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If you have sold or transferred all your shares in Man Sang International Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Man Sang International Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS,
GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
ADOPTION OF THE 2012 SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Man Sang International Limited (the “Company”) to be held at The Garden Rooms, 2/F., The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 17 August 2012 at 12:00 noon is set out on pages 24 to 29 of this circular. Whether or not you are able to attend, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time of the meeting. Completion and return of the proxy form will not preclude you from attending and voting at the meeting or any adjournment thereof (as the case may be) should you so wish.

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“2012 Share Option Scheme”	the 2012 share option scheme proposed to be approved by the Shareholders at the AGM; a summary of the principal terms of the 2012 Share Option Scheme is set out in Appendix III to this circular
“Adoption Date”	the proposed adoption date of the 2012 Share Option Scheme, being 17 August 2012
“AGM”	the annual general meeting of the Company to be held at The Garden Rooms, 2/F., The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 17 August 2012 at 12:00 noon and/or any adjournment thereof
“AGM Notice”	the notice of the AGM set out on pages 24 to 29 of this circular
“Associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business day”	any day (other than a Saturday and a Sunday) on which the Stock Exchange is open for the business of trading in securities
“Bye-Laws”	the bye-laws of the Company as may be 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 Stock Exchange
“Date of Grant”	the date (which shall be a business day) on which the Board resolves to make an offer of an Option to a Participant as determined in accordance with the 2012 Share Option Scheme
“Director(s)”	director(s) of the Company for the time being
“Eligible Employee(s)”	employee(s) (whether full time or part time employee(s), including any executive director but not any non-executive director) of the Company and its Subsidiaries

DEFINITIONS

“Grantee”	any Participant who accepts an offer of Option in accordance with the terms of the 2012 Share Option Scheme, or (where the context so permits) any person who is entitled to any such Option in consequence of the death of the original Grantee, or the legal personal representative of such person
“Group”	the Company and its Subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	5 July 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Option”	a right granted for the subscription of Shares pursuant to the 2012 Share Option Scheme
“Participant(s)”	any person belonging to any of the following classes of persons: (a) any Eligible Employee; (b) any non-executive director (including independent non-executive directors) of the Company or any of its Subsidiaries; (c) any agent or consultant of the Group; (d) any supplier of goods or services to any member of the Group; (e) any customer of the Group; (f) any shareholder of any member of the Group or any holder of any securities issued by any member of the Group
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company or, if there has been any subsequent sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares in the ordinary share capital of the Company resulting from such any sub-division, reduction, consolidation, reclassification or reconstruction from time to time
“Shareholder(s)”	holder(s) of Share(s)
“Shares Issue Mandate”	a general mandate to the Directors to exercise the power of the Company to allot and issue Shares up to 20% of the issued share capital of the Company as at the date of the passing of the ordinary resolution in relation thereto
“Shares Repurchase Mandate”	the proposed new general mandate, to be sought at the AGM, to authorise the Directors to repurchase the Shares in the manner as set out in the AGM Notice
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	percentage



Man Sang International Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

Executive Directors:

Mr. Cheng Tai Po (*Deputy Chairman*)
Ms. Yan Sau Man, Amy

Non-executive Directors:

Mr. Cheng Chung Hing (*Chairman*)
Mr. Lee Kang Bor, Thomas

Independent Non-executive Directors:

Mr. Fung Yat Sang
Mr. Kiu Wai Ming
Mr. Lau Chi Wah, Alex

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and

Principal Place of Business:

Suite 2208, 22/F., Sun Life Tower
The Gateway, 15 Canton Road
Tsimshatsui
Kowloon
Hong Kong

9 July 2012

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS,
GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
ADOPTION OF THE 2012 SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with details regarding the resolutions to be proposed at the AGM for the approval of (i) the re-election of retiring Directors; (ii) the granting of the Shares Issue Mandate and Shares Repurchase Mandate to the Directors; and (iii) adoption of the 2012 Share Option Scheme.

LETTER FROM THE BOARD

2. RE-ELECTION OF DIRECTORS

In accordance with article 87 of the Company's Bye-Laws and for compliance with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules, Ms. Yan Sau Man, Amy, Mr. Lee Kang Bor, Thomas and Mr. Fung Yat Sang will retire from office by rotation at the AGM.

Ms. Yan Sau Man, Amy, Mr. Lee Kang Bor, Thomas and Mr. Fung Yat Sang (collectively, the "Retiring Directors"), being eligible, have offered themselves for re-election at the AGM. Details of the Retiring Directors required to be disclosed by the Listing Rules are set out in Appendix I to this circular.

3. GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to grant to the Directors the Shares Issue Mandate to allot, issue and otherwise deal with Shares with a total nominal value not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such ordinary resolution (assuming that there is no change in respect of the issued share capital of the Company after the Latest Practicable Date and up to the date on which the resolution is passed, the maximum number of Shares which may be issued pursuant to the Shares Issue Mandate will be 254,118,041 Shares).

An ordinary resolution will also be proposed to increase the limit of this 20% by the amount of any Shares repurchased by the Company under authority of the Shares Repurchase Mandate up to a maximum of 10% of the aggregate nominal value of the issued share capital of the Company as at the date of passing of such ordinary resolution.

4. GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed to grant to the Directors the Shares Repurchase Mandate to exercise the powers of the Company to repurchase up to 10% of the total nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution. The Company's authority is restricted to purchases made on the Stock Exchange in accordance with the Listing Rules.

An explanatory statement, as required by the Listing Rules, to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution concerning the Shares Repurchase Mandate is set out in Appendix II to this circular.

5. PROPOSAL FOR ADOPTION OF THE 2012 SHARE OPTION SCHEME

The existing share option scheme of the Company was adopted by the Company on 2 August 2002 and will expire on 1 August 2012. A proposal will be made at the AGM to seek Shareholders' approval of the adoption of the 2012 Share Option Scheme.

LETTER FROM THE BOARD

Upon expiry of the existing share option scheme of the Company, no further options will be granted, accepted or exercised thereunder but in all other respects, the provisions of the existing share option scheme of the Company shall remain in full force and effect. As at the Latest Practicable Date, options to subscribe for an aggregate of 14,350,000 Shares had been granted and remained outstanding under the existing share option scheme of the Company. The Directors confirm that prior to the AGM, they will not grant any Options under the existing share option scheme of the Company.

A summary of the principal terms of the 2012 Share Option Scheme is set out in Appendix III to this circular. The purpose of the 2012 Share Option Scheme is to provide incentives to the Participants to contribute to the Group and to enable the Group to recruit and retain high-calibre employees and attract resources that are valuable to the Group.

The 2012 Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, at the time of the grant of the Options, the Company may specify such minimum period or performance target and the terms of the 2012 Share Option Scheme provide that the Board may determine, at its sole discretion, such term(s) on the grant of an Option. The basis for determination of the exercise price is also specified in the terms of the 2012 Share Option Scheme. The Directors consider that the aforesaid criteria and terms will serve to preserve the value of the Company and encourage Participants to acquire proprietary interests in the Company.

The 2012 Share Option Scheme is conditional on:

- (a) the passing of an ordinary resolution approving, *inter alia*, the adoption of the 2012 Share Option Scheme by the Shareholders and authorising the Board to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the 2012 Share Option Scheme, and
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of the Options granted under the 2012 Share Option Scheme.

If the above condition (b) is not satisfied on or before the date following six months after the Adoption Date (or such later date as the Board may decide), the 2012 Share Option Scheme shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the 2012 Share Option Scheme. As at the date of this circular, no Option has been granted or agreed to be granted under the 2012 Share Option Scheme.

The Directors believe that any calculation of the fair value of the Options as at the Latest Practicable Date before the Options are actually granted would not be meaningful and would be misleading to Shareholders, because any valuation of the fair value of the Options would have to be based on the circumstances as at the Latest Practicable Date, but Options would not be granted until the 2012 Share Option Scheme is approved i.e. after the Latest Practicable

LETTER FROM THE BOARD

Date. Given also the fact that there are various factors relevant to each individual grant (including vesting periods), such valuation figure cannot be relied upon as being an accurate measure of the fair value of all Options that may, in the future, be granted.

However, Shareholders should note that, in compliance with the Listing Rules, estimated valuations and cost of Options granted during any financial period based on the Black-Scholes option pricing model, the binominal option pricing model or a comparable based on generally accepted methodology will be provided in the Company's annual report and interim report, in accordance with the generally accepted accounting principles in Hong Kong.

None of the Directors is a trustee of the 2012 Share Option Scheme or has any direct or indirect interest in such trustee, if any.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the 2012 Share Option Scheme or not raising any objection thereto and for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Options granted under the 2012 Share Option Scheme.

The full terms of the 2012 Share Option Scheme can be inspected at the Company's principal place of business in Hong Kong at Suite 2208, 22nd Floor, Sun Life Tower, The Gateway, 15 Canton Road, Tsimshatsui, Kowloon, Hong Kong during normal business hours from the date of this circular up to and including the date of the AGM and at the AGM.

6. ANNUAL GENERAL MEETING

The resolutions to be proposed at the AGM are set out in the AGM Notice on pages 24 to 29 of this circular.

A form of proxy for use at the AGM is enclosed herewith. Whether or not you intend to be present at the AGM, 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 in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all resolutions set out in the AGM Notice will be put to vote by way of poll at the AGM. The chairman of the AGM will explain the detailed procedures for conducting a poll at the commencement of the AGM. Any announcement on the results of the vote by poll will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

7. 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 Company. 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.

8. RECOMMENDATIONS

The Directors consider that the granting of the Shares Repurchase Mandate, the granting/extension of the Shares Issue Mandate, the re-election of the retiring Directors and the adoption of the 2012 Share Option Scheme are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

9. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
For and on behalf of
MAN SANG INTERNATIONAL LIMITED
Cheng Chung Hing
Chairman

The biographical details of the Directors proposed to be re-elected at the AGM are set out below:

1. **Ms. YAN Sau Man, Amy**, aged 49, has been an Executive Director of the Company since August 1997. She, together with other members of the Board, is responsible for the overall management of the Group as well as the formulation, development and implementation of the Group's corporate policies, business strategies and overall sales and marketing strategies. Ms. Yan has over 25 years of experience in the selling and marketing of pearl and she also has extensive experience in the jewellery business. Save as disclosed herein, Ms. Yan has not held any directorship in other listed public companies during the last three years.

Details of interests of Ms. Yan in the shares of the Company within the meaning of Part XV of the SFO are disclosed under the section headed "Directors' Interests in Securities" in Report of the Directors which is contained in the Company's 2012 Annual Report accompanying this circular. As at the Latest Practicable Date, there had been no changes in such interests held by Ms. Yan. Also, she does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Ms. Yan has entered into a service agreement with the Company on 31 August 2009 for a fixed term of three years commencing on 1 September 2009. Such agreement is determinable by either party serving not less than three months' notice in writing to the other. Ms. Yan is entitled to an annual remuneration of HK\$1,800,000 for each financial year ended 31 March 2012 and ending 31 March 2013 plus a discretionary bonus which is determined by reference to her performance and operating results of the Group. The emoluments of Ms. Yan are determined, among other things, by reference to industry norm and market conditions, with discretionary bonus based on performance.

Save as disclosed above, there is no other information that is required to be disclosed by Ms. Yan pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders of the Company in relation to the re-election of Ms. Yan.

2. **Mr. LEE Kang Bor, Thomas**, aged 58, was an Independent Non-executive Director of the Company since June 2004. He had been re-designated as an Executive Director and appointed as the Chief Executive Officer ("CEO") of the Company with effect from 1 September 2009. He resigned as the CEO of the Company on 31 March 2011 and has been re-designated as a Non-executive Director of the Company with effect from 1 April 2011. He has over 15 years' experience in business management, mergers and acquisitions, financial advisory, accounting, taxation, and corporate advisory in Hong Kong and China. He is currently an independent non-executive director of Sparkle Roll Group Limited (a company listed on the Stock Exchange (stock code: 970)) and is also an independent non-executive director and chairman of the audit and remuneration committee of CIG Yangtze Ports PLC (a company listed on the Stock Exchange (stock code: 8233)). Mr. Lee possesses

various professional qualifications. He graduated from the University of London with a bachelor's degree and a master's degree in laws, and was called to the Bar of the Lincoln's Inn in 1990. Mr. Lee is currently a member of the Society of Trust and Estate Practitioners, The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries. He is also a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Taxation Institute of Hong Kong and the Hong Kong Institute of Directors. Mr. Lee served as the president of the Taxation Institute of Hong Kong from 1999 to 2002, and is currently serving as the deputy president of the Asia-Oceania Tax Consultants' Association and a vice president of the Hong Kong Professionals and Senior Executives Association.

Save as disclosed above, Mr. Lee has not held any directorship in other listed public companies the last three years. As at the Latest Practicable Date, Mr. Lee does not have any interests in the shares of the Company within the meaning of Part XV of the SFO. Mr. Lee does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between the Company and Mr. Lee. He is subject to retirement by rotation in accordance with the Bye-Laws of the Company. Also, he is entitled to a director's fee of HK\$200,000 per annum in acting as a Non-executive Director of the Company. Mr. Lee is entitled to a director's fee of HK\$200,000 for the financial year ending 31 March 2013. The director's fee is determined, among other things, with the scope of his responsibilities and obligation.

Save as disclosed above, there is no other information that is required to be disclosed by Mr. Lee pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders of the Company in relation to the re-election of Mr. Lee.

3. **Mr. FUNG Yat Sang**, aged 60, has been an Independent Non-executive Director of the Company since September 2009. He has over 30 years of financial management experience and held senior management positions in various multinational corporations in Hong Kong, Australia, Thailand and China. Mr. Fung is a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants in United Kingdom and a member of the CPA Australia.

Save as disclosed above, Mr. Fung has not held any directorship in other listed public companies the last three years. As at the Latest Practicable Date, Mr. Fung does not have any interests in the shares of the Company within the meaning of Part XV of the SFO. Mr. Fung does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between the Company and Mr. Fung. He is subject to retirement by rotation in accordance with the Bye-Laws of the Company. Also, he is entitled to a director's fee of HK\$220,000 per annum in acting as an Independent

Non-executive Director of the Company. Mr. Fung is entitled to a director's fee of HK\$220,000 for the financial year ending 31 March 2013. The director's fee is determined, among other things, with the scope of his responsibilities and obligation.

Save as disclosed above, there is no other information that is required to be disclosed by Mr. Fung pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders of the Company in relation to the re-election of Mr. Fung.

This following explanatory statement contains all the information required pursuant to Rule 10.06 of the Listing Rules to provide requisite information to you for consideration as to whether to vote for or against the ordinary resolutions to be proposed at the AGM for granting the Shares Repurchase Mandate.

1. GENERAL MANDATES

Ordinary resolution No. 6A to be proposed at the AGM relates to the granting of a general mandate to the Directors to issue new Shares up to a maximum of 20% of the issued share capital of the Company at the date of passing the resolution.

Ordinary resolution No. 6B to be proposed at the AGM relates to the granting of a general mandate to the Directors to repurchase, on the Stock Exchange, Shares up to a maximum of 10% of the issued share capital of the Company at the date of passing the resolution.

Ordinary resolution No. 6C to be proposed at the AGM relates to the extension of the general mandate to be granted to the Directors to issue new Shares during the relevant period by adding to it the number of Shares purchased under the Shares Repurchase Mandate, if any.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,270,590,207 Shares.

Subject to the passing of the ordinary resolution No. 6B as set out in the AGM Notice and assuming that no further Shares are issued, (whether pursuant to the options which have been granted under the existing share option scheme or otherwise) or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 127,059,020 Shares, representing 10% of the issued share capital of the Company during the period from the date of the AGM up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or (iii) the passing of an ordinary resolution by Shareholders in general meeting of the Company revoking or varying the Share Repurchase Mandate, whichever of these events occurs first.

3. REASONS FOR SHARES REPURCHASE

Although the Directors have no present intention of repurchasing any Shares, they believe that the flexibility afforded by the Shares Repurchase Mandate would be beneficial to the Company and the Shareholders. Repurchases will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangement at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Bye-Laws and the laws of Bermuda. Under Bermuda law, a repurchase of Shares may be effected out of capital paid up on the Shares to be repurchased, funds of the Company otherwise available for dividend or distribution or proceeds of a fresh issue of Shares made for the purposes and, in the case of any premium payable on the repurchase, funds of the Company otherwise available for dividend or distribution or sums standing to the credit of the share premium account of the Company.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 31 March 2012) in the event that the Shares Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Shares Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months preceding and up to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
June	0.430	0.350
July	0.445	0.365
August	0.540	0.360
September	0.720	0.440
October	0.485	0.375
November	0.600	0.400
December	0.590	0.415
2012		
January	0.530	0.420
February	0.630	0.475
March	0.620	0.455
April	0.510	0.395
May	0.420	0.375
June	0.600	0.385
July (up to the Latest Practicable Date)	0.570	0.540

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make purchases pursuant to the Shares Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and the Bye-Laws.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their Associates, have any present intention, in the event that the Shares Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so, in the event that the Shares Repurchase Mandate is exercised.

7. SHARE PURCHASES MADE BY THE COMPANY

No purchase of Shares has been made by the Company during the last six months immediately preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

8. EFFECT OF THE TAKEOVERS CODE

Pursuant to Rule 32 of the Takeovers Code, if as a result of a repurchase of Shares pursuant to the Shares Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Rich Men Limited ("Rich Men") is the substantial shareholder of the Company holding 468,781,655 Shares. Mr. Cheng Chung Hing and Mr. Cheng Tai Po (both are Directors of the Company) collectively hold 100% interests in Rich Men. Including the personal interests of Mr. Cheng Chung Hing and Mr. Cheng Tai Po in the Company, they will be deemed to be interested in an aggregate of 810,555,108 Shares, representing 63.79% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares under the Shares Repurchase Mandate and if there is no other change in the issued share capital of the Company, their collective shareholdings in the Company will be increased to approximately 70.88% of the issued share capital of the Company. To the best of the knowledge and belief of the Directors, such increase will not give rise to an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code.

Save as aforesaid, the Directors are not aware of any consequence which may arise under the Takeovers Code as a consequence of any repurchases made under the Shares Repurchase Mandate which may result in possible mandatory offer being made under the Takeovers Code. The Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

2012 SHARE OPTION SCHEME

The following is a summary of the principal terms of the 2012 Share Option Scheme proposed to be approved at the AGM:

1. The purpose of the 2012 Share Option Scheme is to provide incentives to the Participants to contribute to the Group and to enable the Group to recruit and retain high-calibre employees and attract resources that are valuable to the Group.
2. The Directors may, at their discretion, invite Participants to participate in the 2012 Share Option Scheme. In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.
3. Initially the maximum number of Shares which may be issued upon exercise of all Options to be granted under the 2012 Share Option Scheme or any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not exceed 10 per cent. of the aggregate of the Shares in issue as at the Adoption Date (such 10 per cent. limit represents 127,059,020 Shares as at the Latest Practicable Date). Options which have lapsed shall not be counted in calculating the 10 per cent. limit. However (but subject to the 30 per cent. limit referred to in this paragraph below), the Company may refresh this 10 per cent. limit with Shareholders' approval provided that each such limit (as refreshed) may not exceed the 10 per cent. of the Shares in issue as at the date of the Shareholders' approval. The Company must send a circular to the Shareholders containing the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules, or otherwise in accordance with the Listing Rules effective from time to time. Options previously granted under the 2012 Share Option Scheme and any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable), including those outstanding, cancelled or lapsed in accordance with the relevant scheme or exercised options, will not be counted for the purpose of calculating the limit to be refreshed. The Company may seek separate approval by Shareholders in general meeting for granting Options beyond the 10 per cent. limit provided that the Options in excess of the limit are granted only to Participants specially identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing a generic description of the specified participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules, or otherwise in accordance with the Listing Rules effective from time to time.

The total number of Shares which may be issued upon exercise of all Options granted and yet to be exercised under the 2012 Share Option Scheme or any other share option schemes adopted by the Company (and to which the provisions of

Chapter 17 of the Listing Rules are applicable) must not exceed 30 per cent. of the Shares in issue from time to time. As at the Latest Practicable Date, such 30 per cent. represents 381,177,062 Shares.

4. Unless approved by Shareholders in the manner set out in this paragraph below, the total number of Shares issued and to be issued upon exercise of the Options granted to each Participant (including exercised, cancelled and outstanding Options) under the 2012 Share Option Scheme in any 12-month period must not exceed 1 per cent. of the Shares in issue. Any further grant of Options which would result in the number of Shares issued as aforesaid exceeding the said 1 per cent. limit must be subject to prior Shareholders' approval with the relevant Participant and his associates abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Participant, the number and terms of the options to be granted (and options previously granted) to such Participant, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules, or otherwise in accordance with the Listing Rules effective from time to time.

Each grant of Options to any Director, chief executive or substantial shareholder of the Company (or any of their respective associates) (as such terms are defined in Rule 1.01 of the Listing Rules) shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive director who is a proposed recipient of the grant of Options). Where any grant of Options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1 per cent. (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant, in excess of HK\$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange),

such further grant of Options shall be subject to prior approval by the Shareholders. All connected persons (as defined in the Listing Rules) of the Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

The circular to be issued by the Company to Shareholders pursuant to the paragraph above shall contain the following information, or otherwise in accordance with the Listing Rules effective from time to time:

- (a) the details of the number and terms (including the exercise price) of the options to be granted to each Participant which must be fixed before the Shareholders' meeting and the Date of Grant (which shall be the date of the Board meeting at which the Board proposes to grant the proposed options to that eligible Participant);
- (b) recommendation from the independent non-executive Directors of the Company (excluding any independent non-executive director who is the relevant Grantee) to the independent Shareholders of the Company as to voting;
- (c) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (d) the information required under Rule 2.17 of the Listing Rules.

No offer shall be made and no Option shall be granted to any Participant in circumstances prohibited by the Listing Rules at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or law. In particular, during the period commencing one month immediately preceding the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no Option may be granted.
5. (a) The period within which the Options must be exercised will be specified by the Company at the time of grant. This period must expire no later than 10 years from the relevant Date of Grant (being the date on which the Board resolves to make an offer of Option to the relevant Participant, which date must be a business day).
- (b) In the event a Grantee (being an employee or officer of any member of the Group) ceases to be a Participant for any reason other than (i) his or her death or (ii) on one or more of the grounds of termination of employment or engagement specified in paragraph 12(f) below (and the date on which the Grantee so ceases to be a Participant shall be referred to as the "Cessation Date"), the Option shall lapse on the Cessation Date and not be exercisable unless the Board otherwise determines, in which event the Option shall be

exercisable to the extent and within such period as the Board may determine. The Cessation Date for the purposes of this paragraph 5(b) shall be the last actual working day on which the Grantee was physically at work with the relevant member of the Group, whether salary is paid in lieu of notice or not.

- (c) If the Directors at their absolute discretion determine that the Grantee (other than an Eligible Employee) or his or her associate has committed any breach of any contract entered into between the Grantee or his or her associate on the one part and the Group on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally, the Directors shall determine that the outstanding Options granted to the Grantee shall lapse. In such event, his or her Options will lapse automatically and will not in any event be exercisable on or after date on which the Directors have so determined.
- (d) In the event the Grantee dies before exercising the Option in full and none of the events for termination of employment under paragraph 12(f) below then exists with respect to such Grantee, the personal representative(s) of the Grantee shall be entitled within a period of six (6) months from the date of death to exercise the Option up to the entitlement of such Grantee as at the date of death.
- (e) If a general offer by way of voluntary offer, takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph 5(f) below) is made to all the holders of Shares (or all such holders other than the offeror, any person acting in concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith give notice thereof (the "Offer Notice") to the Grantee and the Grantee may at any time within one (1) month after the date of the Offer Notice exercise the Option to its full extent.
- (f) If a general offer for Shares by way of a scheme of arrangement is made to all the holders of Shares and has been approved by the necessary number of holders of Shares at the requisite meetings, the Company shall forthwith give notice thereof (the "Scheme Notice") to the Grantee and the Grantee may at any time within one (1) month after the date of the Scheme Notice exercise the Option to its full extent.
- (g) In the event a notice is given by the Company to its shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but not later than two business days prior to the record day for ascertaining entitlements to attend and vote at such proposed shareholder's meeting or such time as shall be notified by the Company) exercise the Option to its full extent or, if the Company shall give the relevant notification, to the

extent notified by the Company, and the Company shall as soon as practicable allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option.

- (h) In the event of a compromise or arrangement, other than a scheme of arrangement contemplated in paragraph 5(f) above, between the Company and its members and/or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it first gives notice of the meeting to its members and/or creditors to consider such a scheme or arrangement and the Grantee may at any time thereafter but before such time as shall be notified by the Company exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent notified by the Company, and the Company shall as soon as practicable allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option.
 - (i) Upon the occurrence of any of the events referred to in paragraphs 5(g) and (h) above, the Company may in its discretion and notwithstanding the terms of the relevant Option also give notice to a Grantee that his or her Option may be exercised at any time within such period as shall be notified by the Company and/or to the extent (not being less than the extent to which it could then be exercised in accordance with its terms) notified by the Company. If the Company gives such notice that any Option shall be exercised in part only, the balance of the Option shall lapse.
- 6. At the time of grant of the Options, the Company may specify any minimum period(s) for which an Option must be held before it can be exercised. The 2012 Share Option Scheme does not contain any such minimum period.
 - 7. At the time of the grant of the Options, the Company may specify any performance target(s) which must be achieved before the Options can be exercised. The 2012 Share Option Scheme does not contain any performance targets.
 - 8. An offer of Option shall remain open for acceptance by the Participant to whom such offer is made for a period of twenty-eight (28) days from the date on which the letter containing the offer of Option is issued to the Participant, provided that no such offer of Grant shall be open for acceptance after the tenth anniversary of Adoption Date or after this 2012 Share Option Scheme has been terminated in accordance with the provisions thereof or after the person/entity to whom the offer of Option is made has ceased to be a Participant. An offer of Option shall be deemed to have been accepted by the Grantee and the Option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer of Option duly signed by the Grantee with the number of Shares in respect of which the offer of Option is accepted clearly stated

therein, together with a payment in favour of the Company of HK\$1.00 (or its equivalent) by way of consideration for the grant thereof, is received by the Company.

9. The subscription price for the Shares shall be such price determined by the Board at its absolute discretion and notified to the Participant in the offer of Option and shall be no less than the higher of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of a Share on the Date of Grant.
10. The Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the Bye-Laws of the Company for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of the Company. Prior to the Grantee being registered on the register of members of the Company, the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company), in respect of the Shares to be issued upon the exercise of the Option.
11. The 2012 Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the adoption of the 2012 Share Option Scheme. No further Options shall be offered or granted under the 2012 Share Option Scheme on or after the date of the tenth anniversary of the adoption of the 2012 Share Option Scheme.
12. An Option shall lapse automatically and not be exercisable, to the extent not already exercised, on the earliest of:
 - (a) the expiry of the Option period;
 - (b) the date or the expiry of the period for exercising the Option as referred to in paragraphs 5(b), (c), (d) and (e) above (as the case may be);
 - (c) subject to the scheme of arrangement (referred to in paragraph 5(f) above) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph 5(f) above;
 - (d) subject to paragraph 5(g) above, the date of commencement of the winding up of the Company; and, subject to the compromise or arrangement (referred to in paragraph 5(h) above) becoming effective, the expiry of the period for exercising the Option as referred to in paragraph 5(h) above;
 - (e) the date on which the Grantee sells, transfers, charges, mortgages, encumbers or creates any interest in favour of any other person, over or in relation to any Option in breach of the 2012 Share Option Scheme;

- (f) the date on which the Grantee (being an employee or officer of any member of the Group) ceases to be a Participant by reason of the termination of his or her employment or engagement on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
- (g) the date on which the Grantee (being a corporation) appears either to be unable to pay or to have no reasonable prospect of being able to pay its debts or has become insolvent or has made any arrangement or composition with its creditors generally;
- (h) where the Grantee is an employee or officer of a member of the Group (other than the Company), the date on which such member ceases to be a subsidiary of the Company; and
- (i) unless the Board otherwise determines, and other than in the circumstances referred to in paragraphs 5(b), (c) or (d) above, the date the Grantee ceases to be a Participant (as determined by a Board resolution) for any reason.

Transfer of employment or engagement or relationship from one member of the Group to another member of the Group shall not be considered as a cessation of employment, engagement or relationship.

13. In the event of an alteration in the capital structure of the Company whilst any Option remains exercisable by way of capitalisation of profits or reserves, rights issue, subdivision or consolidation of shares or reduction of the share capital of the Company, but excluding, for the avoidance of doubt, any alteration in the capital structure of the Company as a result of an issue of shares as consideration in a transaction to which the Company is a party, the auditors of or the financial advisor engaged by the Company for such purpose shall determine what adjustment is required to be made to the subscription price, and/or the number of shares to be issued on exercise of the Options, and/or (if necessary) the method of exercise of the Option (or any combination of the foregoing) provided that any such adjustments give the Participant the same proportion of the equity capital of the Company, provided that no adjustment may be made to the extent that shares would be issued at less than their nominal value.
14. Any Option granted but not exercised may be cancelled if the Grantee so agrees and new Options may be granted to the same Grantee provided that such Options fall within the limits specified in paragraph 3 above and are otherwise granted in accordance with the terms of the 2012 Share Option Scheme.
15. The Shares issued on exercise of the Options will on issue be identical to the then existing issued shares of the Company.

16. The Company, by ordinary resolution of Shareholders or the Board, may at any time terminate the operation of the 2012 Share Option Scheme and in such event no further Options will be offered or granted, but in all other respects the 2012 Share Option Scheme shall remain in full force and effect. Any granted but unexercised Options shall continue to be exercisable in accordance with their terms of issue after the termination of the 2012 Share Option Scheme.
17. The Options are not assignable or transferable, except for the transmission of an Option on the death of a Grantee to his personal representative(s) on terms of and as permitted by the 2012 Share Option Scheme.
18. The Board may amend any of the provisions of the 2012 Share Option Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the 2012 Share Option Scheme, which are not found in the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any Grantee at that date), except that:
 - (i) those specific provisions of the 2012 Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants;
 - (ii) no changes to the authority of the Directors or administrator of the 2012 Share Option Scheme in relation to any alteration of the terms herein shall be made; and
 - (iii) no alterations to the terms and conditions of the 2012 Share Option Scheme which are of a material nature, and no change to the terms of Options granted shall be made (except where the alterations take effect automatically under the existing terms of the 2012 Share Option Scheme),

without the prior approval of the Shareholders in general meeting. The 2012 Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



Man Sang International Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

NOTICE IS HEREBY GIVEN that the 2012 Annual General Meeting of Man Sang International Limited (the “Company”) will be held at The Garden Rooms, 2/F., The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 17 August 2012 at 12:00 noon for the following purposes:

Ordinary Business

1. To receive and consider the report of the directors of the Company and the independent auditor (the “Auditor”) and the audited financial statements for the year ended 31 March 2012.
2. A. To re-elect the following retiring directors:
 - (i) Ms. Yan Sau Man, Amy;
 - (ii) Mr. Lee Kang Bor, Thomas; and
 - (iii) Mr. Fung Yat Sang.
- B. To authorise the board of directors of the Company (the “Board”) to fix their remuneration.
3. To declare the final and special dividends for the year ended 31 March 2012.
4. To re-appoint the Auditor and to authorise the Board to fix their remuneration.

Special Business

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

5. **“THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in the shares of the Company (the “Shares”) to be issued pursuant to the exercise of any options granted under the new share option scheme of the Company (the “2012 Share Option Scheme”, the terms of which are contained in the document marked “A” is produced to this meeting and for the purposes of identification signed by the Chairman thereof), the 2012 Share Option Scheme be and is hereby approved and adopted and with effect from the date of the 2012 Share

NOTICE OF ANNUAL GENERAL MEETING

Option Scheme becoming unconditional and coming into effect, the board of directors of the Company (or any committee thereof) be and is hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2012 Share Option Scheme, including but without limitation:

- (a) to administer the 2012 Share Option Scheme;
- (b) to modify and/or amend the 2012 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2012 Share Option Scheme relating to modification and/or amendment;
- (c) to allot and issue from time to time such number of Shares as may fall to be issued pursuant to the exercise of the options granted under the 2012 Share Option Scheme, provided always that the total number of Shares subject to the 2012 Share Option Scheme, when aggregated with any Shares subject to any other share option scheme(s) of the Company, shall not exceed 10 per cent. of the Shares in issue as at the date of passing this Resolution but the Company may seek approval of its shareholders in general meeting for refreshing the 10 per cent. limit under the 2012 Share Option Scheme (such limit as refreshed shall not exceed 10 per cent. of the Shares in issue as at the date of the aforesaid shareholders' approval) and the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2012 Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 30 per cent. of the Shares in issue from time to time (the Company may seek separate approval by shareholders in general meeting for granting options beyond the 10 per cent. limit provided that the options in excess of the limit are granted only to participants specially identified by the Company before such approval is sought);
- (d) to make application at the appropriate time or times to the Stock Exchange, and other stock exchanges upon which the issued Shares of the Company may for the time being be listed, for listing of and permission to deal in any Shares which may hereafter from time to time fall to be issued pursuant to the exercise of the options granted under the 2012 Share Option Scheme; and
- (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2012 Share Option Scheme.”

6. A. **“THAT:**

- (i) subject to paragraph (iii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional share(s) of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and

NOTICE OF ANNUAL GENERAL MEETING

other securities which carry rights to subscribe for or are convertible into Shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

- (ii) approval in paragraph (i) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into Shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate nominal value of share capital to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and to be issued by the directors of the Company pursuant to the approval in paragraph (i) of this resolution, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); (b) an issue of shares upon the exercise of the subscription rights attaching to any warrants, bonds, debentures, notes and other securities of the Company which carry rights to subscribe for or are convertible into shares of the Company which may be issued by the Company from time to time; (c) an issue of shares of the Company under any option scheme or similar arrangement for the time being adopted by the Company and/or any of its subsidiaries for the grant or issue to participants of shares of the Company or rights to acquire shares of the Company; or (d) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-Laws of the Company, shall not exceed 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or the Companies Act of Bermuda or any other applicable laws to be held; and
- (c) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of Shares or issue of options to subscribe for shares of the Company open for a period fixed by the directors of the Company to the holders of shares of the Company or any class of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

B. “THAT:

- (i) subject to paragraph (ii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares of the Company on Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal value of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (i) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing this resolution, and the authority pursuant to paragraph (i) of this resolution shall be limited accordingly; and
- (iii) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (a) the conclusion of the next annual general meeting of the Company; or
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or the Companies Act of Bermuda or any other applicable laws to be held; and
 - (c) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

- C. “**THAT** conditional upon resolutions Nos. 6A and 6B as set out in the notice convening this meeting being passed, the general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares of the Company pursuant to resolution No. 6A as set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution No. 6B as set out in the notice convening this meeting, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing this resolution.”

By Order of the Board
Man Sang International Limited
Leung Alex
Company Secretary

Hong Kong, 9 July 2012

Notes:

- (1) At the annual general meeting of the Company (“AGM”), the chairman of the AGM will put each of the above resolutions to be voted by way of a poll pursuant to the Listing Rules.
- (2) A member of the Company entitled to attend and vote at the AGM (or any adjournment thereof) is entitled to appoint another person as his/her/their proxy to attend and vote instead of him/her/them. A member who is the holder of two or more shares in the capital of the Company may appoint more than one proxy to attend and vote on the same occasion. A proxy need not be a member of the Company.
- (3) To be valid, the form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited with the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, not less than 48 hours before time fixed for holding the AGM (or any adjournment thereof). Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting convened and in such event the form of proxy shall be deemed to be revoked.
- (4) The register of members of the Company will be closed from Wednesday, 15 August 2012 to Friday, 17 August 2012 (both days inclusive), for the purpose of determining shareholders’ entitlement to attend and vote at the AGM, during which period, no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 14 August 2012.
- (5) The register of members of the Company will be closed from Thursday, 23 August 2012 to Monday, 27 August 2012 (both days inclusive), for the purpose of determining shareholders’ entitlement to the proposed final and special dividends, during which period, no transfer of shares will be registered. In order to qualify for the proposed final and special dividends, all transfer documents accompanied by the relevant share

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certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 22 August 2012.

- (6) Where there are joint holders of any share in the Company, any one of such joint holders may vote at the AGM, either in person or by proxy, in respect of such share as if he/she/they were solely entitled thereto, but if more than one of such joint holders be present at the AGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of other holder(s) and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (7) A circular containing the particulars in connection with proposals for re-election of directors, general mandates to issue and repurchase shares of the Company and adoption of a new share option scheme of the Company has been despatched to members together with the 2012 Annual Report of the Company.
- (8) As at the date of this notice, the executive directors of the Company are Mr. Cheng Tai Po (Deputy Chairman) and Ms. Yan Sau Man, Amy; the non-executive directors of the Company are Mr. Cheng Chung Hing (Chairman) and Mr. Lee Kang Bor, Thomas; whilst the independent non-executive directors of the Company are Mr. Fung Yat Sang, Mr. Kiu Wai Ming and Mr. Lau Chi Wah, Alex.