

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Man Sang International Limited (the "Company"), you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

**PROPOSED BONUS ISSUE OF SHARES,
RE-ELECTION OF DIRECTORS,
GENERAL MANDATES
TO ISSUE AND TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the 2005 Annual General Meeting of the Company to be held at Magnolia & Lotus Rooms, 2/F., The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Monday, August 1, 2005 at 2:30 p.m. is set out in this circular. Whether or not you are able to attend, please complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the proxy form will not preclude you from attending and voting at the meeting should you so wish.

July 8, 2005

CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE	ii
DEFINITIONS	1
LETTER FROM THE BOARD	3
APPENDIX I - DIRECTORS PROPOSED TO BE RE-ELECTED	8
APPENDIX II - EXPLANATORY STATEMENT	11
NOTICE OF 2005 ANNUAL GENERAL MEETING	14

EXPECTED TIMETABLE

2005

Last day of trading in Shares cum entitlements to the Bonus Issue	Thursday, July 21
First day of trading in Shares ex-entitlements to the Bonus Issue	Friday, July 22
Latest time for lodging transfers of Shares to qualify for the Bonus Issue	4:00 p.m. on Monday, July 25
Closure of Register (both dates inclusive)	Tuesday, July 26 to Monday, August 1
Latest time for lodging forms of proxy for the 2005 AGM	2:30 p.m. on Saturday, July 30
Record Date for determination of entitlements to the Bonus Issue	Monday, August 1
2005 AGM	2:30 p.m. on Monday, August 1
Dispatch of certificates for Bonus Issue on or before	Monday, August 8
First day of dealing in Bonus Shares	Wednesday, August 10

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“2005 AGM”	the 2005 annual general meeting of the Company to be held at Magnolia & Lotus Rooms, 2/F., The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on August 1, 2005 at 2:30 p.m. and any adjournment thereof, notice of which is set out on pages 14 to 18 of this circular
“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Bonus Issue”	proposed bonus issue of Bonus Shares to the Shareholders whose names appear on the register of members of the Company at the close of business on Record Date on the basis of one Bonus Share for every ten existing Shares held on that day
“Bonus Share(s)”	new Share(s) to be issued by way of bonus by the Company as described herein
“Bye-Laws”	the Bye-Laws of the Company
“CCASS”	the Central Clearing and Settlement System, established and operated by Hong Kong Clearing
“Company”	Man Sang International Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company from time to time
“General Mandates”	the Shares Repurchase Mandate and the general mandate to issue Shares to be sought at the 2005 AGM as set out in the notice convening the same
“Group”	the Company and its subsidiaries
“Hong Kong Clearing”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars

DEFINITIONS

“Latest Practicable Date”	July 8, 2005, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice”	the notice of the 2005 AGM set out on pages 14 to 18 of this circular
“Record Date”	August 1, 2005, being the record date for determining entitlements of the Shareholders to the Bonus Issue
“Register”	the register of members of the Company
“Branch Registrar”	Secretaries Limited at G/F, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, the branch share registrar of the Company in Hong Kong
“Shares”	shares of HK\$0.10 each in the capital of the Company
“2002 Share Option Scheme”	the share option scheme of the Company adopted on August 2, 2002 pursuant to which options may be granted to employees, officers, agents or consultants of the Group, including executive directors or non-executive directors of the Group
“Shares Repurchase Mandate”	the proposed new general mandate, to be sought at the 2005 AGM, to authorize the Directors to repurchase the Shares in the manner as set out in the notice of the 2005 AGM
“Shareholder(s)”	registered holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	The Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong

LETTER FROM THE BOARD



MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

Executive Directors:

Cheng Chung Hing (*Chairman*)
Cheng Tai Po (*Deputy Chairman*)
Yan Sau Man, Amy

Independent Non-Executive Directors:

Lee Kang Bor, Thomas
Lau Chi Wah, Alex
Kiu Wai Ming, Kenneth

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal Place of Business
in Hong Kong:*

21/F, Railway Plaza
39 Chatham Road South
Tsimshatsui
Kowloon
Hong Kong

July 8, 2005

To Shareholders

Dear Sir or Madam,

**PROPOSED BONUS ISSUE OF SHARES,
RE-ELECTION OF DIRECTORS,**

**GENERAL MANDATES
TO ISSUE AND TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

On June 28, 2005, the Board announced the results of the Group for the year ended March 31, 2005 and proposed the Bonus Issue, details of which are set out below. The purpose of this circular is to provide you with details regarding the proposed ordinary resolutions to be considered and, if thought fit, to be approved, among other things, the Bonus Issue, grant of general mandates to issue and repurchase Shares.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

In accordance with Bye-Law 87 of the Bye-laws of the Company and for compliance with the Code of Corporate Governance Practices (the "Code") set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), Mr. Cheng Chung Hing, the Chairman, and Mr. Cheng Tai Po, Deputy-Chairman, will retire from office by rotation at the 2005 AGM.

In accordance with Bye-Law 86 of the Bye-laws of the Company, Mr. Kiu Wai Ming, Kenneth and Mr. Lau Chi Wah, Alex, who were appointed as Independent Non-Executive Directors of the Company subsequent to the last annual general meeting of the Company held on August 4, 2004, shall hold office until the 2005 AGM.

Mr. Cheng Chung Hing, Mr. Cheng Tai Po, Mr. Kiu Wai Ming, Kenneth and Mr. Lau Chi Wah, Alex (collectively, the "Retiring Directors"), being eligible, have offered themselves for re-election at the 2005 AGM. Details of the said Directors proposed to be re-elected are set out in Appendix I to this Circular.

BONUS ISSUE

Subject to the conditions set out below, the Bonus Issue will be made to Shareholders whose names appear on the Register on the Record Date in the proportion of one Bonus Share, credited as fully paid, for every ten Shares held on the Record Date by way of capitalization from the Company's share premium account.

As at the Latest Practicable Date, no options have been granted under the 2002 Share Option Scheme. As at the Latest Practicable Date, there were an aggregate of 909,763,825 Shares in issue, on which basis 90,976,382 Bonus Shares of HK\$0.10 each will be issued under the Bonus Issue and the amount of HK\$9,097,638.20 will be capitalized from the Company's share premium account. The total number of Shares in issue will then be increased to 1,000,740,207.

The Bonus Shares will be credited as fully paid and will rank *pari passu* in all respects with the existing issued Shares with effect from the date of issue, but not rank for the Bonus Issue.

No fractional Shares shall be issued and Shares representing fractions shall be aggregated and sold for the benefit of the Company.

In the absence of any specific instruction to the contrary received in writing by the Branch Registrar, certificates in respect of the Bonus Shares will be sent to the persons entitled thereto at their respective addresses shown in the Register or, in the case of joint holders, to the address of the joint holder whose name stands first in the Register in respect of the joint holding. All such share certificates will be sent on or before August 8, 2005 at the risk of the persons entitled thereto and neither the Company nor the Branch Registrar will be responsible for any loss or delay in transmission.

LETTER FROM THE BOARD

Dealings in the Bonus Shares on the Stock Exchange are expected to commence on August 10, 2005 and will be subject to Hong Kong stamp duty.

CONDITIONS OF THE BONUS ISSUE

The Bonus Issue is conditional on:

- (i) the passing by the Shareholders at the 2005 AGM of an ordinary resolution approving the Bonus Issue; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares to be issued pursuant to the Bonus Issue.

CLOSURE OF REGISTER

The Register of the Company will be closed from Tuesday, July 26, 2005 to Monday, August 1, 2005 (both dates inclusive) in order to determine Shareholders' entitlements to the Bonus Issue. The last day for dealing in Shares cum entitlements to the Bonus Issue will be Thursday, July 21, 2005.

To qualify for the Bonus Issue, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Branch Registrar for registration no later than 4:00 p.m. on Monday, July 25, 2005.

LISTING AND DEALINGS

Application will be made to the Listing Committee of the Stock Exchange for listings of, and permission to deal in, the Bonus Shares. No part of the share capital of the Company is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought.

Application will be made to Hong Kong Clearing for the admission of the Bonus Shares into CCASS. Subject to the granting of listings of, and permission to deal in, the Bonus Shares on the Stock Exchange as well as compliance with the stock admission requirements of Hong Kong Clearing, the Bonus Shares will be accepted as eligible securities by Hong Kong Clearing for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Bonus Shares on the Stock Exchange or such other date as determined by Hong Kong Clearing. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

LETTER FROM THE BOARD

TAXATION

Shareholders are recommended to consult their professional adviser if they are in any doubts as to the taxation implications of any purchase, holding or disposal of or dealing in the Bonus Shares and receipt of any dividend. It is emphasized that none of the Company, the Directors or any other parties involved in the Bonus Issue accepts responsibility for any tax effects or liabilities of the Shareholders resulting from the purchase, holding or disposal of or dealing in the Bonus Shares and receipt of any dividend.

GENERAL MANDATE TO ISSUE SHARES

At the 2005 AGM, an ordinary resolution will be proposed in respect of granting to the Directors a general and unconditional mandate to allot, issue and deal with Shares up to a maximum of 20% of the share capital of the Company in issue as at the date on which the resolution is passed.

Another ordinary resolution will also be proposed to increase the limit of this 20% by the amount of any Shares of the Company repurchased by the Company under authority of the Shares Repurchase Mandate up to a maximum of 10% of the aggregate nominal value of the issued share capital of the Company at the date of passing of the relevant resolution.

GENERAL MANDATE TO REPURCHASE SHARES

At the 2005 AGM, an ordinary resolution will be proposed in respect of granting to the Directors of a general mandate to exercise the powers of the Company to repurchase Shares. The total nominal amount of Shares to be purchased pursuant to the Shares Repurchase Mandate shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of the relevant resolution. The Company's authority is restricted to purchases made on the Stock Exchange in accordance with the Listing Rules.

The explanatory statement to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision whether to vote for or against the resolution concerning the Shares Repurchase Mandate is set out in Appendix II to this circular.

RIGHT TO DEMAND A POLL

Under the Bye-Laws, at the 2005 AGM, a poll may be demanded before or on the declaration of the result of a show of hands or on the withdrawal of any other demand for a poll by:

- (a) the Chairman of the 2005 AGM; or
- (b) at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the 2005 AGM; or

LETTER FROM THE BOARD

- (c) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the 2005 AGM; or
- (d) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the 2005 AGM being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.

2005 AGM

Set out on pages 14 to 18 of this circular is a notice convening the 2005 AGM.

A form of proxy for the 2005 AGM is enclosed. Whether or not you intend to be present at the 2005 AGM, you are requested to complete the form of proxy and return it to the Company's Branch Registrar in Hong Kong, Secretaries Limited, at G/F, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong in accordance with the instructions printed thereon not later than 2:30 p.m. on Saturday, July 30, 2005, being 48 hours before the time fixed for holding the 2005 AGM.

RECOMMENDATION

The Board believes that the Bonus Issue and the grant of the General Mandates are in the interests of the Company and the Shareholders. Accordingly, the Board recommends that the Shareholders vote in favor of the resolutions to be proposed at the 2005 AGM.

Yours faithfully,
For and on behalf of
MAN SANG INTERNATIONAL LIMITED
Cheng Chung Hing
Chairman

The details of the Directors proposed to be re-elected at the 2005 AGM are set out below:

1. **Mr. Cheng Chung Hing**, aged 44, was appointed as Chairman of the Company in August 1997. Mr. Cheng, with over 20 years of experience in the pearl business, is responsible for the overall management of the Group as well as the formulation and development of the Group's corporate policies and business strategies. Mr. Cheng was appointed as Honorary Professor, Science of Logistics and Faculty of Engineering, University of Shanghai in 1998. Mr. Cheng received the "Hong Kong Young Industrialists Award 1997" from the Federation of Hong Kong Industries, the "Distinguished International Entrepreneur of the Year Award" and the title of Adjunct Professor of the College of Business from San Francisco State University in the U.S. in 1997. Mr. Cheng has also been the Honorary Life President of the Hong Kong Gemstone Manufacturers Association since June 2005. Mr. Cheng is also the Chairman of Man Sang Holdings, Inc. since 1996, which is the ultimate holding company of the Company and listed on NASDAQ OTC Bulletin Board in the U.S. Save as disclosed herein, Mr. Cheng has not held any directorships in other listed public companies during the last three years.

Details of interests of Mr. Cheng in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") are disclosed under the sections headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" in Directors' Report which is contained in the Company's 2005 Annual Report accompanying this Circular. As at the Latest Practicable Date, there had been no changes in such interests held by Mr. Cheng. Mr. Cheng is the brother of Mr. Cheng Tai Po, an executive Director of the Company. Save as disclosed herein, Mr. Cheng does not have any other relationships with any Directors, senior management, substantial or controlling shareholders of the Company.

Mr. Cheng has entered into a service agreement with the Company for a fixed term of three years from September 1, 2003 until terminated by not less than three months' notice in writing served by either party giving to the other. Mr. Cheng is entitled to a Director's emoluments in the amount of HK\$3,000,000 per annum plus a rent-free accommodation provided by the Company in acting as a Director of the Company. The emoluments of Mr. Cheng are determined, among other things, by reference to industry norm and market conditions, with discretionary bonus based on performance.

2. **Mr. Cheng Tai Po**, aged 53, was appointed as the Deputy Chairman of the Company in 1997. Mr. Cheng has over 20 years of experience in the pearl business. Mr. Cheng is responsible for the purchasing and processing of pearls and has developed a special pearl processing technique, as well as a special grading system which is used by a large number of the Group's customers. Over the years, Mr. Cheng has developed close relationships with pearl suppliers and has built up a strong and reliable supply network. He is a Board

Member of the Zhanjiang Ocean University, the PRC and a general committee member of the Hong Kong Jewelry Manufacturer's Association. Mr. Cheng is also the Vice Chairman of Man Sang Holdings, Inc. since 1996, which is the ultimate holding company of the Company and listed on NASDAQ OTC Bulletin Board in the U.S. Save as disclosed herein, Mr. Cheng has not held any directorships in other listed public companies during the last three years.

Details of interests of Mr. Cheng Tai Po in the shares of the Company within the meaning of Part XV of SFO are disclosed under the sections headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" in Directors' Report which is contained in the Company's 2005 Annual Report accompanying this Circular. As at the Latest Practicable Date, there had been no changes in such interests held by Mr. Cheng. Mr. Cheng Tai Po is the brother of Mr. Cheng Chung Hing, an executive Director of the Company. Save as disclosed herein, Mr. Cheng does not have any other relationships with any Directors, senior management, substantial or controlling shareholders of the Company.

Mr. Cheng Tai Po has entered into a service agreement with the Company for a fixed term of three years from September 1, 2003 until terminated by not less than three months' notice in writing served by either party giving to the other. Mr. Cheng is entitled to a Director's emoluments in the amount of HK\$3,000,000 per annum in acting as a Director of the Company. The emoluments of Mr. Cheng are determined, among other things, by reference to industry norm and market conditions, with discretionary bonus based on performance.

3. **Mr. Kiu Wai Ming, Kenneth**, aged 56, was appointed as an Independent Non-Executive Director and Audit Committee member of the Company in September 2004. Mr. Kiu has over 30 years experience in finance and banking industry. Between 1983 and 1998, he held various senior positions at Dah Sing Financial Group, including Executive Director of Dah Sing Financial Holdings Ltd. and Senior Executive Director of Dah Sing Bank Ltd. From 1999 to 2002, Mr. Kiu was a Director and Deputy Chief Executive at Industrial & Commercial Bank of China (Asia) Limited. He was a Director and Chief Executive Officer of Rising Development Holdings Ltd. from 2002 to 2003. He holds a Bachelor of Science degree major in Economics and minor in marketing from Louisiana State University. In the past 3 years, Mr. Kiu was the director of Industrial & Commercial Bank of China (Asia) Limited and Rising Development Holdings Ltd.

Mr. Kiu does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Kiu does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Kiu. Mr. Kiu is subject to retirement by rotation and re-election in accordance with the Bye-Laws of the Company. He is entitled to a director's fee of HK\$100,000 per annum in acting as a Director of the Company. The director's fee is determined, among other things, by reference to his duties and responsibilities with the Company, the industry norm and market conditions. Mr. Kiu is not entitled to discretionary bonus.

4. **Mr. Lau Chi Wah, Alex**, aged 41, was appointed as an Independent Non-Executive Director and Audit Committee Member of the Company in September 2004. He is currently the Executive Vice President of the Corporate Finance Department of G.K. Goh Securities (H.K.) Limited. He manages initial public offerings and fund raising exercises and advises listed companies on mergers and acquisitions, take-overs, buy-outs and other corporate advisory transactions. Mr. Lau has 20 years experience in corporate finance and accounting fields. He holds a bachelor of science degree in Accounting from University of East Anglia, Norwich, England. He is a member of the Institute of Chartered Accountants in England & Wales.

Mr. Lau does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lau does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Lau and he is subject to retirement by rotation and re-election in accordance with the Bye-Laws of the Company. Mr. Lau is entitled to a director's fee of HK\$100,000 per annum in acting as a Director of the Company. The director's fee is determined, among other things, by reference to his duties and responsibilities with the Company, the industry norm and market conditions. Mr. Lau is not entitled to discretionary bonus.

The Listing Rules contain provisions regulating the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange.

This explanatory statement provides you with requisite information necessary to enable you to make a decision on whether to vote for or against Resolution 5, 6 and 7 to be proposed at the 2005 AGM of the Company.

GENERAL MANDATES

Ordinary Resolution 5 to be proposed at the 2005 AGM relates to the granting of a general mandate to the Directors to issue new Shares up to a maximum of 20% of the issued share capital of the Company at the date of passing the resolution.

Ordinary Resolution 6 to be proposed at the 2005 AGM relates to the granting of a buyback mandate to the Directors to repurchase, on the Stock Exchange, Shares up to a maximum of 10% of the issued share capital of the Company at the date of passing the resolution.

Ordinary Resolution 7 relates to the extension of the general mandate to be granted to the Directors to issue new Shares during the relevant period by adding to it the number of Shares purchased under the Shares Repurchase Mandate, if any.

REASONS FOR SHARES BUYBACK

Although the Directors have no present intention of repurchasing any Shares, they believe that the flexibility afforded by the Shares Repurchase Mandate would be beneficial to the Company and the Shareholders. Repurchases will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangement at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share.

SHARE CAPITAL

Assuming that no further Shares are issued, whether pursuant to the options which have been granted under the 2002 Share Option Scheme of the Company or otherwise or repurchase between the Latest Practicable Date and the date of the 2005 AGM, there will be 909,763,825 fully paid Shares in issue, and exercise in full of the Shares Repurchase Mandate would result in up to a maximum of 90,976,382 Shares, being 10% of the issued share capital, of the Company during the relevant period referred to in Ordinary Resolution 7 of the notice of the 2005 AGM.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association of the Company and Bye-Laws and the laws of Bermuda. Under Bermuda law, a repurchase of Shares may be

effected out of capital paid up on the Shares to be repurchased, funds of the Company otherwise available for dividend or distribution or proceeds of a fresh issue of Shares made for the purposes and, in the case of any premium payable on the repurchase, funds of the Company otherwise available for dividend or distribution or sums standing to the credit of the share premium account of the Company.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended March 31, 2005) in the event that the Shares Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Shares Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

MARKET PRICES

The highest and lowest market prices at which the Shares were traded on the Stock Exchange during each of the previous 12 months before the Latest Practicable Date were as follows:-

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2004		
July	0.220	0.190
August	0.200	0.180
September	0.190	0.180
October	0.200	0.180
November	0.260	0.180
December	0.300	0.200
2005		
January	0.280	0.210
February	0.280	0.240
March	0.260	0.220
April	0.260	0.230
May	0.255	0.240
June	0.265	0.246

DISCLOSURE OF INTERESTS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases under the Shares Repurchase Mandate in accordance with the Listing Rules and laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates presently intend to sell Shares to the Company under the Shares Repurchase Mandate in the event that the Shares Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons of the Company that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Shares Repurchase Mandate is approved by the Shareholders.

SHARES PURCHASES MADE BY THE COMPANY

No purchase of Shares has been made by the Company during the last six months immediately preceding the issue of this circular (whether on the Stock Exchange or otherwise).

TAKEOVER CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeover Code. As a result a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, the equity interest of the major shareholder, Man Sang International (B.V.I.) Limited ("MSBVI"), in the Company was 49.40%. Any repurchases by the Company on the Stock Exchange up to the maximum of 10% of the issued share capital of the Company made pursuant to the Shares Repurchase Mandate granted to the Directors to repurchase mean that the equity interest of MSBVI in the Company may increase to 54.89%. Accordingly, the Directors are not aware of any consequences which will arise under the Takeover Code as a result of any purchases to be made under the Shares Repurchase Mandate.

NOTICE OF 2005 AGM



MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

NOTICE IS HEREBY GIVEN that the 2005 Annual General Meeting of Man Sang International Limited (the "Company") will be held at Magnolia & Lotus Rooms, 2/F., The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Monday, August 1, 2005 at 2:30 p.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the Reports of Directors and Auditors and the audited financial statements for the year ended March 31, 2005.
2. (a) To re-elect the following directors:-
 - (i) Mr. Cheng Chung Hing;
 - (ii) Mr. Cheng Tai Po;
 - (iii) Mr. Kiu Wai Ming, Kenneth;
 - (iv) Mr. Lau Chi Wah, Alex.
- (b) To authorize the Board of Directors to fix the directors' remuneration for the ensuing year.
3. To appoint the Auditors and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:-

"THAT conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting or agreeing to grant listing of and permission to deal in the new shares of HK\$0.10 each in the capital of the Company (the "Shares") to be issued pursuant to this Resolution:

- (i) the amount standing to the credit of share premium account of the Company as would be required to be applied in paying up in full at par new Shares, such Shares, credited as fully paid, to be allotted and

NOTICE OF 2005 AGM

distributed (subject as referred to in paragraph (ii) below) among members of the Company whose names appear on the register of members of the Company at the close of business on Monday, August 1, 2005 in the proportion of one new Share (the "Bonus Share") for every existing ten Shares then held, be capitalized and applied in such manner and the directors of the Company be and are hereby authorized to allot and issue such Bonus Shares;

- (ii) no fractional Bonus Shares shall be allotted to members of the Company and fractional entitlements will be aggregated and sold for the benefit of the Company;
 - (iii) the Bonus Shares to be issued pursuant to sub-paragraph (i) above shall rank *pari passu* in all respects with the existing issued Shares as at the date of issuing such Bonus Shares; and
 - (iv) the directors of the Company be and are hereby authorized to do all acts and things as may be necessary and expedient in connection with the issue of Bonus Shares referred to in paragraph (i) of this Resolution."
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:-

"THAT:-

- (i) subject to paragraph (iii) of this Resolution, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional share(s) of HK\$0.10 each in the capital of the Company (the "Shares") and to make or grant offers, agreements and options (including warrants) which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) of this Resolution shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants) which might require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate nominal value of share capital to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and to be issued by the directors of the Company pursuant to the approval in paragraph (i) of this Resolution, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined), or (b) an issue of Shares upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company from time to time,

NOTICE OF 2005 AGM

or (c) an issue of Shares under any option scheme or similar arrangement for the time being adopted by the Company and/or any of its subsidiaries for the grant or issue to participants of Shares or rights to acquire Shares, or (d) any scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws of the Company, shall not exceed 20 per cent of the aggregate nominal value of the share capital of the Company in issue at the date of passing this Resolution and the said approval shall be limited accordingly; and

(iv) for the purpose of this Resolution:–

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:–

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable laws of Bermuda to be held; or
- (c) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this Resolution; and

“Rights Issue” means an offer of Shares or issue of options to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF 2005 AGM

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:-

“THAT:-

- (i) subject to paragraph (ii) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase Shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares of the Company may be listed and is recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal value of Shares to be repurchased by the Company pursuant to paragraph (i) of this Resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal value of the share capital of the Company in issue at the date of passing this Resolution, and the authority pursuant to paragraph (i) of this Resolution shall be limited accordingly; and
- (iii) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:-
 - (a) the conclusion of the next annual general meeting of the Company; or
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable laws of Bermuda to be held; or
 - (c) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this Resolution.”

NOTICE OF 2005 AGM

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:-

“**THAT** conditional upon Resolution Nos. 5 and 6 as set out in the notice convening this meeting being passed, the general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional Shares pursuant to Resolution No. 5 as set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 6 as set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent of the aggregate nominal value of the share capital of the Company in issue as at the date of passing this Resolution.”

By Order of the Board
Au Moon Ying Henry
Secretary

Hong Kong, July 8, 2005

Principal Office in Hong Kong:
21/F, Railway Plaza
39 Chatham Road South
Tsimshatsui
Kowloon
Hong Kong

Notes:

- (1) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and in the event of a poll, vote for him/her. A proxy need not be a member of the Company.
- (2) To be valid, a form of proxy, together with power of attorney or other authority (if any), must be deposited at the Company's Branch Registrar in Hong Kong, Secretaries Limited, at G/F, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or at any adjourned meeting thereof.
- (3) The register of members will be closed from Tuesday, July 26, 2005 to Monday, August 1, 2005, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed Bonus Issue, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Secretaries Limited, at G/F, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, July 25, 2005.