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MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

UPDATE ON THE PROGRESS OF THE PROPOSED SPIN-OFF AND PROFIT WARNING

This announcement is made by Man Sang International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 17 February 2014, 25 June 2014, 2 July 2014, 8 September 2014, 19 September 2014, 25 September 2014 and 26 September 2014 (the “**Spin-off Announcements**”) in respect of the Proposed Spin-off. Capitalised terms used in this announcement shall have the same meanings as those defined in the Spin-off Announcements unless otherwise defined herein.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) that the Stock Exchange has on 29 September 2014 approved in principle the listing of the MSJ Shares on the Main Board of the Stock Exchange. It is expected that the Group (which includes the MSJ Group prior to the completion of the Proposed Spin-off) would record a significant decrease in net profit attributable to the equity holders of the Company for the six months ending 30 September 2014 as compared to the corresponding period in 2013, which was principally due to the incurrence of the listing expenses (which is estimated to be approximately HK\$23.0 million) in respect of the Proposed Spin-off, and, to a lesser extent, due to the loss of the entitlement to certain favourable tax treatment following the Group’s cessation of the processing arrangements with one of the processing plants in the PRC controlled by the Group (the tax savings enjoyed by the Group for the financial year ended 31 March 2014 was approximately HK\$1.4 million) and an increase of approximately 31% (representing an increase of approximately HK\$0.9 million for the period) in the rental expenses for the Group’s headquarters in Hong Kong.

The Board wishes to emphasize that the information contained in this announcement is based on the preliminary review of the unaudited consolidated management accounts of the Group and the information currently available to the Board. As at the date of this announcement, the Group's interim results for the six months ending 30 September 2014 have not been finalized. It is scheduled that the interim results of the Group for the six months ending 30 September 2014 will be announced in November 2014.

As at the date of this announcement, although the approval in-principle as mentioned aboved was received, the Proposed Spin-off is still subject to the Spin-off Condition. There is no assurance that the Proposed Spin-off will take place, or as to when it may take place. If the Proposed Spin-off does not become unconditional, the Proposed Spin-off will not proceed. Further announcement(s) will be made by the Company in relation to the Proposed Spin-off as and when appropriate. If the Proposed Spin-off does not proceed for any reason, the proposed distribution in specie of MSJ Shares will not be made.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 29 September 2014

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Tai Po (Deputy Chairman), Ms. Yan Sau Man, Amy and Ms. Cheng Ka Man, Carman; the non-executive director of the Company is Mr. Cheng Chung Hing (Chairman); whilst the independent non-executive directors of the Company are Mr. Fung Yat Sang, Mr. Kiu Wai Ming and Mr. Lau Chi Wah, Alex.