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MAN SANG INTERNATIONAL LIMITED

(Incorporated in the Bermuda with limited liability)

(Stock Code: 938)

LETTER OF INTENT IN RESPECT OF THE PROPOSED ACQUISITION

The Board is pleased to announce that on 25 October 2016 (after trading hours of the Stock Exchange), the Company and the Vendor entered into the Letter of Intent in relation to the Proposed Acquisition.

The Board would like to emphasise that no legally binding agreement in relation to the Proposed Acquisition has been entered into by the Company as at the date of this announcement (save as to the provisions relating to, among other thing, the confidentiality and governing law).

As the Proposed Acquisition may or may not materialise, Shareholders and potential investors are advised to exercise caution when dealing in the shares and other securities of the Company.

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

The Board is pleased to announce that on 25 October 2016 (after trading hours of the Stock Exchange), the Company and the Vendor entered into the Letter of Intent in relation to the Proposed Acquisition.

THE LETTER OF INTENT

Date: 25 October 2016

Parties:

(a) Vendor Mr. Tsoi Tung

(b) Purchaser the Company or its wholly-owned subsidiary

The Vendor is a director of Kingstone and therefore a connected person (as defined in the Listing Rules) of the Company.

Assets to be acquired

Pursuant to the Letter of Intent, it is proposed that the Purchaser will acquire, and the Vendor will sell, the entire issued share capital of the Target.

Consideration

The consideration will be agreed between the Vendor and the Purchaser with reference to, among others, (i) net asset value of the Target Group; and (ii) a valuation of a property in the PRC owned by Shanghai Mingyuan (the “Property”) to be conducted by an independent professional valuer appointed by the Purchaser.

Due diligence

The Purchaser (and its agents and/or advisers) shall be entitled to assess and review the records and affairs of the Target Group (in particular, the Property) and the Vendor shall procure the Target Group, its officers, employees and advisers to, provide reasonable assistance to the Purchaser and its agents and/or advisers in this respect (the “Due Diligence Review”).

Conditions precedent

Completion of the Proposed Acquisition is conditional upon, among other conditions, all appropriate governmental, regulatory and Shareholders’ approval of the Company, if required, having been obtained in relation to the Proposed Acquisition, the Purchaser being satisfied with the results of the Due Diligence Review, Chongqing Hanquanshi becoming the sole legal and beneficial owner of Shanghai Mingyuan and the Purchaser having obtained a legal opinion issued by qualified PRC legal advisers with respect to the Chongqing Hanquanshi, Shanghai Mingyuan and the Property.

Termination

The Letter of Intent shall be terminated and be of no force and effect on the earlier of (i) the date on which the formal agreement in relation to the Proposed Acquisition is executed; or (ii) any other date as the parties to the Letter of Intent may agree in writing, whereupon the parties to the Letter of Intent shall have no further obligations to the other party save for any antecedent breach.

INFORMATION ON THE TARGET AND THE TARGET GROUP

The Target is a company incorporated in the Hong Kong with limited liability, and as at the date of this announcement, is wholly-owned by the Vendor. The Target is an investment holding company.

As at the date of this announcement, Chongqing Hanquanshi is wholly-owned by the Target, and Shanghai Mingyuan is owned by Independent Third Parties but will become wholly-owned by Chongqing Hanquanshi before completion of the Proposed Acquisition. Shanghai Mingyuan owns, manages and operates the Property.

REASONS FOR THE PROPOSED ACQUISITION

The Group is principally engaged in the development, sales and leasing of properties.

In order to diversify the Group's existing business portfolio with growth potential and to broaden its source of income and eventually to create greater returns for the Shareholders, the Company has been proactively seeking for investment opportunities through potential mergers and acquisitions, especially in the provincial capital cities in the PRC, leveraging the Group's sound financial position and solid experience in property-related business.

The Directors consider that the Proposed Acquisition, which is considered to be in line with the Company's development strategies, represents a good investment opportunity for the Group to benefit from the returns to be generated from the Property. The Property is a building located in a central business district in Shanghai, the PRC with gross floor area of 24,020.37 square meters.

GENERAL

The Proposed Acquisition, if materialised, may constitute a notifiable transaction and connected transaction of the Company under Chapters 14 and 14A of the Listing Rules. Further announcement(s) in relation to the Proposed Acquisition will be made by the Company as and when appropriate in accordance with the Listing Rules.

The Board would like to emphasise that no legally binding agreement in relation to the Proposed Acquisition has been entered into by the Company as at the date of this announcement (save as to the provisions relating to, among other thing, the confidentiality and governing law).

As the Proposed Acquisition may or may not materialise, Shareholders and potential investors are advised to exercise caution when dealing in the shares and other securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Chongqing Hanquanshi”	重慶罕泉詩實業有限公司 (Chongqing Hanquanshi Enterprise Company Limited*), a company established in the PRC and wholly-owned by the Target

“Company”	Man Sang International Limited (stock code 938), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
“Kingstone”	重慶皇石置地有限公司 (Chongqing Kingstone Land Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Letter of Intent”	the letter of intent dated 25 October 2016 enter into between the Vendor and the Company in relation to the Proposed Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement and for geographical reference only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Proposed Acquisition”	the proposed acquisition by the Company of the entire issued share capital of the Target
“Purchaser”	the Company or its wholly-owned subsidiary
“Shanghai Mingyuan”	上海銘源房地產開發經營有限公司 (Shanghai Mingyuan Real Property Development and Management Company Limited*), a company established in the PRC and will be wholly-owned by Chongqing Hanquanshi before completion of the Proposed Acquisition
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target”	Xin Feng Holding Limited 鑫豐控股有限公司, a company incorporated in Hong Kong with limited liability, which is wholly-owned by the Vendor as at the date of this announcement
“Target Group”	the Target and its subsidiaries
“Vendor”	Mr. Tsoi Tung

* *For identification purpose only*

By order of the Board
Man Sang International Limited
Leung Alex
Executive Director and Company Secretary

Hong Kong, 25 October 2016

As at the date of this announcement, the executive Directors are Mr. Lei Hong Wai (Chairman), Ms. Cheng Ka Man, Carman, Mr. Cheung Kwok Wai, Elton, Mr. Leung Alex and Mr. Yuan Huixia; and the independent non-executive Directors are Mr. Chan Cheong Tat, Mr. Lei Seng Fat and Mr. Wong Tak Chuen.