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MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement (the “**Announcement**”) of the Company dated 20 September 2011 in relation to, among other matters, the Company’s proposal to develop a Micro Credit Business. Unless otherwise specified, all capitalised terms used herein shall have the same meanings as ascribed to them in the Announcement.

The Board is pleased to announce that on 16 December 2011 (after trading hours), a subsidiary of the Company (the “**Subsidiary**”) entered into a non-binding (other than the consideration per Wansui Share (as defined below) and certain miscellaneous arrangements such as confidentiality and exclusivity) letter of intent with Wansui and certain of its shareholders in relation to, inter alia, a possible transaction (the “**Possible Transaction**”) concerning (i) the acquisition of 92,500,000 shares in Wansui, representing approximately 61.67% of the shares in Wansui (the “**Wansui Share(s)**”), which is engaged in the Micro Credit Business, for a consideration of RMB148 million; and (ii) an option to subscribe for 50 million shares in Wansui for a consideration of not more than RMB1.25 per share.

It is intended that the Possible Transaction will be subject to, inter alia, the following conditions precedent: (i) the Subsidiary having completed and being satisfied with the results of its financial and legal due diligence review on Wansui; and (ii) the approval of the Company’s shareholders’ meeting of the Possible Transaction.

Wansui and its shareholders who are parties to the letter of intent have granted an exclusive negotiation right for a period of two months to the Subsidiary, during which they shall refrain from engaging in negotiation with any third party in connection with the Wansui Shares.

Based on a preliminary assessment relying on the information currently available to the Company, if the Possible Transaction is proceeded with, it could constitute a major transaction of the Company under the Listing Rules.

The Board wishes to emphasise that no binding agreement in relation to the Possible Transaction has been entered into as at the date of this announcement, there is no assurance that it will be entered into and the structure of the Possible Transaction is subject to negotiation and change. As such, the Possible Transaction may or may not proceed. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company.

Further announcement(s) in relation to the matter referred to above will be made as and when appropriate and the Company will comply with all necessary requirements under the Listing Rules.

By Order of the Board
Man Sang International Limited
Pak Wai Keung, Martin
Company Secretary

Hong Kong, 18 December 2011

As at the date of this announcement, the executive Directors are Mr. Cheng Tai Po (Deputy Chairman), Mr. Zhang Huaqiao (Chief Executive Officer) and Ms. Yan Sau Man, Amy; the non-executive Directors are Mr. Cheng Chung Hing (Chairman) and Mr. Lee Kang Bor, Thomas; and the independent non-executive Directors are Mr. Fung Yat Sang, Mr. Kiu Wai Ming and Mr. Lau Chi Wah, Alex.