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MAN SANG INTERNATIONAL LIMITED

(Incorporated in the Bermuda with limited liability)

(Stock Code: 938)

VOLUNTARY ANNOUNCEMENT ISSUANCE OF HONG KONG DOLLAR-DENOMINATED BONDS DUE 2018

This is a voluntary announcement made by Man Sang International Limited (the “**Company**”). The board of directors (“**Directors**”) of the Company is pleased to announce that on 3 November 2016 (after trading hours), the Company entered into a subscription agreement (“**Subscription Agreement**”) as issuer with the Subscriber (as defined below), pursuant to which the Company will issue and the Subscriber will subscribe for the secured bonds due 2018 in registered form in the denomination of HK\$10,000,000 each, comprising an aggregate principal amount of HK\$400,000,000 (the “**Bonds**”).

The Subscription Agreement

Date: 3 November 2016

Parties

Issuer: the Company

Subscriber: a Cayman Islands incorporated open-ended exempted segregated portfolio company

Issue Date: 4 November 2016 (or such other date as the Company and the Subscriber may mutually agree upon)

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Subscriber is a third party independent of the Company and its connected persons.

Completion

Completion of the Subscription Agreement is conditional upon the fulfillment or waiver, to the satisfaction of the Subscriber on or before the date of the closing (“**Closing Date**”), being 4 November 2016 or such other date as mutually agreed by the Company and the Subscriber, of certain conditions. These conditions include the warranties made by the Company remaining true and correct in all material respects as of the Closing Date, the Company having performed and complied with all obligations under the Subscription Agreement, and the delivery of certain transaction documents and security documents.

PRINCIPAL TERMS OF THE BONDS

Certain principal terms of the Bonds are summarized as follows:

Issuer	:	The Company
Subscriber	:	a Cayman Islands incorporated open-ended exempted segregated portfolio company
Aggregate Principal Amount	:	HK\$400,000,000
Fee	:	1% of the Aggregate Principal Amount, which is HK\$4,000,000
Issue Price	:	100% of the principal amount of the Bonds
Interest	:	The Bonds will bear interest at the rate of 9% per annum, payable semi-annually
Form and denomination	:	The Bonds are issued in registered form in the denomination of HK\$10,000,000 each
Status	:	The Bonds constitute direct, unsubordinated, unconditional and secured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves
Listing	:	No application will be made to the Stock Exchange for the listing of the Bonds
Redemption and Cancellation	:	(a) Unless previously redeemed or purchased and cancelled, the Company will redeem each Bond at its outstanding principal amount together with any accrued interest thereon on the Maturity Date

Cancellation : (b) The Company may at its option, by giving not less than thirty (30) days' irrevocable prior notice to the holder(s) of the Bonds, redeem all of the Bonds, in whole but not in part, at the early redemption amount (as defined in the conditions of the Bonds) on the Early Redemption Dates (as defined below).

“Early Redemption Dates” means the date falling on six (6) and twelve (12) months after the Issue Date

(c) All Bonds which are purchased by the Company or any of its subsidiaries, will forthwith be cancelled and such Bonds may not be reissued or sold.

(d) The Company or any of its subsidiaries may at any time and from time to time purchase Bonds at any price in the open market or otherwise.

Maturity Date : 4 November 2018

Transferability : The Bonds are transferrable provided, however, that (a) a Bond may not be transferred unless the principal amount of the Bond transferred is in the denomination of HK\$10,000,000 each and (b) the original holder of the Bond, who has purchased the Bonds as at and on the Issue Date, may not transfer more than forty-nine (49) per. cent of its outstanding principal amount of the Bonds, save for any such transfer to any affiliate of such holder of the Bond, without a prior consent of the Company

Events of default : If any of the events of default stated therein occurs and is continuing, any holder of the Bonds may give written notice to the Company that the Bonds are, and they shall immediately become, due and payable by the Company at the mandatory redemption amount (as defined in the conditions of the Bonds) with accrued and unpaid interest

The terms of the Subscription Agreement and the Bonds were determined by the board of directors of the Company with reference to the prevailing market condition.

REASONS FOR THE SUBSCRIPTION OF THE BONDS AND USE OF PROCEEDS

The proceeds from the issue of the Bonds shall be used by the Company for the purpose of (i) acquisition of properties in the People's Republic of China and (ii) general working capital.

The issue of the Bonds will not result in any dilution effect on the shareholding of the existing shareholders of the Company, while it provides a good opportunity for the Company to raise funds for future acquisitions. The Directors are of the view that the terms of the Subscription Agreement and the Bond are on normal commercial terms and are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

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

Hong Kong, 3 November 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.