlling party of the Company is China DaDi Group Limited, which is incorporated in the British Virgin Islands and Mr. Hu Xingrong ("**Mr. Hu**"), respectively.

The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Group are engaged in the provision of property management services, leasing of properties, renovation and decoration services and hotel management.

This condensed consolidated interim financial information is presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

This condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

This condensed consolidated interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2026 annual financial statements. The condensed consolidated interim financial information and notes thereon do not include all of the information and disclosures required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 March 2026.

The condensed consolidated interim financial information has been prepared on a going concern basis notwithstanding that the Group had net current liabilities of approximately HK$199,841,000 and net liabilities of approximately HK$569,409,000 at the end of the interim period. In preparing the condensed consolidated interim financial information, the Directors have given careful consideration to the current and anticipated future liquidity of the Group. Taking into account, inter alia, (i) cash and cash equivalents of approximately HK$16,274,000 at 30 September 2026, (ii) the unutilised loan facilities from Mr. Hu at the end of the interim period, and (iii) the expected net cash inflows generated from the Group's operations for the next twelve months from the date of approval of condensed consolidated interim financial information. As at 30 September 2026, the undrawn unsecured revolving loan facility granted by Mr. Hu amounted to approximately HK$91,154,000. The Directors are of the opinion that the Group will be able to meet its liabilities as and when they fall due. Accordingly, the Directors consider that the preparation of the condensed consolidated interim financial information on a going concern basis is appropriate.

3. MATERIAL ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost basis except for investment properties and derivative financial liabilities which are measured at fair value at the end of each reporting period.

The accounting policies used in the preparation of these condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2026 except as described below.

The application of the following amendments to HKFRS Accounting Standards in the current period had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in this condensed consolidated financial information.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Contracts Referencing Nature dependent Electricity
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Amendments to HKFRS Accounting Standards – Volume 11
HKFRS 7, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements (amendments)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The Group has already commenced assessment of the impact of these new standard or interpretation but is not yet in a position to state whether these new standard or interpretation would have a material impact on its results of operations and financial position.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents income arising from (i) provision of property management services and renovation and decoration services in the People's Republic of China (the "**PRC**"); and (ii) hotel operation in Japan and the PRC during the reporting periods.

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
From continuing operations		
Type of goods and services		
– Property management services	**11,524**	11,233
– Renovation and decoration services	**–**	11,787
– Hotel room	**6,837**	1,741
– Restaurant operations	**45**	274
– Golf Club operations	**678**	3,439
– Other	**2**	74
Total revenue from contracts with customers	**19,086**	28,548
Rental income for investment properties under operating lease	**16,106**	15,335
Total revenue	**35,192**	43,883

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

The Group's operating businesses are structured and managed separately according to the nature of the operations and the product perspectives. Each of the Group's reportable operating segment represents a strategic business unit that are subject to risks and returns that are different from the other reportable operating segment. No operating segments identified by the CODM have been aggregated in arriving at the reportable segment of the Group.

The Group was no longer engaged in Chongqing property business during the period ended 30 September 2025. The results of this segment have been classified as discontinued operation of the Group during the six months ended 30 September 2025. Details of the reportable operating segments are as follows:

Property management services – Provision of property management services and leasing of properties in the PRC;

Renovation and decoration – Provision of renovation and decoration services in the PRC;

Hotel operation – Provision of hotel services in Hokkaido, Japan and the PRC.

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

For the six months ended 30 September 2026 (unaudited)

	Continuing operations			
	Property management services *HK$'000*	**Renovation and decoration** *HK$'000*	**Hotel operation** *HK$'000*	**Total** *HK$'000*
REVENUE				
Revenue from external customers	**27,630**	**–**	**7,562**	**35,192**
Segment profit/(loss)	**(7,714)**	**(2,770)**	**(996)**	**(11,480)**
Unallocated income				**100,295**
Unallocated expenses				**(70,536)**
Profit before tax				**18,279**

For the six months ended 30 September 2025 (unaudited)

	Continuing operations			Discontinued operation	
	Property management services *HK$'000*	Renovation and decoration *HK$'000*	Hotel operation in Japan *HK$'000*	Chongqing property *HK$'000*	Total *HK$'000*
REVENUE					
Revenue from external customers	26,568	11,787	5,528	1,466	45,349
Segment profit/(loss)	12,300	(216)	(409)	464,756	476,431
Unallocated income					2
Unallocated expenses					(21,407)
Profit before tax					455,026

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit earned by/(loss from) each segment without allocation of certain expenses, certain provision of impairment loss on trade and other receivables and contract assets, certain finance income and certain finance costs. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

5. OTHER INCOME AND GAINS, NET

	Notes	Six months ended 30 September	
		2026	2025
		HK$'000	*HK$'000*
Loss on the issuance of convertible bonds	*(a)(b)*	**(39,358)**	–
Gain on disposal of subsidiaries *(note 18)*	*(b)*	**68,611**	–
Others		**179**	876
		29,432	876

Notes:

(a) On 25 March 2026, the Company entered into a subscription agreement (the "**Subscription Agreement**") with Total Idea International Limited ("**Total Idea**"), Duofu Holdings Group Co. Limited ("**Duofu Holdings**") and Mr. Hu (collectively, the "**Subscribers**"). Mr. Hu is the controlling shareholder of the Company, holding approximately 73.75% equity interests of the Company. Total Idea and Duofu Holdings are wholly owned by Mr. Hu. Pursuant to the Subscription Agreement, the Company conditionally agreed to issue convertible bonds (the "**Convertible Bonds**") with an aggregate principal amount of HK$594,264,000, bearing interest at 2% per annum and maturing on 31 December 2029. The Convertible Bonds are convertible into not more than 1,485,660,000 shares of the Company. Total Idea, Duofu Holdings and Mr. Hu conditionally agreed to subscribe for the Convertible Bonds in principal amounts of HK$461,787,000, HK$117,588,000 and HK$14,889,000 (the "**Subscription**"), respectively by setting off the total amount due from the Company and its subsidiaries to them up to 28 February 2026 (the "**Debts Amount**"), details of which are set out in note 17.

The fair value of liabilities component and derivative component of the Convertible Bonds as at the issue date was assessed by an independent professional valuer not connected with the Group. The loss on issuance of the Convertible Bonds is calculated as follows:

	HK$'000
Convertible bond – Debt component	398,759
Convertible bond – Derivative component	215,657
Carrying amounts of the Debts Amount	(575,058)
	39,358

(b) During the period ended 30 September 2026, the Company entered into two transactions with Mr. Hu and entities controlled by him: (1) the issue of Convertible Bonds by the Company to settle debts owed to Mr. Hu and entities controlled by him (details of which are set out in notes 5(a) and 17); and (2) the settlement of promissory notes held by an entity controlled by Mr. Hu through the disposal of the Japan business to an entity controlled by Mr. Hu (details of which are set out in note 18). The net effect of these transactions was a gain of approximately HK$29,253,000, comprising a loss on issuance of convertible bonds of approximately HK$39,358,000 and a gain on disposal of subsidiaries of approximately HK$68,611,000.

6. FINANCE INCOME AND FINANCE COSTS

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
From continuing operations		
Finance income:		
– Bank interest income	**2**	2
Finance costs:		
– Interest on bank and other borrowings	**1,318**	116
– Interest on unsecured borrowings from the controlling shareholder	**473**	3,689
– Interest on promissory notes	**6,353**	11,030
– Interest on lease liabilities	**1,321**	1,719
– Interest on convertible bonds *(note 17)*	**18,160**	–
	27,625	16,554

7. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax has been arrived at after charging:

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
From continuing operations		
Provision of impairment loss on trade and other receivables and contract assets	**12,107**	–
Depreciation of property, plant and equipment	**688**	2,168
Depreciation of right-of-use assets	**2,022**	–
Amortisation of intangible asset	**2**	2

8. INCOME TAX EXPENSE

	Six months ended 30 September	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax:		
– PRC Enterprise Income Tax	**893**	2,712
Deferred income tax	**(4,530)**	1,909
	(3,637)	4,621
Income tax (credit)/expense attributable to:		
Continuing operations	**(3,637)**	4,621
Discontinued operation	**–**	–
	(3,637)	4,621

Hong Kong Profits Tax

No Hong Kong Profits Tax has been provided since no assessable profits have been generated during the six months ended 30 September 2026 (2025: Nil).

Japan Corporate Income Tax

No Japan Corporate Income Tax has been provided since no assessable profits have been generated during the six months ended 30 September 2026 (2025: Nil).

The PRC Enterprise Income Tax

The PRC Enterprise Income Tax in respect of operations in the PRC is calculated at a rate of 25% (2025: 25%) on the estimated assessable profits for the six months ended 30 September 2026 under the Law of the PRC's on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law.

The PRC Land Appreciation Tax

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

9. DIVIDEND

No dividend was paid or proposed during the six months ended 30 September 2026, nor has any dividend been proposed since the end of the reporting period (2025: Nil).

10. EARNINGS/(LOSS) PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted earnings/(loss) per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the period attributable to owners of the Company for the purpose of calculation of the basic earnings per share	**22,304**	450,470
Effect of dilutive potential ordinary shares:		
Imputed interest on convertible bonds (net of tax)	**18,160**	–
Decrease in fair value of derivative financial liabilities	**(31,682)**	–
Earnings for the purposes of diluted earnings per share	**8,782**	450,470
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**647,199**	647,199
Effect of dilutive potential ordinary shares:		
Convertible bonds	**995,882**	–
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**1,643,081**	647,199

From continuing operations

The calculation of the basic and diluted earnings/(loss) per share from continuing operations attributable to the owners of the Company is based on the following data:

Earnings/(loss) figures are calculated as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit/(loss) for the purposes of basic earnings/(loss) per share from continuing operations attributable to owners of the Company	**22,304**	(14,286)
Effect of dilutive potential ordinary shares:		
Imputed interest on convertible bonds (net of tax)	**18,160**	–
Decrease in fair value of derivative financial liabilities	**(31,682)**	–
Earnings/(loss) for the purposes of diluted earnings/(loss) per share from continuing operations	**8,782**	(14,286)

The denominators used are the same as those detailed above for both basic and diluted earnings/(loss) per share.

From discontinued operations

Basic earnings per share for the discontinued operation is nil (2025: approximately HK cents 71.81 per share) and diluted earnings per share for the discontinued operation is nil (2025: approximately HK cents 71.81 per share), based on the profit for the period from the discontinued operations of nil (2025: approximately HK$464,756,000) and the denominators detailed above for both basic and diluted earnings per share.

11. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

Valuations of the Group's investment properties as at 30 September 2026 and 31 March 2026 were performed by Ravia Global Appraisal Advisory Limited, an independent qualified professional valuer not connected with the Group who holds recognised relevant professional qualification and has recent experience in valuing similar properties in the similar locations.

The fair value measurements for the investment properties are categorised in level 3 of the fair value hierarchy. There were no transfers between levels of fair value hierarchy during the six months ended 30 September 2026 and year ended 31 March 2026.

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

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

There are no changes to the valuation techniques as at 30 September 2026 and 31 March 2026.

During the six months ended 30 September 2026, there was no addition to the Group's investment properties (six months ended 30 September 2025: Nil). During the six months ended 30 September 2025, there was disposal of investment properties in Chongqing of approximately HK$1,012,220,000 due to the discontinued operation. As at 30 September 2026, the carrying amount of the investment properties was approximately HK$70,231,000 (31 March 2026: HK$88,920,000), with decrease in fair value of approximately HK$14,258,000 during the six months ended 30 September 2026 (six months ended 30 September 2025: HK$nil).

During the six months ended 30 September 2026, there was no addition to the Group's property, plant and equipment (six months ended 30 September 2025: additions of HK$109,000) and there was disposal of property, plant and equipment of approximately HK$31,490,000 due to disposal of subsidiaries (six months ended 30 September 2025: HK$354,175,000).

During the six months ended 30 September 2026, no impairment loss on property, plant and equipment was recognised in profit or loss (six months ended 30 September 2025: Nil).

12. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**33,875**	25,179
Less: allowance for impairment of trade receivables	**(21,125)**	(9,864)
	12,750	15,315
Deposits and other receivables	**22,408**	14,290
Less: allowance for impairment of other receivables	**(2,854)**	(2,042)
Prepayments	**7,788**	7,700
Total trade and other receivables	**40,092**	35,263
Portion classified as current assets	**(37,365)**	(32,607)
Non-current portion	**2,727**	2,656
Contract assets	**23,531**	22,995
Less: allowance for impairment of contract assets	**(1,185)**	(1,151)
	22,346	21,844

The Group allows an average credit period of 0–60 days to its trade customers. The following is an aged analysis of trade receivables net of allowance for impairment of trade receivables presented based on the invoice date or the payment date as stated in the respective contracts, which approximates to revenue recognition date, at the end of the reporting period.

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–30 days	**2,893**	3,462
31–90 days	**3,959**	4,958
91–180 days	**3,719**	2,132
181–365 days	**2,179**	951
More than 365 days	**–**	3,632
	12,750	15,315

13. TRADE AND OTHER PAYABLES

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables	**39,888**	39,258
Contract liabilities	**4,489**	7,028
Other accruals and payables	**19,298**	22,262
	63,675	68,548

The following is an aged analysis of trade payables presented based on the invoice date or the payment date as stated in the respective contracts at the end of the reporting period.

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–30 days	**826**	2,973
31–90 days	**528**	1,342
91–180 days	**196**	6,908
More than 180 days	**38,338**	28,035
	39,888	39,258

The average credit period of trade payables is 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

14. PROMISSORY NOTES

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Promissory notes:		
– More than 1 years but less than 2 years	**–**	538,005

On 20 May 2026, promissory notes with carrying values of HK$102,761,000 was cancelled and set off in full against the HK$104,000,000 consideration receivables arose from the disposal of subsidiaries to an entity wholly owned by Mr. Hu, details of which are set out in note 18. Total Idea also waived the interest of HK$4,604,000 accrued on the promissory notes from 12 April 2025 to 20 May 2026.

On 1 June 2026, promissory notes with carrying values of HK$441,598,000 were settled and discharged by setting it off against convertible bonds with a principal amount of HK$461,787,000 issued by the Company to Total Idea, details of which are set out in note 17.

15. OTHER BORROWINGS

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Other borrowings – unsecured	**–**	117,819
Non-current:		
Unsecured other loan – principal portion *(note (i))*	**–**	100,000
Unsecured other loan – interest portion *(note (i))*	**–**	17,819
	–	117,819
Total bank and other borrowings	**–**	117,819

Note

(i) On 1 July 2021, an unsecured revolving loan facility with facility amount of HK$100,000,000 has been granted from a related company, which is beneficially owned by Mr. Hu, which carries a fixed interest rate of 8% per annum, with maturity date on 31 December 2025. On 28 February 2025, the maturity date has been extended to 31 December 2027.

As at 30 September 2026, unsecured revolving loan facility with aggregate principal amount of approximately HK$nil (31 March 2026: HK$100,000,000) has been drawn down and interest payable of approximately HK$nil (31 March 2026: HK$17,819,000), which will be repayable on the maturity date. The remaining loan facility with principal amount of approximately HK$100,000,000 (31 March 2026: HK$nil) has not yet been utilised.

On 1 June 2026, other borrowings with carrying values of HK$119,136,000 were settled and discharged by setting it off against convertible bonds with a principal amount of HK$117,588,000 issued by the Company to Duofu Holdings, details of which are set out in note 17. Interest of HK$2,002,000 accrued on the other borrowings for the period from 1 March 2026 to 1 June 2026 was waived.

16. UNSECURED BORROWINGS FROM THE CONTROLLING SHAREHOLDER

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Unsecured borrowing denominated in HK$ (note (i))		
– principal portion	**8,846**	3,034
– interest portion	**312**	12,026
	9,158	15,060
Amounts shown under non-current liabilities	**9,158**	15,060

Note:

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

On 12 October 2021, principal amount of unsecured borrowings of HK$100,000,000 were settled by the issuance of subscription shares of the Company.

On 14 March 2023, the maturity date of the above-mentioned loan facility has been extended to 31 December 2025.

On 28 February 2025, the maturity date of the above-mentioned loan facility has been further extended to 31 December 2027.

On 1 June 2026, unsecured borrowings from the controlling shareholder with carrying values of HK$14,324,000 was settled and discharged by setting it off against convertible bonds with a principal amount of HK$14,889,000 issued by the Company to Mr. Hu, details of which are set out in note 17.

As at 30 September 2026, unsecured borrowings from the controlling shareholder of the Company with aggregate principal amount of approximately HK$8,846,000 (31 March 2026: HK$3,034,000) has been drawn down, remaining approximately HK$91,154,000 (31 March 2026: HK$96,966,000) has not yet utilised.

At the end of the reporting period, the Group has the following undrawn facilities granted from the controlling shareholder of the Company:

	30 September 2026	31 March 2026
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Fixed rate		
– expiring on 31 December 2027	**91,154**	96,966

17. CONVERTIBLE BONDS

The Convertible Bonds entitle the Subscribers to convert them into ordinary shares of the Company at any time between 1 June 2026 (the date of issue of the Convertible Bonds) and the earlier of the fifth business day before their maturity date on 31 December 2029 (the "**Maturity Date**") or any date of early redemption of entire amount of the Convertible Bonds at a conversion price of HK$0.40 per conversion share. If the Company fails to redeem the Convertible Bonds on the Maturity Date in accordance with the Subscription Agreement, the conversion period shall continue until the Company has redeemed the entire principal amount of the Convertible Bonds or the outstanding part thereof. The consideration of the Subscriptions, which is equivalent to the entire principal amount of the Convertible Bonds, were settled and discharged by the Subscribers by setting off (i) promissory notes due from the Company to Total Idea with carrying values of HK$441,598,000 against Convertible Bonds with principal amount of HK$461,787,000; (ii) other borrowings due from a subsidiary of the Company to Duofu Holdings with carrying values of HK$119,136,000 (included waiver of accrued interest of HK$2,002,000) against Convertible Bonds with principal amount of HK$117,588,000; and (iii) unsecured borrowings due from a subsidiary of the Company to Mr. Hu with carrying values of HK$14,324,000 against Convertible Bonds with principal amount of HK$14,889,000.

The Convertible Bonds contain two components, liabilities component and derivative (including conversion and early redemption options) component. The effective interest rate of the liabilities component is approximately 14.38%. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

The movement of the liabilities and derivative components of the Convertible Bonds during the six months ended 30 September 2026 is set out as below:

	Liabilities component ***HK$'000*** **(Unaudited)**	Derivative component *HK$'000* (Unaudited)
At 1 June 2026, initial recognition of convertible bonds, net of transaction costs	**398,759**	215,657
Imputed interest charged for the period	**18,160**	–
Fair value gain for the period	**–**	(31,682)
At 30 September 2026 (unaudited)	**416,919**	183,975

Classified as current and non-current liabilities

	30 September 2026 ***HK$'000*** **(Unaudited)**	31 March 2026 *HK$'000* (Audited)
Classified as current and non-current liabilities		
Current liabilities:		
On demand or within one year	**11,885**	–
Non-current liabilities:		
More than one year, but not exceeding five years	**405,034**	–
	416,919	–

Binomial option pricing model is used for valuation of the derivative component.

18. DISPOSAL OF SUBSIDIARIES

Decent Start Limited

On 12 March 2026, the Company entered into a sale and purchase agreement (the "**SPA**") with China JinNiu Group Limited (the "**Purchaser**"), Total Idea (the "**PN Holder**") and Mr. Hu (the "**Guarantor**"). The Purchaser and Total Idea are both wholly owned by Mr. Hu. Under the SPA, the Company agreed to sell the entire issued share capital of Decent Start Limited (the "**Target Company**") (the "**Sale Share**") to the Purchaser and to procure Faithful Goal International Limited, a subsidiary of the Company (the "**Sale Loan Vendor**"), to assign the HK$15.5 million shareholder loan due from the Target Company (the "**Sale Loan**") to the Purchaser. The Target Company and its subsidiaries operate the hotel and golf-course business in Japan.

The aggregate consideration was HK$104,000,000 (the "**Consideration**"), comprising HK$88,500,000 for the Sale Share, payable to the Company, and HK$15,500,000 for the Sale Loan, payable to the Sale Loan Vendor. At completion on 20 May 2026 (the "**Completion Date**"), the Consideration was satisfied in full by the Purchaser procuring Total Idea to set off the Consideration against the outstanding principal of the promissory note it held, which was HK$104 million (the "**Outstanding PN**"); the Outstanding PN was cancelled accordingly. From the Completion Date, the Target Company and its subsidiaries ceased to be subsidiaries of the Group.

In consideration of the Company entering into the SPA, Total Idea agreed to waive, at Completion Date, the interest accrued on the Outstanding PN from 12 April 2025 to the Completion Date (the "**Outstanding Interests**"). The Outstanding Interests waived amounted to HK$4,604,000.

The net liabilities of Decent Start Limited and its subsidiaries (the "**Decent Start Disposal Group**") at the date of the disposal were as follows:

	As at 20 May 2026 *HK$'000* (Unaudited)
Non-current assets	
Property, plant and equipment	**31,490**
Current assets	
Trade and other receivables	**790**
Cash and cash equivalents	**3,020**
	3,810
Current liabilities	
Trade and other payables	**6,930**
Amounts due to related companies	**15,501**
	22,431
Net current liabilities	**(18,621)**
Total assets less current liabilities	**12,869**
Non-current liability	
Deferred tax liability	**7,741**
Net assets	**5,128**
Gain on disposal of subsidiaries	
Carry value of the Consideration for the disposal	**102,761**
Net assets disposed of	**(5,128)**
Amount due from disposal group	**(15,501)**
Reclassification of cumulative translation reserve upon disposal of the Decent Start Disposal Group to profit or loss	**(13,521)**
Gain on disposal	**68,611**
Net cash flow arising on disposal of the Decent Start Disposal Group	
Cash consideration	**–**
Less: cash and cash equivalents disposed of	**(3,020)**
	(3,020)

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

During the six months ended 30 September 2026 (the "**Current Period**"), basic earnings per share from continuing operations was approximately HK cents 3.45 (six months ended 30 September 2025: basic loss per share from continuing operations of approximately HK cents 2.21), and total comprehensive income of the Group was approximately HK$37,003,000 (six months ended 30 September 2025: approximately HK$486,319,000).

BUSINESS REVIEW

During the Current Period, the Group was principally engaged in three business segments (i) provision of property management services; (ii) hotel operation; and (iii) provision of renovation and decoration services.

Property Management Services

Revenue of property management services for the Current Period was approximately HK$27,630,000 (six months ended 30 September 2025: approximately HK$26,568,000).

In 2020, the Group entered into the property management industry and created synergies with the Group's other businesses and has diversified the income sources of the Group. Founded in 2019, Zhejiang Huiyong Property Management Service Co., Ltd.* (浙江暉永物業管理服務有限公司) ("**Huiyong Service**"), an indirect wholly-owned subsidiary of the Company, was recognised as the "2020 Top 100 Property Management Companies in China" by the China Index Academy and was awarded the title of "China Property Service Company with Featured Brands" in 2021, and was one of the companies among the "Top 500 China Property Services Enterprises in Comprehensive Strength" in 2025 and awarded by CRIC China in collaboration with China Real Estate Association in 2026.

Huiyong Service provides diversified property management services and value-added services, with a number of property management projects and potential projects in Zhejiang, Sichuan, Fujian, Yunnan, Guizhou and Chongqing. The properties under management comprised a variety of property types including residential communities, retail premises, office premises, sales offices and scenic areas, etc.

In recent years, Huiyong Service has been committed to developing a high-quality property service brand. It takes leading domestic property service enterprises as benchmarks and adheres to the development philosophy of "quality first, brand foremost". As a pioneer in innovations in property management area, it keeps abreast of the times and carries out management rigorously. It gains deep insights on customer needs with advanced and scientific service concepts. Placing customer needs at the forefront, it employs cutting-edge property service systems and butler-style services to enhance service quality and efficiency while reducing service costs. Continuously creating greater value for customers, Huiyong Service is committed to building a better life and strives to become a top-tier service provider in the People's Republic of China (the "**PRC**").

Additionally, Huiyong Service places a high priority on staff training and development. In this regard, it has established a well-structured three-tier training framework. Regular training sessions are organised, covering a range of topics such as professional skills, management techniques, and service excellence, all aimed at continuously improving the competence and expertise of its team members. This approach has helped them forge a highly skilled and widely praised workforce. Equipped with professional knowledge and skills, they provide high-quality services to customers, ensuring their satisfaction and trust, which is essential to Huiyong Service's sustainable development. Such a team also provides strong impetus and support for Huiyong Service's future expansion, allowing it to excel in a competitive market and continually achieve new milestones.

During the Current Period, Huiyong Service's revenue remained at approximately HK$11,524,000 (six months period ended 30 September 2025: approximately HK$11,233,000).

In November 2024, the Group acquired Chengdu Doof Commercial Management Limited Liability Company* (成都多弗商業管理有限責任公司) ("**Chengdu Doof**"). Chengdu Doof is principally engaged in commercial property management in the PRC and has entered into an exclusive property management contract with the owner of a commercial complex located in Chengdu's Shanbanqiao business district (杉板橋商圈). The complex comprises hotels, shopping malls, office buildings, and parking lots, with a total gross floor area of approximately 136,492.98 square meters for a fixed term of ten years. The property has an excellent geographical location with convenient access to Line 6 and Line 8 of the Chengdu Metro and is also well-connected to core business districts, including the Jianshe Road business district (建設路商圈) and the Wanxiangcheng business district (萬象城商圈) of Chengdu, which have affluent pedestrian flow.

During the Current Period, Chengdu Doof's revenue was approximately HK$16,106,000 (six months ended 30 September 2025: HK$15,335,000).

Hotel Operation

During the Current Period, the Group adjusted the direction of its hotel operation in light of related business performance, as reflected in (i) the disposal of its hotel operation in Japan; and (ii) the commencement of its hotel operation in the PRC.

The Group completed the disposal of its hotel operation in Japan in May 2026. Prior to the completion of the disposal, revenue from this business segment amounted to approximately HK$904,000 (six months ended 30 September 2025: HK$5,528,000).

In January 2026, the Group expanded its hospitality-related business in the PRC by entering into a lease agreement for a hotel in Lijiang (the "**Lijiang Hotel**") through Lijiang Huiyong Hotel Management Co., Ltd.* (麗江暉永酒店管理有限公司), an indirect wholly-owned subsidiary of the Company. This hotel is situated at No.198 Guyou Lane, immediately adjacent to the south gate of the UNESCO-listed Lijiang Old Town in Yunnan Province. It comprises of 104 guest rooms, each featuring a distinct design that reflects strong local cultural elements of the Naxi ethnic group (納西族). In addition to accommodations, the premises offer comprehensive event facilities suitable for meetings, conferences, weddings, and other social gatherings.

The Lijiang Hotel commenced business in February 2026 and contributed revenue of approximately HK$6,658,000 during the Current Period (six months ended 30 September 2025: not applicable).

Renovation and Decoration

The Group entered into the renovation and decoration industry in 2020 which enables the Group to acquire resources, skills and techniques and expand to property complementary services businesses. Wenzhou Beichen Construction Co., Ltd.* (溫州北宸建設有限公司) ("**Beichen Construction**"), an indirect subsidiary of the Company, is principally engaged in renovation and decoration and engineering services in the PRC and holds the PRC Grade One construction and decoration engineering contractor qualification.

Beichen Construction specializes in decoration design and construction of hotels, shopping malls, office buildings, schools, hospitals, and other places. Its business is mainly located in Zhejiang Province. Beichen Construction strategically focuses on regional and third and fourth-tier cities, with in-depth development in the Zhejiang and Yangtze River Delta market.

During the Current Period, the renovation and decoration segment did not record any revenue (six months ended 30 September 2025: HK$11,787,000), primarily because, given the current property market conditions and economic cycle, Beichen Construction was unable to secure and commence new projects during the Current Period, whilst existing projects were substantially completed or had been completed.

PROSPECTS

The Group will continue to execute its strategic repositioning following the completion of the disposal of the hotel operation in Japan in May 2026 and the debts restructuring in relation to issue of 2% coupon convertible bonds (the "**Convertible Bonds**") in June 2026. The disposal and the debts restructuring have facilitated to reduce the Group's overall indebtedness, thereby improving its capital structure and easing pressure on liquidity. The Company will from time to time actively consider suitable equity fund-raising and/or debt financing opportunities with a view to further optimising the Group's gearing ratio and enhancing its financial flexibility.

With regard to property management operations, certain projects for which Huiyong Services provides property management services may fail to generate revenue in the second half of the year, either due to the expiry of existing contracts or at the request of the property owners. Huiyong Services is making best endeavours to extend its property management services for these projects. Furthermore, Huiyong Services will seek to expand its market reach to include a wider range of commercial and residential districts in order to mitigate the aforesaid impact. The commercial property management services operated by Chengdu Doof are also facing demands for rent reductions or waivers resulting from the overall downturn in the surrounding commercial property market. Following negotiations with the landlord, certain rent reductions or waivers have been borne by the landlord in terms of rent concessions, thereby alleviating the cost pressures on these operations.

Overall, the Group anticipates that the property management segment will encounter a certain degree of uncertainty and challenges in the second half of the year. The Group will continue to leverage its industry reputation to enhance brand awareness and influence in the property management segment, and will actively seek cooperation and partnership opportunities with other property leaders to drive business development and expand its managed portfolio.

In the hotel operation segment, the Group will focus on developing and enhancing the performance of the Lijiang Hotel. The Group will strengthen its cooperation with local authorities, travel agencies and online travel platforms in order to expand its customer base, improve occupancy rates and increase this segment's contribution to revenue. Looking ahead to the second half of the year, consumer demand for domestic travel in the PRC is expected to gradually pick up as the economy recovers, while market confidence in the domestic hotel sector is also set to rebound; the Group anticipates that this segment will continue to deliver stable earnings.

With respect to the renovation and decoration business, as part of the ancillary services to the property sector, the Group maintains a cautious and conservative outlook regarding the prospects for this business segment to secure new project contracts in the second half of the year, given that the Chinese property market – particularly the commercial property sector – remains challenging. The Group will continue to closely monitor the performance of this business segment and consider various options that are in the best interests of the Company and its shareholders as a whole.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 September 2026, the Group had a total workforce of 128 (six months ended 30 September 2025: 138). The total staff cost, including directors' emoluments and mandatory provident fund contributions for the Current Period, amounted to approximately HK$7,081,000 (six months ended 30 September 2025: approximately HK$14,318,000). Employees are remunerated based on their performance and experience. Remuneration package is determined by reference to market conditions and individual performance.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) for those Hong Kong employees who are eligible to participate in the MPF Scheme and the employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme (the "**Central Pension Scheme**", together with the MPF Scheme, the "**Defined Contribution Schemes**") operated by the local municipal government, in which these subsidiaries are required to contribute a certain percentage, which was pre-determined by the local municipal government, of the sum of basic salary and allowance of employees to the Central Pension Scheme. The contributions by the Group for the Defined Contribution Schemes are charged to the statement of profit or loss as they become payable in accordance with the relevant rules of the respective schemes.

The Group's contributions to the Defined Contribution Schemes vest fully and immediately with the employees. Accordingly, (i) for each of the six months ended 30 September 2026 and 30 September 2025, there were no forfeiture of contributions under the Defined Contribution Schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Schemes as at 30 September 2026 and 30 September 2025.

For each of the six months ended 30 September 2026 and 30 September 2025, the Group did not have any defined benefit plan.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Current Period (six months ended 30 September 2025: Nil).

FINANCIAL REVIEW

Revenue, gross profit and gross profit margin from continuing operations

Revenue of the Group from continuing operations for the Current Period amounted to approximately HK$35,192,000 (six months ended 30 September 2025: approximately HK$43,883,000), which mainly comprised income from provision of property management service by Huiyong Service and Chengdu Doof, and income from Lijiang Hotel. The decrease in revenue of approximately HK$8,691,000 as compared to the prior period was mainly due to no revenue generated from the renovation and decoration segment during the Current Period, which was partly set off by the new income stream from Lijiang Hotel.

The Group's gross profit from continuing operations for the Current Period amounted to approximately HK$24,721,000 (six months ended 30 September 2025: approximately HK$18,990,000), representing an increase of approximately 30.18% which was mainly due to effective cost control measures being imposed by the Group and a gross profit of approximately HK$15,746,000 (six months ended 30 September 2025: HK$14,676,000) brought by the commercial property management services during the Current Period.

The Group's gross profit margin from continuing operations for the Current Period was approximately 70.25% (six months ended 30 September 2025: approximately 43.27%), representing an increase of 26.98 percentage points as compared to the prior period. The difference was mainly due to different gross profit margin levels resulting from different business segments and the on-going strict control on costs in all business segments.

Administrative expenses from continuing operations

Administrative expenses from continuing operations for the Current Period amounted to approximately HK$13,568,000 (six months ended 30 September 2025: approximately HK$13,044,000). There was no material changes to Group's administrative expenses during the Current Period.

Provision of impairment loss on trade and other receivables and contract assets from continuing operations

The Group's provision of impairment loss on trade and other receivables and contract assets for the Current Period was approximately HK$12,107,000 (six months ended 30 September 2025: nil). The increase in provision of impairment loss on trade and other receivables and contract assets was mainly due to the lengthening of the aging profile of certain customers and based on the assessment result of their respective expected credit losses conducted by an independent professional valuer.

Decrease in fair value of investment property from continuing operations

The Group's decrease in fair value of an investment property from continuing operations for the Current Period amounted to approximately HK$14,258,000 (six months ended 30 September 2025: nil), which was mainly due to the passage of time as the remaining lease term of the investment property shortened and the existence of rental pressure during the remaining lease term. As at 30 September 2026, the fair value of the investment properties was approximately HK$70,231,000 (31 March 2026: approximately HK$88,920,000) based on the valuation result conducted by an independent professional valuer.

Decrease in fair value of derivative financial liabilities from continuing operations

With reference to the valuation performed by an independent professional valuer, the Company recognized a fair value gain of approximately HK$31,682,000 relating to the derivative component of the Convertible Bonds issued during the Current Period.

Finance costs from continuing operations

The Group's finance costs from continuing operations for the Current Period amounted to approximately HK$27,625,000 (six months ended 30 September 2025: approximately HK$16,554,000). The increase in the Group's finance cost was mainly attributable to the net effect of (i) the decrease of approximately HK$7,893,000 in interest on promissory notes and unsecured borrowings and (ii) the occurrence of imputed interest of approximately HK$18,160,000 to the liability component of the Convertible Bonds by applying effective interest rate of approximately 14.38%.

Other income and gains, net, from continuing operations

It mainly represented (i) a loss on issuance of the Convertible Bonds of approximately HK$39,358,000 which was determined by reference to the fair value of liabilities component and derivative component of the Convertible Bonds as at the issue date assessed by an independent professional valuer; and (ii) a gain of approximately HK$68,611,000 on disposal of the Group's hotel operation in Japan.

Profit and total comprehensive income for the Current Period attributable to owners of the Company from continuing operations

As a result of the above, (i) the profit attributable to the owners of the Company from continuing operations for the Current Period was approximately HK$22,304,000 (six month ended 30 September 2025: the loss attributable to the owners of the Company from continuing operations of approximately HK$14,286,000); and (ii) the total comprehensive income for the Current Period attributable to owners of the Company from continuing operations was approximately HK$37,461,000 (six month ended 30 September 2025: the total comprehensive expenses attributable to owners of the Company from continuing operations of approximately HK$9,686,000).

CAPITAL STRUCTURE

During the Current Period, the Company effected a capital reorganisation, approved by a special resolution passed at the special general meeting on 21 May 2026, whereby each issued share was reduced from HK$0.50 to HK$0.10 par value (reducing issued share capital from approximately HK$323,599,000 to approximately HK$64,720,000) and each unissued share of HK$0.50 was subdivided into five new shares of HK$0.10 par value each (resulting in authorised share capital of HK$500,000,000 divided into 5,000,000,000 new shares); the credit from the share capital reduction of approximately HK$258,879,000 was transferred to the contribution surplus account, which may be used to offset accumulated losses or as otherwise permitted.

Save for disclosed above, there has been no change in the capital structure of the Group during the Current Period. The capital of the Group only comprises ordinary shares.

LIQUIDITY AND CAPITAL RESOURCES

During the Current Period, the Group has funded its operations, working capital requirement, capital expenditure and other capital requirements primarily from cash generated from its operations, mainly including receipts of leasing income from investment property, receipts from hotel operation, receipts from property management services and proceeds from unsecured borrowings from the Company's controlling shareholder.

As at 30 September 2026, the Group's negative total equity was approximately HK$569,409,000 (31 March 2026: approximately HK$606,412,000), representing an improvement of approximately HK$37,003,000 for the Current Period. The decreases for the Current Period were mainly attributable to completion of disposal of the hotel operation in Japan in May 2026.

Cash position

As at 30 September 2026, the Group had cash and cash equivalent of approximately HK$16,274,000 (31 March 2026: approximately HK$17,009,000). Cash and bank balances are mainly denominated in RMB.

Borrowings

As at 30 September 2026, the Group's total borrowings, comprising the Convertible Bonds and unsecured borrowings from the controlling shareholder, in aggregated amounts of approximately HK$610,052,000 (31 March 2026: approximately HK$670,884,000), representing a decrease of approximately HK$60,832,000 as compared with 31 March 2026. The borrowings as at 30 September 2026 were denominated in Hong Kong dollars (31 March 2026: either in RMB or Hong Kong dollars) and carried at interest rate of 2% to 8% per annum (31 March 2026: 4% to 8% per annum).

Net current liabilities

As at 30 September 2026, the Group net current liabilities amounted to approximately HK$199,841,000 (31 March 2026: approximately HK$8,620,000).

Specifically, the Group's total current assets increased by approximately 5.89% from approximately HK$106,317,000 as at 31 March 2026 to approximately HK$112,014,000 as at 30 September 2026. The Group's total current liabilities increased by approximately 171.33% from approximately HK$114,937,000 as at 31 March 2026 to approximately HK$311,855,000 as at 30 September 2026 which included the current portion amounting to approximately HK$11,885,000 of liability component of the Convertible Bonds and its derivative component of approximately HK$183,975,000.

The current ratio (calculated as total current assets divided by total current liabilities) was approximately 0.36 (31 March 2026: approximately 0.93) as at 30 September 2026. The decrease in the Group's current ratio was resulted from the increase in its current liabilities as set out in the above paragraph.

The Group's gearing ratio (calculated as total borrowings divided by total equity), was approximately negative 1.07 as at 30 September 2026 (31 March 2026: approximately negative 1.11).

Pledge on asset

As at 30 September 2026, none of the Group's assets was pledged to secure the borrowings granted to the Group.

Contingent liabilities

Save as disclosed herein, as at 30 September 2026, the Group had no material contingent liabilities.

Financial risks

The main risks arising from the Group's activities are interest rate risk and foreign currency risk. Generally, the Group introduces conservative strategies on its risk management. To keep the Group's exposure to these risks to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

Interests rate risk

The Group's exposure to risk for changes in market interest rates relates primarily to its bank balances. The Group does not use derivative financial instruments to hedge interest rate risks. The Group manages its interest costs by keeping bank balances at floating rate of interest so as to minimise the interest rate risk.

Foreign currency rates risk

The Group's functional currency is Hong Kong Dollars. The Group has subsidiaries operating in the PRC and Japan (until completion of the disposal of hotel operation in Japan), of which most of their transactions are conducted in RMB and JPY respectively. Fluctuation of the exchange rates of HKD against foreign currency of RMB and JPY could affect the Group's result of operations. The Group currently does not enter into any hedging contract to manage foreign exchange rate risk. The Group will closely monitor the foreign currency movements and may use hedging derivatives, such as foreign currency forward contracts, to manage its foreign currency risk if appropriate.

ISSUE OF CONVERTIBLE BONDS

On 25 March 2026, the Company entered into a subscription agreement (the "**Subscription Agreement**") with Total Idea International Limited ("**Total Idea**"), Duofu Holdings Group Co. Limited ("**Duofu**") and Mr. Hu Xingrong ("**Mr. Hu**") (collectively, the "**Subscribers**") pursuant to which the Company agreed to issue 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 and Total Idea, Duofu and Mr. Hu agreed to subscribe for the Convertible Bonds in the principal amount of HK$461,787,000, HK$117,588,000 and HK$14,889,000 respectively (the "**Subscriptions**"). Each of Total Idea and Duofu is wholly owned by Mr. Hu. The closing price of the shares of the Company (the "**Shares**") quoted on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on the date of the Subscription Agreement was HK$0.35. In the case of the conversion rights having been exercised in full at the initial conversion price of HK$0.40, a total number of 1,485,660,000 Shares (with aggregate nominal value of HK$148,566,000) will be allotted and issued by the Company.

The consideration of the Subscriptions, which was equivalent to the entire principal amount of the Convertible Bonds, was 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 Total Idea up to 28 February 2026, (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 Duofu up to 28 February 2026 (i.e. HK$117,588,000) 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 Mr. Hu up to 28 February 2026 (i.e. HK$14,889,000). Hence, the Company did not receive any net proceeds from the issue of the Convertible Bonds.

The issue of the Convertible Bonds to the Subscribers was 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 subscription and issue of the Convertible Bonds were completed in June 2026. Please refer to the Company's announcement dated 25 March 2026 and the Company's circular dated 30 April 2026 for further details.

FUND RAISING ACTIVITIES

The Company did not conduct any fundraising activities during the Current Period.

COMMITMENTS

As at 30 September 2026, the Group had no material capital commitment (31 March 2026: Nil).

SIGNIFICANT INVESTMENTS HELD

Except for the Company's investment in various subsidiaries, the Company did not hold any significant investment as at 30 September 2026 (31 March 2026: Nil).

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Company currently does not have any future plans for material investments or capital assets, other than that on the Group's ordinary business.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Reference is also made to the announcement of the Company dated 12 March 2026 and the circular of the Company dated 24 April 2026.

On 12 March 2026, the Company entered into a sale and purchase agreement with China JinNiu Group Limited (the "**Purchaser**"), Total Idea and Mr. Hu pursuant to which the Company agreed (i) to dispose of the entire issued share capital of Decent Start Limited (which holds a hotel located in Yoichi, Hokkaido, Japan) (the "**Sale Share**") to the Purchaser; and (ii) to procure Faithful Goal International Limited, a subsidiary of the Company, to assign the loan in the principal amount of HK$15.5 million due from Decent Start Limited (the "**Sale Loan**") to the Purchaser. The Purchaser and Total Idea are both ultimately controlled by Mr. Hu. As such, the transaction constitutes a connected transaction for the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The aggregate consideration was HK$104,000,000 (the "**Consideration**"), comprising HK$88,500,000 for the Sale Share and HK$15,500,000 for the Sale Loan. The Consideration was satisfied in full by the Purchaser procuring Total Idea to set off the outstanding principal amount of the promissory note it held against an amount equal to the Consideration at completion, whereupon the relevant promissory note was cancelled accordingly. As the ultimate holder of the promissory note is Mr. Hu, the transaction was a connected transaction for the Company requiring independent shareholders' approval, which was obtained on 15 May 2026. In addition, as part of the transaction, Total Idea agreed to waive the interest accrued on the outstanding promissory note with principal amount of HK$104 million from 12 April 2025 to the date of completion. Upon completion, the outstanding principal amount of the promissory notes was reduced from HK$550 million to HK$446 million. The transaction was completed in May 2026.

Save as disclosed above, there were no other material acquisitions and disposal of subsidiaries, associates or joint ventures by the Group during the Current Period.

EVENT AFTER THE REPORTING PERIOD

No significant event has taken place subsequent to 30 September 2026 and up to the date of this interim announcement.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained on Appendix C1 to the Listing Rules on the Stock Exchange as its own code of corporate governance. The Company had been in compliance with the principles and code provisions as set out in Part 2 of the CG Code during the Current Period except for the deviation from code provisions C.1.7 and C2.1, details of which is set out below.

Under code provision C.1.7 of the CG Code, the Company should arrange appropriate insurance cover in respect of legal action against its Directors. During the Current Period and up to the date of this interim announcement, the Company does not have insurance cover for legal action against its Directors. Every Director is, subject to the provisions of the applicable laws, indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities he/she may sustain or incur in or about the execution of his/her office or otherwise in relation thereto pursuant to the bye-laws of the Company. However, as the Company considers its risk management and internal control systems are effective and constantly under review, and as all the executive Directors and management are familiar with the operation of the Group, the Company believes that the risk of the Directors being sued or getting involved in litigation in their capacity as Directors is relatively low, and hence the Company is of the view that the benefits of the insurance may not outweigh the cost. Therefore, the Board considers that the Directors' exposure to risk is manageable.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. On 7 July 2026 and 12 May 2026, Mr. Hu and Mr. Tam Ka Yu resigned as the chairman of the Board and the chief executive officer of the Company respectively. The Company is still in the process of identifying suitable persons to act as the chairman of the Board and the chief executive officer of the Company. During the transitional period, the role of chairman of the Board is performed by the Board collectively while the functions of the chief executive officer of the Company are undertaken by the executive Directors and management of the Company. Having considered the business operation of the Group at the material time, the Directors considered that the Board, which consists of experienced professionals, can collectively achieve effective functioning of the Board, while the executive Directors along with other members of senior management of the Company are effective in overseeing the day-to-day executive management of the Group.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules for securities transactions by the Directors. The Company confirms that, having made specific enquiry of all Directors, all of the Directors confirmed that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 September 2026.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company has maintained the prescribed public float under the Listing Rules during the Current Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Current Period. As at 30 September 2026, the Company did not hold any treasury shares.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

As at the date of this announcement, the audit committee of the Company (the "**Audit Committee**") comprises three independent non-executive Directors, namely, Mr. Wong Kwan Kit, Ms. Pau Yee Ling and Ms. Zhou Hong.

The primary duties of the Audit Committee are to review the financial statements and reports and to review the adequacy and effectiveness of the Group's financial reporting system, internal control system and risk management system and associated procedures.

The Group's unaudited results for the six months ended 30 September 2026 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such financial statements complied with the applicable accounting standards and requirements of the Stock Exchange and legal requirements, and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT/INTERIM REPORT

The interim results announcement for the six months ended 30 September 2026 is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.msil.com.hk). The interim report will be dispatched to the shareholders of the Company (if applicable) as well as published on the aforesaid websites by the end of December 2026.

By Order of the Board
Man Sang International Limited
Cong Wenlin
Executive Director

Hong Kong, 27 November 2026

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

* *For identification purpose only*