MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

The board of directors (the "Board") of Man Sang International Limited (the "Company") is pleased to announce the unaudited financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2013, together with the unaudited comparative figures for the corresponding period in the year 2012.

	Six months ended 30 September		**Decrease**	
	2013	2012		
	HK$'000	*HK$'000*	*HK$'000*	*Percentage*
Revenue	**167,031**	238,596	71,565	30.0%
Gross profit	**68,601**	88,841	20,240	22.8%
Gross profit margin	**41%**	37%		
Profit attributable to equity holders of the Company	**30,267**	30,722	455	1.5%
Basic earnings per share (HK cents)	**2.36**	2.42		

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 September 2013

		Six months ended 30 September	
		2013	2012
	Note	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**167,031**	238,596
Cost of sales		**(98,430)**	(149,755)
Gross profit		**68,601**	88,841
Other income		**1,366**	1,357
Other gains, net		**327**	12,194
Selling expenses		**(9,994)**	(9,538)
Administrative expenses		**(32,772)**	(37,819)
Increase in fair values of investment properties		**21,919**	9,572
Operating profit	*5*	**49,447**	64,607
Finance income		**795**	9,141
Finance cost		**(2,148)**	(6,187)
Finance (cost)/income, net		**(1,353)**	2,954
Share of profit of an associate		**15**	7
Profit before income tax		**48,109**	67,568
Income tax expense	*6*	**(14,678)**	(26,906)
Profit for the period		**33,431**	40,662
Attributable to:			
Equity holders of the Company		**30,267**	30,722
Non-controlling interests		**3,164**	9,940
		33,431	40,662
Earnings per share attributable to equity holders of the Company	*8*		
— Basic		**2.36 HK cents**	2.42 HK cents
— Diluted		**2.33 HK cents**	2.41 HK cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2013

	Six months ended 30 September 2013 HK$'000 (Unaudited)	2012 HK$'000 (Unaudited)
Profit for the period	**33,431**	40,662
Other comprehensive income:		
Items that may be reclassified to profit or loss		
Exchange difference on translation of foreign operations	**15,675**	–
Increase in fair value of leasehold land and buildings, net of deferred income tax	**1,758**	8,942
Other comprehensive income for the period, net of tax	**17,433**	8,942
Total comprehensive income for the period	**50,864**	49,604
Attributable to:		
Equity holders of the Company	**41,862**	39,664
Non-controlling interests	**9,002**	9,940
	50,864	49,604

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2013

	Note	**30 September 2013** **HK$'000** **(Unaudited)**	31 March 2013 HK$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		**943,661**	902,342
Investment properties under construction		**61,034**	64,452
Property, plant and equipment		**127,556**	126,712
Prepaid lease payments		**159**	162
Prepayments		**554**	969
Investment in an associate		**163**	144
Deferred income tax assets		**2,004**	1,695
		1,135,131	1,096,476
Current assets			
Inventories		**79,649**	76,771
Properties under development		**108,963**	–
Completed properties held for sale		**206,504**	208,840
Trade and other receivables	*9*	**124,430**	148,498
Financial assets at fair value through profit or loss		**27,399**	28,396
Current income tax recoverable		**27**	1,938
Cash and cash equivalents		**302,243**	440,770
		849,215	905,213
Current liabilities			
Trade and other payables	*10*	**379,629**	387,711
Current income tax liabilities		**116,294**	108,987
Borrowings		**197,800**	216,900
Amount due to an associate		**2,862**	2,581
		696,585	716,179
Net current assets		**152,630**	189,034
Total assets less current liabilities		**1,287,761**	1,285,510

CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)
As at 30 September 2013

	30 September 2013 HK$'000 (Unaudited)	31 March 2013 HK$'000 (Audited)
Non-current liabilities		
Deferred income tax liabilities	**183,972**	171,968
Borrowings	**75,600**	110,700
	259,572	282,668
Net assets	**1,028,189**	1,002,842
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	**128,019**	128,019
Reserves	**751,420**	735,075
	879,439	863,094
Non-controlling interests	**148,750**	139,748
Total equity	**1,028,189**	1,002,842

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 September 2013 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, accounting policies applied in the preparation of the interim consolidated financial information are consistent with those of the annual financial statements for the year ended 31 March 2013, as described in those annual financial statements.

The Group has adopted HKAS 1 (Amendment) "Presentation of financial statements — presentation of items of other comprehensive income", HKAS 28 (revised 2011) "Investment in associates and joint ventures", HKFRS 10 "Consolidated financial statements", HKFRS12 "Disclosure of interests in other entities", HKFRS 13 "Fair value measurements" and Annual Improvements "HKFRS 2009–2011 cycle" that are effective for the first time for the current interim period. Management has made an assessment on the impact of adoption of these new standards and amendments to standards and there was no material impact on the Group's results and financial position.

Change in accounting policy

There are no HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have material impact on the Group.

Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2013.

3. REVENUE

Revenue represents (i) the amounts received and receivable from customers in respect of goods sold less returns and allowances; (ii) the proceeds from the sale of properties; and (iii) the amounts received and receivable in respect of leasing of investment properties.

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Sales of pearls and jewellery	**131,231**	147,913
Sales of properties	**14,413**	70,651
Rental income	**21,387**	20,032
	167,031	238,596

4. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions.

The Group has two reportable segments. 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 segments represents a strategic business unit that is subject to risks and returns that are different from the other reportable segment. Details of the reportable segments are as follows:

(i) Pearls and jewellery — Purchasing, processing, assembling, merchandising, wholesale distribution of pearls and jewellery products.

(ii) Property — Development, investment, sales and leasing of properties.

	Pearls and jewellery *HK$'000*	**Property** *HK$'000*	**Total** *HK$'000*
Six months ended 30 September 2013			
Total segment revenue	**131,231**	**36,433**	**167,664**
Inter-segment revenue	**–**	**(633)**	**(633)**
Revenue from external customers	**131,231**	**35,800**	**167,031**
Segment profit	**11,706**	**40,048**	**51,754**

	Pearls and jewellery *HK$'000*	Property *HK$'000*	Total *HK$'000*
Six months ended 30 September 2012			
Total segment revenue	147,913	91,267	239,180
Inter-segment revenue	–	(584)	(584)
Revenue from external customers	147,913	90,683	238,596
Segment profit	9,261	58,989	68,250

4. SEGMENT INFORMATION (CONTINUED)

A reconciliation of the reportable segments' profit before income tax to the Group's profit before income tax is provided as follows:

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Total profit before income tax for reportable segments	**51,754**	68,250
Fair value change in financial assets at fair value through profit or loss	**(998)**	284
Dividend income	**917**	1,357
Share option expenses	**(87)**	(272)
Corporate expenses, net	**(3,477)**	(2,051)
Profit before income tax	**48,109**	67,568

A reconciliation of the reportable segments' assets to the Group's total assets is as follows:

	Pearls and jewellery	**Property**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
As at 30 September 2013			
Total assets for reportable segments	**305,248**	**1,628,558**	**1,933,806**
Corporate assets			**23,141**
Financial assets at fair value through profit or loss			**27,399**
Total assets			**1,984,346**

	Pearls and jewellery	Property	Total
	HK$'000	*HK$'000*	*HK$'000*
As at 31 March 2013			
Total assets for reportable segments	348,855	1,617,144	1,965,999
Corporate assets			7,294
Financial assets at fair value through profit or loss			28,396
Total assets			2,001,689

5. **OPERATING PROFIT**

An analysis of the amounts presented as operating items (credited)/charged in the financial information is given below.

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Fair value change in financial assets at fair value through profit or loss	**998**	(284)
Gain on disposals of investment properties and investment properties under construction held for sale	**–**	(9,479)
Staff costs, including directors emoluments	**36,106**	38,333
(Reversal of provision)/provision for inventory obsolescence	**(263)**	1,594
Reversal of provision for impairment of trade and other receivables	**(1,814)**	(1,941)
Impairment of prepaid lease payments	**–**	5,704
Depreciation of property, plant and equipment	**3,406**	3,905
Gain on disposals of property, plant and equipment	**(80)**	(312)

6. **INCOME TAX EXPENSE**

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Current income tax:		
Hong Kong profits tax	**948**	1,167
PRC enterprise income tax	**4,998**	13,697
PRC land appreciation tax	**4,268**	4,416
	10,214	19,280
Deferred income tax	**4,464**	7,626
Net charge for the period	**14,678**	26,906

Hong Kong profits tax has been provided at a rate of 16.5% (2012: 16.5%) on the estimated assessable profits for the six months ended 30 September 2013.

The PRC enterprise income tax in respect of operations in Mainland China is calculated at applicable tax rates on the estimated assessable profit for the period based on existing legislation, interpretation and practices in respect thereof.

The PRC tax law imposes a withholding tax at 10%, unless reduced by a tax treaty, for dividends distributed by PRC subsidiaries to its immediate holding company outside the PRC for earnings generated beginning on 1 January 2008.

PRC land appreciation tax is levied and provided for in the condensed consolidated interim financial information at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property expenditures.

7. DIVIDEND

At a meeting of the board of directors held on 27 November 2013, the directors resolved not to pay an interim dividend to shareholders for the six months ended 30 September 2013. During the six months ended 30 September 2012, an interim dividend and a special dividend of HK1 cent (totalling HK$12,802,000) and HK15 cents (totalling HK$192,028,000) per share, respectively, were declared and paid to shareholders.

The dividends of HK$25,604,000 that relates to the year ended 31 March 2013 was paid in September 2013 (2012: HK$281,642,000).

8. EARNINGS PER SHARE

The calculation of the basic earnings per share for the six months ended 30 September 2013 is based on the profit attributable to equity holders of the Company for the period of HK$30,267,000 (2012: HK$30,722,000) and on the weighted average number of 1,280,190,000 shares (2012: 1,271,694,000 shares) in issue during the period.

Diluted earnings per share for six months ended 30 September 2013 is calculated based on the profit for the period of HK$30,267,000 (2012: HK$30,722,000) and on the adjusted weighted average number of 1,297,126,000 shares (2012: 1,272,728,000 shares) which represented the weighted average number of 1,280,190,000 shares (2012: 1,271,694,000 shares) in issue during the period and the weighted average number of 16,936,000 shares (2012: 1,034,000 shares) deemed to have been issued at no consideration, assuming the exercise of the share options.

9. TRADE AND OTHER RECEIVABLES

The Group grants an average credit period of 60 days to its customers. The carrying amounts of the trade and other receivables approximate their fair values as these financial assets, which are measured at amortised cost, are expected to be paid within a short period of time, such that the impact of the time value of money impact is not significant.

Included in trade and other receivables of the Group are trade receivables of HK$88,722,000 (31 March 2013: HK$58,340,000) and their ageing analysis is as follows:

	30 September 2013 *HK$'000*	31 March 2013 *HK$'000*
Not past due	**29,761**	18,695
1 to 60 days past due	**31,387**	24,651
61 to 120 days past due	**13,367**	3,489
More than 120 days past due	**14,207**	11,505
	88,722	58,340

10. TRADE AND OTHER PAYABLES

Included in trade and other payables of the Group are trade payables of HK$11,564,000 (31 March 2013: HK$8,413,000) and their ageing analysis is as follows:

	30 September 2013 *HK$'000*	31 March 2013 *HK$'000*
0 to 60 days past due	**5,891**	6,753
61 to 120 days past due	**572**	480
More than 120 days past due	**5,101**	1,180
	11,564	8,413

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

The Board of Directors (the "Board") of Man Sang International Limited (the "Company") is pleased to report the results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2013 (the "Period" or "HY13"). During the Period, the unaudited consolidated profit attributable to equity holders of the Company was HK$30.3 million (six months ended 30 September 2012 ("HY12"): HK$30.7 million), representing a decrease of 1.3% as compared to the corresponding period last year. Basic earnings per share was 2.36 HK cents (HY12: 2.42 HK cents), representing a decrease of 2.5% as compared to the corresponding period last year.

BUSINESS REVIEW

During the Period, the global economy remained subdued and continued to be influenced by sluggish market. Consumer and investor confidence remained weak in the United States and Europe. Given the difficulties of the Eurozone to pull itself out of recession as well as the positive but slow progress being made in the United States, these two important mature consumer markets are having an inevitable effect on Mainland China, where growth is being hampered by tightening credit and lower external demand.

During the Period, the difficult economic environment in Europe has weakened the demand for pearls and jewellery products which adversely affected the revenue of the Group. The continuous surge in operating expenses in Mainland China including but not limited to increase in wages, inflation and appreciation in RMB, has put additional pressure on the profitability of the pearl and jewellery operation. In order to maintain competitiveness, the Group continues to devote efforts on cost control measures, as well as the improvisation in the operation to maximise efficiency and hence minimising costs.

For the property sector, the revenue generated from sales of properties in the China Pearls and Jewellery City ("CP&J City") decreased sharply during the Period which was attributable to the completion of residential apartments and factories in HY12 where significant contracted sales were recognized in HY12. Rental income contributed by CP&J City continued to grow due to the improvement in rental rates during the Period.

FINANCIAL REVIEW

The Group currently has two major lines of business: (i) purchasing, processing, assembling, merchandising and wholesale distribution of pearls and jewellery products (the "Pearl and Jewellery Segment"); and (ii) property development and investment (the "Property Segment").

Revenue and gross profit

Pearl and Jewellery Segment

During the Period, net sales attributable to the Pearl and Jewellery Segment decreased by HK$16.7 million or 11.3% from HK$147.9 million in HY12 to HK$131.2 million in HY13. Such decrease was primarily attributable to a drop in net sales of assembled jewellery as the customers are more conscious due to uncertainties surrounding the global economy.

Assembled jewellery continues to contribute the most to the Group's net sales (HY13: HK$81.1 million; HY12: HK$104.1 million) which accounted for 61.8% (HY12: 70.4%) of the total net sales to this segment during the Period.

Europe continued to be the Group's largest market. Net sales from the European region has decreased by 26.7% to HK$51.3 million (HY12: HK$70.0 million) during the Period. Net sales in the North America region contributed HK$31.5 million (HY12: HK$43.0 million), representing a drop of 26.9%, whereas net sales in other Asian countries was HK$37.4 million (HY12: HK$23.2 million), representing a growth of 61.3% during the Period.

Gross profit decreased by HK$3.7 million or 8.0% to HK$42.6 million (HY12: HK$46.3 million) during the Period. There was an increase in gross profit margin during the Period (HY13: 32.5%; HY12: 31.3%) as a result of the increase in sales of salt water pearls during the Period which have comparatively higher gross profit margin amongst all product lines.

Property Segment

Revenue from the Property Segment was HK$35.8 million (HY12: HK$90.7 million) during the Period, which comprised sales of properties of HK$14.4 million (HY12: HK$70.7 million) and rental income of HK$21.4 million (HY12: HK$20.0 million). China Pearls and Jewellery City ("CP&J City") continues to contribute the most to the performance in the Property Segment which accounted for 79.8% (HY12: 92.7%) of total revenue in this segment during the Period.

The revenue from sales of properties mainly represented sales of residential apartments in CP&J City which were completed in HY12. As a result, revenue from sales of properties decreased by HK$56.3 million or 79.6% to HK$14.4 million (HY12: HK$70.7 million) during the Period. Rental income increased by HK$1.4 million or 7.0% to HK$21.4 million (HY12: HK$20.0 million) for the Period as a result of the increase in rental rates from the existing tenants.

Gross profit attributable to the Property Segment decreased by HK$16.5 million or 38.8% to HK$26.0 million (HY12: HK$42.5 million) during the Period as a result of the decrease in sales of the residential apartments as mentioned above. The gross profit margin increased by 25.8 percentage points to 72.7% as compared to 46.9% for the same period last year which was due to an one-off impairment of certain prepaid land leases of HK$5.7 million in HY12.

Selling and administrative expenses (the "S&A expenses")

S&A expenses mainly comprised selling expenses of HK$10.0 million (HY12: HK$9.5 million) and administrative expenses of HK$32.8 million (HY12: HK$37.8 million). S&A expenses decreased by HK$4.5 million or 9.5% to HK$42.8 million (HY12: HK$47.3 million) during the Period which was primarily due to the improvement in cost control efficiency implemented by the Group during the Period.

Profit attributable to equity holders of the Company

The profit attributable to equity holders of the Company slightly decreased by HK$0.4 million or 1.3% to HK$30.3 million (HY12: HK$30.7 million) during the Period.

LIQUIDITY, GEARING RATIO AND FINANCIAL RESOURCES

As at 30 September 2013, the Group's total equity, including non-controlling interests, was HK$1,028.2 million (31 March 2013: HK$1,002.8 million), representing an increase of 2.5%.

As at 30 September 2013, the Group had cash and bank balances of HK$302.2 million (31 March 2013: HK$440.8 million). Cash and bank balances were mainly denominated in Hong Kong dollars, United States dollars and Chinese Renminbi. The Group's working capital or net current assets were HK$152.6 million (31 March 2013: HK$189.0 million). The current ratio, represented by current assets divided by current liabilities, was 1.22 (31 March 2013: 1.26).

As at 30 September 2013, the Group's total borrowings, which were denominated in Hong Kong dollar and Chinese Renminbi, were HK$273.4 million (31 March 2013: HK$327.6 million) and were interest-bearing. The Group does not currently use any derivatives to manage interest rate risk. Gearing ratio, represented by total borrowings divided by total equity, was 0.27 (31 March 2013: 0.33).

As at 30 September 2013, the Group had available banking facilities of HK$318.3 million (31 March 2013: HK$289.4 million) with various banks, of which the unused bank facilities amounted to HK$158.3 million (31 March 2013: HK$109.4 million). With the committed unused banking facilities in place and available cash and cash equivalents, the Group has adequate financial resources to meet our anticipated future liquidity requirements and capital expenditure commitment.

PLEDGE OF ASSETS

The Group's borrowings and banking facilities were secured by certain investment properties in Hong Kong and the PRC, and completed properties held for sale in the PRC with an aggregate carrying amount of HK$464.8 million (31 March 2013: HK$442.5 million).

CAPITAL EXPENDITURE

The Group's capital expenditure during the Period, which was primarily related to purchase of property, plant and equipment, amounted to HK$1.4 million.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group principally operates its businesses in Hong Kong and Mainland China. The Group is exposed to foreign exchange fluctuations from various currencies, such as United States dollars, Hong Kong dollars and Chinese Renminbi, which were the main currencies transacted by the Group during the Period.

Since Hong Kong dollars remains pegged to the United States dollars within a defined range, the Group is not exposed to any significant foreign exchange risk against the United States dollars. The Group has subsidiaries operating in Mainland China, in which most of their transactions are denominated in Chinese Renminbi. The Group is not exposed to any significant foreign exchange transaction risk in relation to Chinese Renminbi and has not entered into any foreign exchange contract as hedging measures.

Notwithstanding the above, the Group is subject to foreign currency risk arising from certain transactions that are denominated in other currencies, such as Euro. The Group manages its foreign currency risk against other currencies by closely monitoring the movement of the foreign currency rates and may use hedging derivative, such as foreign currency forward contract, to manage its foreign currency risk as appropriate.

HUMAN RESOURCES

As at 30 September 2013, the Group had a total workforce of approximately 740, of which approximately 60 were based in Hong Kong. The total staff cost, including directors' emoluments, share options benefit and mandatory provident fund, was approximately HK$36.1 million (HY12: HK$38.3 million) during the Period. Employees were remunerated on the basis of their performance and experience. Remuneration package, including salary and year-end discretionary bonus, was determined by reference to market conditions and individual performance.

FINANCIAL GUARANTEES

As at 30 September 2013, the Group had maximum exposure of HK$80.2 million (31 March 2013: HK$85.3 million) in respect of guaranteeing the mortgage for certain purchasers of properties in CP&J City under mortgage collaboration agreements with a bank in the PRC.

PROSPECTS

The slowdown of the economic growth and the recent tightening of liquidity in the money market in Mainland China have exacerbated the sluggish market and the gloomy customer sentiment. Moreover, the operating environment for manufacturing in Mainland China remains challenging with increase in wages, inflation and appreciation of the RMB hence pressuring the profitability of the Pearl and Jewellery Segment.

On the other hand, the United States is expected to taper the quantitative easing program in the near future. Together with the uncertainty on raising the national debt ceiling, the interest rate is expected to go up worldwide. It will exert a downside pressure on the property market and as a consequence, adversely affect the performance of the Property Segment which has been the most significant profit contributor of the Group.

Facing the tremendous challenges ahead, the Group will continue its tight cost controls while improving the operating efficiency and productivity to maintain competitiveness as the worldwide recovery moves to full throttle. The Group will also manage its liquidity vigilantly to maintain the cash flexibility in the prevailing unpredictable financial atmosphere and grasp any new business and development opportunities. Notwithstanding, the Group will continue to explore new opportunities so arising in order to maximize shareholder's value in the coming future.

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 during the six months ended 30 September 2013.

CORPORATE GOVERNANCE CODE

Man Sang International Limited (the "Company") and its subsidiaries (collectively the "Group") recognises the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders, and the board of directors (the 'Board") is fully committed to doing so. The Board believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, achieve high standard of accountability and protect stakeholders' interests.

The Group has adopted a corporate governance statement of policy which provides guidance on the application of the corporate governance principles on the Group, with reference to the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Save as the deviation from the code provision A.4.1 of the CG Code as further detailed in the heading "Non-Executive Director" below, in the opinion of the directors of the Company (the "Director(s)"), the Company has complied with all code provisions as set out in the CG Code throughout the six months ended 30 September 2013 and, where appropriate, the applicable recommended best practices of the CG Code.

During the six months ended 30 September 2013, the Company has approved and adopted a diversity policy (the "Policy") which sets out to achieve diversity on the Board. The Nomination Committee of the Company is responsible for monitoring the implementation of the Policy.

According to the code provision A.4.1 as set out in the CG code, non-executive directors should be appointed for a specific term, subject to re-election. Although all three Independent Non-Executive Directors, namely Mr. Fung Yat Sang, Mr. Kiu Wai Ming and Mr. Lau Chi Wah, Alex have not been appointed for a specific term, they will all retire at the annual general meeting at least once every three years and will be eligible for re-election in accordance with the CG Code. In the opinion of the Directors, the retirement of each Non-Executive Director at the annual general meeting at least once every three years shall have the same effect of appointing them with a specific term of three years.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules on the Stock Exchange 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 2013.

BOARD OF DIRECTORS

As at 30 September 2013, the Board comprises three Executive Directors, namely Mr. Cheng Tai Po (Deputy Chairman), Ms. Yan Sau Man, Amy and Ms. Cheng Ka Man, Carman, one Non-Executive Director, namely Mr. Cheng Chung Hing (Chairman), and three Independent Non-Executive Directors, namely Mr. Fung Yat Sang, Mr. Kiu Wai Ming and Mr. Lau Chi Wah, Alex.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The audit committee of the Company, which comprises three Independent Non-Executive Directors, namely Mr. Fung Yat Sang, Mr. Kiu Wai Ming and Mr. Lau Chi Wah, Alex, has reviewed the unaudited interim results of the Group for the six months ended 30 September 2013 and has recommended their adoption to the Board.

In addition, the Company's auditor, PricewaterhouseCoopers, have also reviewed the aforesaid unaudited interim financial information.

By Order of the Board
Man Sang International Limited
CHENG CHUNG HING
Chairman

Hong Kong, 27 November 2013

As at the date of this announcement, the Executive Directors are Mr. Cheng Tai Po (Deputy Chairman), Ms. Yan Sau Man, Amy and Ms. Cheng Ka Man, Carman; the Non-Executive Director is Mr. Cheng Chung Hing (Chairman); and the Independent Non-Executive Directors are Mr. Fung Yat Sang, Mr. Kiu Wai Ming and Mr. Lau Chi Wah, Alex.