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If you are in doubt as to any aspect of this circular, 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, you should at once hand this circular and the accompanying proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

**PROPOSED BONUS ISSUE OF SHARES,
ADJUSTMENT TO WARRANT SUBSCRIPTION PRICE,
INCREASE IN AUTHORIZED SHARE CAPITAL
AND
GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SECURITIES**

A notice convening the 2000 Annual General Meeting of Man Sang International Limited to be held at Ching Room, 4/F., Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, August 2, 2000 at 2:30 p.m. is set out on pages 14 to 18 of 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 10, 2000

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EXPECTED TIMETABLE

2000

Last day of trading in Shares cum entitlements to the Bonus Issue	Tuesday, July 25
First day of trading in Shares ex-entitlements to the Bonus Issue	Wednesday, July 26
Latest time for lodging transfers of Shares and subscription forms to exercise Warrants to qualify for the Bonus Issue	4:00 p.m. on Thursday, July 27
Closure of Register (both dates inclusive)	Friday, July 28 to Wednesday, August 2
Latest time for lodging forms of proxy for the 2000 Annual General Meeting	2:30 p.m. on Monday, July 31
Record Date for determination of entitlements to the Bonus Issue	Wednesday, August 2
2000 Annual General Meeting	2:30 p.m. on Wednesday, August 2
Dispatch of certificates for Bonus Issue on or before	Tuesday, August 8
First day of dealing in Bonus Shares	Thursday, August 10

DEFINITIONS

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

“2000 Annual General Meeting”	an annual general meeting of the Company to be convened on Wednesday, August 2, 2000 at 2:30 p.m., the notice of which is set out on pages 14 to 18 and any adjournment thereof
“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 five 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
“CCASS”	the Central Clearing and Settlement System, established and operated by Hongkong Clearing
“Company”	Man Sang International Limited, a company incorporated in Bermuda with limited liability and the Securities of which are listed on the Stock Exchange
“Directors”	directors of the Company from time to time
“General Mandates”	the Securities Repurchase Mandate and the general mandate to issue Shares to be sought at the 2000 Annual General Meeting 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
“Instrument”	the instrument by way of deed poll dated August 2, 1999 constituting the Warrants
“Latest Practicable Date”	July 4, 2000, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Overseas Shareholders”	holders of Shares whose addresses as shown on the register of members at the close of business on the Record Date are outside Hong Kong
“Record Date”	August 2, 2000, being the record date for determining entitlements of the Shareholders to the Bonus Issue
“Register”	the register of members and warrant holders of the Company
“Registrars”	Secretaries Limited at 5/F, Wing On Centre, 111 Connaught Road Central, Hong Kong, the branch share and warrant registrars of the Company in Hong Kong
“Securities”	Shares and Warrants
“Securities Repurchase Mandate”	the proposed new general mandate, to be sought at the 2000 Annual General Meeting, to authorize the Directors to repurchase the Securities in the manner as set out in the notice of the 2000 Annual General Meeting
“Shares”	shares of HK\$0.10 each in the capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on September 8, 1997 pursuant to which options may be granted to executive directors and employees of the Company or any of its subsidiaries to subscribe for Shares
“Shareholders”	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
“Warrants”	warrants of the Company entitling the holders thereof to subscribe in cash for new Shares at the current subscription price of HK\$0.40 per Share (subject to adjustment) at any time from September 14, 1999 until 4:00 p.m. (Hong Kong time) on September 13, 2001, both dates inclusive
“Warrant holders”	registered holder(s) of Warrant(s)

LETTER FROM THE BOARD



MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

Executive Directors:

Cheng Chung Hing (*Chairman*)
Cheng Tai Po (*Vice-Chairman*)
Yan Sau Man, Amy
Wong Ka Ming

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-Executive Director:

Hung Kwok Wing

Principal place of business

in Hong Kong:

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

Independent Non-Executive Directors:

Alexander Reid Hamilton
Yuen Ka Lok, Ernest

July 10, 2000

*To the Shareholders and, for information only,
Warrantholders*

Dear Sir or Madam,

**PROPOSED BONUS ISSUE OF SHARES,
ADJUSTMENT TO WARRANT SUBSCRIPTION PRICE,
INCREASE IN AUTHORIZED SHARE CAPITAL
AND
GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SECURITIES**

INTRODUCTION

On June 29, 2000, the board of directors of the Company announced the results of the Group for the year ended March 31, 2000. In addition, the Directors proposed the Bonus Issue, details of which are set out below and to increase the authorized share capital of the Company. The purpose of this circular is to provide you with further information regarding the Bonus Issue, the increase in authorized share capital, the adjustment of the warrant subscription price and the General Mandates.

LETTER FROM THE BOARD

BONUS ISSUE

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

As at the Latest Practicable Date, there were an aggregate of 525,159,109 Shares in issue, on which basis 105,031,821 Bonus Shares will be issued under the Bonus Issue and the amount of HK\$10,503,182.10 will be capitalized from the Company's share premium account. The total number of Shares in issue will then be increased to 630,190,930.

As at the Latest Practicable Date, there were HK\$38,738,839.20 outstanding Warrants entitling the holders thereof to subscribe for a total of 96,847,098 Shares at a subscription price of HK\$0.40 per Share, subject to adjustment. As at the Latest Practicable Date, options (the "Options") which entitle holders thereof to subscribe for 42,150,000 Shares granted pursuant to the Share Option Scheme remain outstanding. If all outstanding subscription rights attaching to the Options and the Warrants were exercised in full before the Record Date, the aggregate number of Shares to be issued under the Bonus Issue would be increased to 132,831,241 and the amount to be capitalized from the share premium account would be increased to HK\$13,283,124.10. The total number of Shares in issue will then be increased to 796,987,448.

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 Registrars, certificates in respect of the Bonus Shares will be sent to the persons entitled thereto at their respective addresses shown in the register of members or, in the case of joint holders, to the address of the joint holder whose name stands first in the register of members in respect of the joint holding. All such share certificates will be sent on or before August 8, 2000 at the risk of the persons entitled thereto and neither the Company nor the Registrars will be responsible for any loss or delay in transmission.

Dealings in the Bonus Shares on the Stock Exchange are expected to commence on August 10, 2000 and will be subject to Hong Kong stamp duty.

LETTER FROM THE BOARD

OVERSEAS SHAREHOLDERS

The Directors are of the view that the issue of the Bonus Shares to the Shareholders with addresses outside Hong Kong would or might, in the absence of compliance with registration or other special formalities in such other territories, be unlawful or impracticable. As a result, Bonus Shares will not be issued to Overseas Shareholders. Arrangements will be made for the Bonus Shares which would otherwise be allotted to the Overseas Shareholders to be sold in the market as soon as practicable after dealings in the Bonus Shares commence if a premium, net of expenses, can be obtained. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong currency to such persons at their own risk pro rata to their respective shareholdings in the Company except that amount payable to individual shareholder is less than HK\$100, the sales proceeds will not be distributed but will be retained for the benefit of the Company.

CONDITIONS OF THE BONUS ISSUE

The Bonus Issue is conditional on:

- (i) the passing by the Shareholders at the 2000 Annual General Meeting 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 Friday, July 28, 2000 to Wednesday, August 2, 2000 (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 Tuesday, July 25, 2000.

To qualify for the Bonus Issue, all transfers of Shares accompanied by the relevant share certificates and all subscription forms in relation to the exercise of Warrants, accompanied by the appropriate subscription moneys and the relevant warrant certificates must be lodged with the Registrars for registration no later than 4:00 p.m. on Thursday, July 27, 2000.

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.

LETTER FROM THE BOARD

Application will be made to Hongkong 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 Hongkong Clearing, the Bonus Shares will be accepted as eligible securities by Hongkong 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 Hongkong 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.

ADJUSTMENT TO WARRANT SUBSCRIPTION PRICE

Subject to the Bonus Issue becoming unconditional, the price payable on exercise of the subscription rights attaching to the Warrants will be adjusted from HK\$0.40 to HK\$0.33 pursuant to the Instrument with effect from August 3, 2000. Such adjustment will be certified appropriate by the Company's auditors, Deloitte Touche Tohmatsu.

INCREASE IN AUTHORIZED SHARE CAPITAL

It is proposed to increase the authorized share capital of the Company from HK\$90,000,000.00 to HK\$150,000,000.00 by the creation of an additional 600,000,000 Shares. The Directors have no present intention to issue additional Shares save for the Bonus Issue.

GENERAL MANDATE TO ISSUE SHARES

At the 2000 Annual General Meeting, 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, not including the Bonus Shares, as at the date on which the resolution is passed. In addition, another ordinary resolution will be proposed in relation to the number of Shares purchased by the Company under the Securities Repurchase Mandate be added to the aforesaid general mandate.

The need for an issue of Shares under the general mandate to issue Shares could, for example, arise in the context of a transaction, such as an acquisition by the Company where Shares are to be issued as consideration, which has to be completed speedily. The Directors currently have no intention of any acquisition by the Company nor any plan for raising capital by issuing new Shares.

GENERAL MANDATE TO REPURCHASE SECURITIES

At the 2000 Annual General Meeting, an ordinary resolution will be proposed in respect of granting to the Directors of a general mandate, in the terms set out in the notice of the 2000

LETTER FROM THE BOARD

Annual General Meeting as set out on pages 14 to 18 of this circular, to exercise the powers of the Company to repurchase Securities. The total nominal amount of Shares and Warrants to be purchased pursuant to the Securities 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, not including the Bonus Shares, and 10% of the aggregate amount of the Warrants outstanding at 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 Securities Repurchase Mandate is set out in Appendix I to this circular.

2000 ANNUAL GENERAL MEETING

Set out on pages 14 to 18 of this circular is a notice convening the 2000 Annual General Meeting.

A form of proxy for use at the 2000 Annual General Meeting is enclosed. Whether or not you intend to be present at the 2000 Annual General Meeting, you are requested to complete the form of proxy and return it to the Registrars at 5/F, Wing On Centre, 111 Connaught Road Central, Hong Kong in accordance with the instructions printed thereon not later than 2:30 p.m. on Monday, July 31, 2000, being 48 hours before the time fixed for holding the 2000 Annual General Meeting.

RECOMMENDATION

The Board believes that the Bonus Issue, the increase in authorized share capital and the grant of the General Mandates are in the best interest of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the Resolutions 4A, B, C, D and E to be proposed at the 2000 Annual General Meeting.

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

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 (the "Securities Buyback Rules").

The following is a summary of certain provisions of the Listing Rules relating to the purchase of securities and the explanatory statement required by the Listing Rules in connection with the securities repurchase proposal.

SECURITIES BUYBACK RULES

Under the Securities Buyback Rules, any securities buyback by a company with a primary listing on the Stock Exchange has to comply with the following provisions:—

(a) Shareholders' Approval

All on-market share repurchases by a company must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval in relation to specific transactions.

(b) Source of Funds

Repurchase must be funded out of the funds which are legally available for such purpose in accordance with the memorandum of association and bye-laws of the Company and the laws of Bermuda.

(c) Trading Restrictions

A maximum of 10% of the outstanding share capital as at the date of passing the relevant resolution may be repurchased on the Stock Exchange. A company may not issue new shares or announce a proposed issue of new shares for a period of 30 days immediately following a share repurchase other than on exercise of warrants, share options or subscription rights granted or existing prior to the date of the repurchase. A company may not announce a proposed issue of new warrants for a period of 30 days immediately following a warrant repurchase. In addition, the number of securities repurchased on the Stock Exchange in any given calendar month are limited to a maximum of 25% of the total number of the Company's securities that were traded on the Stock Exchange in the immediately preceding calendar month. The Securities Buyback Rules also prohibit a company from making securities repurchases on the Stock Exchange if such repurchases would result in less than 25% of the issued share capital or outstanding warrants of the Company being in the public hands. The Stock Exchange has power to waive compliance with restrictions under the Securities Buyback Rules. The Stock Exchange has informed the Company that such waiver would not normally be granted except in exceptional circumstances. A company may not purchase its own securities on the Stock Exchange for a consideration other than in cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(d) Status of Repurchased Securities

The Securities Buyback Rules provide that the listing of all repurchased securities is automatically canceled and the certificates for the securities must be canceled and destroyed accordingly. Under Bermuda law the repurchased shares will be treated as canceled and the amount of the company's issued, but not its authorized, capital shall be diminished accordingly. In accordance with the terms and conditions of the Warrants, all repurchased Warrants will also be canceled upon repurchase.

(e) Suspension of Repurchases

The Securities Buyback Rules require that securities cannot be repurchased at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, during the period of one month immediately preceding either the preliminary announcement of the company's annual results or publication of the company's interim report, the company may not purchase its own securities on the Stock Exchange. In addition, the Stock Exchange reserves the right to suspend a securities repurchase program on the Stock Exchange if a company breaches the Listing Rules.

(f) Reporting Requirements

Under the Securities Buyback Rules, a company which has made a purchase of its own securities must report to the Stock Exchange not later than 9:30 a.m. on the following business day the total number of securities purchased, the purchase price per unit of such securities or the highest and lowest prices paid for such purchases. In addition, the company's annual report is required to disclose information regarding securities repurchases made during the year on a monthly basis, including the number of securities repurchased and the aggregate price paid.

The company shall procure that any broker appointed by the company to effect the purchase of securities shall disclose to the Stock Exchange such information with respect to any such purchases made on behalf of the company as the Stock Exchange may request.

(g) Connected Parties

The Securities Buyback Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "connected person", that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his securities to the company.

GENERAL MANDATES

Ordinary Resolution 4C to be proposed at the 2000 Annual General Meeting 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 4D to be proposed at the 2000 Annual General Meeting relates to the granting of a buyback mandate to the Directors of the Company to repurchase, on the Stock Exchange, Shares up to a maximum of 10% of the issued share capital of the Company and the subscription rights not exceeding 10% of the total subscription rights attached to all Warrants outstanding at the date of passing the resolution.

Ordinary Resolution 4E 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 Securities Repurchase Mandate, if any.

REASONS FOR SECURITIES BUYBACK

Although the Directors have no present intention of repurchasing any securities, they believe that the flexibility afforded by the Securities 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 AND WARRANTS

Assuming that no further exercise of Warrants and no further Shares are issued, whether pursuant to the Options which have been granted under the Share Option Scheme or otherwise or repurchase between the Latest Practicable Date and the date of the 2000 Annual General Meeting, there will be 525,159,109 fully paid Shares and Warrants carrying rights to subscribe in aggregate HK\$38,738,839.20 for Shares in issue, and exercise in full of the Securities Repurchase Mandate would result in up to a maximum of 52,515,910 Shares of the Company and Warrants carrying rights to subscribe in aggregate HK\$3,873,883.92 for Shares being repurchased by the Company during the relevant period referred to in Ordinary Resolution 4D of the notice of the 2000 Annual General Meeting.

FUNDING OF REPURCHASES

As noted above, the Listing Rules restrict shares and warrants repurchases on the Stock Exchange in any calendar month to a maximum of 25% of the trading volume of the relevant securities that were traded on the Stock Exchange in the immediately preceding calendar month.

A company may only repurchase fully paid up shares. In repurchasing Shares and Warrants, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association and bye-laws of the Company 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, 2000) in the event that the Securities 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 Securities 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 Securities of the Company were traded on the Stock Exchange during each of the previous 12 months before the Latest Practicable Date were as follows:-

	Shares		Warrants	
	Highest HK\$	Lowest HK\$	Highest HK\$	Lowest HK\$
1999				
July	0.470	0.335	N/A	N/A
August	0.395	0.310	N/A	N/A
September	0.355	0.290	0.123	0.047
October	0.350	0.295	0.075	0.054
November	0.345	0.300	0.076	0.059
December	0.390	0.300	0.125	0.065
2000				
January	0.670	0.325	0.236	0.128
February	0.640	0.260	0.215	0.154
March	0.500	0.360	0.188	0.136
April	0.415	0.350	0.145	0.145
May	0.390	0.340	-	-
June	0.450	0.320	0.180	0.057

Remarks: Warrants were first traded on the Stock Exchange on September 14, 1999. Therefore, there was no trading records for the month of July and August 1999.

DISCLOSURE OF INTERESTS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases under the Securities 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 Securities Repurchase Mandate in the event that the Securities Repurchase Mandate is approved by 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 Securities Repurchase Mandate is approved by the Shareholders.

SECURITIES PURCHASES MADE BY THE COMPANY

No purchase of Shares or Warrants has been made by the Company during the last six months (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. 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 Securities Repurchase Mandate.

As at the Latest Practicable Date, the equity interest of the major shareholder, Man Sang International (B.V.I.) Limited, was and is 67.60%. 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 Securities Repurchase Mandate granted to the Directors to repurchase mean that the aggregate amount of the share capital of the Company in public hands could be reduced to less than 25%. The Directors have no present intention to exercise the Securities Repurchase Mandate to such an extent as would result in the amount of Shares held by the public being reduced to less than 25%.

As at the Latest Practicable Date, Man Sang International (B.V.I.) Limited was and is holding 26.85% of the total amount of the outstanding Warrants. In the event that the Directors exercised in full the power to repurchase up to the maximum of 10% of the outstanding Warrants of the Company on the Stock Exchange pursuant to the Securities Repurchase Mandate granted to the Directors, Man Sang International (B.V.I.) Limited's holding would be increased to 29.83%. The Directors believe that such increase would not result in the Warrants held by the public being reduced to less than 25%.

NOTICE OF 2000 ANNUAL GENERAL MEETING



MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that the 2000 Annual General Meeting of Man Sang International Limited (the "Company") will be held at Ching Room, 4/F., Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, August 2, 2000 at 2:30 p.m. for the following purposes:

1. To receive and consider the Reports of Directors and Auditors and the audited financial statements for the year ended March 31, 2000.
2. To re-elect directors and to authorize the board of directors to fix the directors' remuneration for the ensuing year.
3. To re-appoint the Auditors and to authorize the board of directors to fix their remuneration.
4. As special business, to consider, and if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:
 - A. "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 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 Wednesday, August 2, 2000 in the proportion of one new Share (the "Bonus Share") for every existing five 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

NOTICE OF 2000 ANNUAL GENERAL MEETING

- (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.”
- B. **“THAT** the authorized share capital of the Company be increased from HK\$90,000,000.00 divided into 900,000,000 shares of HK\$0.10 each to HK\$150,000,000.00 divided into 1,500,000,000 shares of HK\$0.10 each by the creation of 600,000,000 new shares of HK\$0.10 each ranking pari passu in all respects with the existing shares in the capital of the Company.”
- C. **“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 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 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 authorise 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, or (c) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees (including executive directors) of the Company and/or any of its subsidiaries of shares or rights to acquire shares in the capital of the Company, 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

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(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 recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

D. “THAT:—

- (i) subject to paragraph (ii) and (iii) 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 securities of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and is recognised 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 Rules Governing the Listing of Securities on the Stock Exchange 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;

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- (iii) the aggregate amount of subscription rights attached to the warrants 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 amount of subscription rights attached to such warrants outstanding at the date of passing this Resolution, and the authority pursuant to paragraph (i) of this Resolution shall be limited accordingly; and
 - (iv) 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."
- E. **"THAT** conditional upon Resolution Nos. 4C and 4D 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. 4C 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. 4D 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
Ho Suk Han Sophia
Secretary

Hong Kong, June 29, 2000

NOTICE OF 2000 ANNUAL GENERAL MEETING

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. 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 5/F, Wing On Centre, 111 Connaught Road Central, 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 and warrant holders will be closed from Friday, July 28, 2000 to Wednesday, August 2, 2000, 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 and all subscription forms in relation to the exercise of warrants, accompanied by the appropriate subscription moneys and the relevant warrant certificates must be lodged with the Company's branch registrar in Hong Kong, Secretaries Limited, at 5/F, Wing On Centre, 111 Connaught Road Central, Hong Kong not later than 4:00 p.m. on Thursday, July 27, 2000.