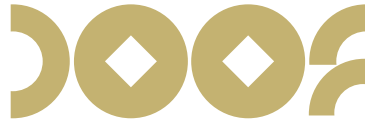


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

MAJOR AND CONNECTED TRANSACTION RELATING TO ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF DOOF JAPAN

THE ACQUISITION AGREEMENT

The Board is pleased to announce that on 14 July 2020 (after trading hours of the Stock Exchange), the Purchaser, a direct wholly-owned subsidiary of the Company, the Vendor and the Company entered into the Acquisition Agreement, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to dispose of the Sale Shares, representing the entire issued share capital of Doof Japan, and the Shareholder's Loan. The consideration of JPY848,394,046 (equivalent to approximately HK\$60,575,335) shall be satisfied by the issue and allotment of 163,717,121 Consideration Shares (subject to the adjustment as described in the paragraph headed "Adjustment mechanism") at the Issue Price of HK\$0.370 per Consideration Share. Upon completion of the Acquisition, Doof Japan will become an indirect wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

As the Acquisition Agreement was entered into within 12 months after completion of the Previous Acquisitions, and the agreements in respect of the Previous Acquisitions and the Acquisition Agreement were entered between a member of the Group and the same connected person and/or his associates, the Acquisition and the Previous Acquisitions are required to be aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules.

As the highest of the applicable percentage ratios in respect of the Acquisition and the Previous Acquisitions in aggregate exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Vendor, Mr. Hu, is an executive Director and ultimate controlling Shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. The Acquisition from the Vendor also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Company will convene a SGM to seek Independent Shareholders' approval on the Acquisition Agreement and the transactions contemplated therein, including a specific mandate for the allotment and issue of the Consideration Shares. Any other parties who are involved or interested in the Acquisition Agreement will abstain from voting on the relevant resolution(s) to be proposed at the SGM.

Pursuant to Rule 13.39(6) of the Listing Rules, the Company has established the Independent Board Committee comprising all its independent non-executive Directors, namely Ms. Pau Yee Ling, Mr. Wong Kwan Kit and Mr. Yuen Hoi Po to advise the Independent Shareholders on the Acquisition Agreement and the transactions contemplated therein, including the allotment and issue of the Consideration Shares. None of the members of the Independent Board Committee has any interest or involvement in the transactions contemplated under the Acquisition Agreement.

Gram Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Acquisition Agreement and the transactions contemplated therein, including the allotment and issue of the Consideration Shares. The Independent Board Committee will form its view in respect of the Acquisition Agreement and the transactions contemplated therein, including the allotment and issue of the Consideration Shares after obtaining and considering the advice from the independent financial adviser.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further information on the Acquisition; (ii) the notice of the SGM; and (iii) other information as required by the Listing Rules is expected to be despatched to the Shareholders on or before 31 August 2020, which is more than fifteen (15) business days after the date of this announcement, to allow for sufficient time to prepare the information to be disclosed in the circular.

Shareholders and potential investors should note that the Acquisition is subject to the conditions precedent set out in the paragraph headed “The Acquisition Agreement — Conditions Precedent” in this announcement and therefore may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

THE ACQUISITION AGREEMENT

The Board is pleased to announce that on 14 July 2020 (after trading hours of the Stock Exchange), the Purchaser, the Vendor and the Company entered into the Acquisition Agreement, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to dispose of the Sale Shares, representing the entire issued share capital of Doof Japan, and the Shareholder’s Loan at the consideration of JPY848,394,046 (equivalent to approximately HK\$60,575,335) (subject to the adjustment as described in the paragraph headed “Adjustment mechanism”).

The principal terms of the Acquisition Agreement are set out below:

Date

14 July 2020

Parties

- (i) Decent Start Limited, as the Purchaser
- (ii) Mr. Hu, as the Vendor
- (iii) the Company

As at the date of this announcement, the Vendor is Mr. Hu, an executive Director and the ultimate controlling Shareholder of the Company and is therefore a connected person of the Company under the Listing Rules.

Assets to be acquired

The assets to be acquired under the Acquisition Agreement comprise (i) the Sale Shares, representing the entire issued share capital of Doof Japan as at the date of this announcement and (ii) the Shareholder's Loan. Upon Completion, Doof Japan will become an indirect wholly-owned subsidiary of the Company.

Yoichi Country is a wholly-owned and major operating subsidiary of Doof Japan. The principal asset of Yoichi Country is the Target Property, which consists of hotel property and 18-hole golf course, details of which are set out in the paragraph headed "Information on the Target Group — Yoichi Country". As advised by the Vendor, the original acquisition cost of the equity interests of Yoichi Country by Doof Japan was JPY1,200,000,000 (equivalent to approximately HK\$85,680,000).

Consideration and Payment Terms

Pursuant to the Acquisition Agreement, the Consideration of JPY848,394,046 (equivalent to approximately HK\$60,575,335) for acquiring the equity interest in Doof Japan and the Shareholder's Loan shall be satisfied by the Company by the issue and allotment of the Consideration Shares of 163,717,121 new Shares (subject to the adjustment described in the paragraph headed "Adjustment mechanism") at the Issue Price of HK\$0.370 to the Vendor (or such other person(s) may be directed by the Vendor in writing) within seven business days from the Completion Date. Based on the closing price of the Shares of HK\$0.410 per Share as quoted on the Stock Exchange on 14 July 2020, being the date of the Acquisition Agreement, the market value of the Consideration Shares would be approximately HK\$67,124,020.

Basis of the Consideration

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor and was determined after having taken into account various relevant factors including:

- (i) the unaudited net liabilities of the Target Group as at 31 March 2020 (details of which are set out below);
- (ii) the valuation of the Target Property, which is approximately JPY1,034,000,000 (equivalent to approximately HK\$73,827,600) as at 22 June 2020 (which is based on a combination of the market and depreciated cost replacement approach), based on a valuation report prepared by Vigers Appraisal & Consulting Limited, an independent professional valuer appointed by the Company;

- (iii) the valuation of plant and equipment of the Target Group, which is approximately JPY38,248,800 (equivalent to approximately HK\$2,730,964) as at 22 June 2020 (which is based on cost approach), based on a valuation report prepared by Vigers Appraisal & Consulting Limited, an independent professional valuer appointed by the Company;
- (iv) the Shareholder's Loan; and
- (v) a 10.00% discount on the aggregate of the Shareholder's Loan and the Adjusted Net Liabilities (as defined below).

Adjusted Net Liabilities and the Consideration

In determining the Consideration, the unaudited net liabilities of the Target Group was adjusted to reflect its fair value by taking into account the valuation of the Target Property of approximately JPY1,034,000,000 and the valuation of the plant and equipment of the Target Group of approximately JPY38,248,800 as at 22 June 2020 (the “**Adjusted Net Liabilities**”). For illustrative purpose only, the following table demonstrates the calculations of the Adjusted Net Liabilities and the Consideration:

	<i>JPY</i>
Unaudited net liabilities of the Target Group as at 31 March 2020	(1,031,501,000)
<i>Less:</i> Carrying amounts of the property, plant and equipment as at 31 March 2020	(1,073,625,000)
<i>Add:</i> Property Valuation as at 22 June 2020	1,034,000,000
<i>Add:</i> Equipment Valuation as at 22 June 2020	<u>38,248,800</u>
Adjusted Net Liabilities	<u><u>(1,032,877,200)</u></u>
<i>Add:</i> The Shareholder's Loan	1,975,537,251
Aggregate of the Shareholder's Loan and the Adjusted Net Liabilities	<u><u>942,660,051</u></u>
<i>Less:</i> 10.00% discount on the aggregate of the Shareholder's Loan and the Adjusted Net Liabilities	<u>(94,266,005)</u>
Consideration	<u><u>848,394,046</u></u>

Adjustment mechanism

Before the Completion, the Consideration shall be adjusted according to the audited adjusted net liabilities of the Target Group (taking into account the finalised Property Valuation and the finalised Equipment Valuation) as follows:

- (i) upward based on the difference between the unaudited adjusted net liabilities and the audited adjusted net liabilities, if the unaudited adjusted net liabilities is lesser than the audited adjusted net liabilities. The adjustment shall in aggregate be subject to a maximum cap of JPY100,000,000; or
- (ii) downward based on the difference between the unaudited adjusted net liabilities and the audited adjusted net liabilities, if the unaudited adjusted net liabilities is greater than the audited adjusted net liabilities.

The number of Consideration Shares shall be equivalent to the Consideration divided by the Issue Price of HK\$0.370. In the event that the Consideration is adjusted pursuant to the mechanism above, the number of Consideration Shares shall be adjusted accordingly.

The Consideration Shares

On the basis of the closing price of the Company of HK\$0.410 per Share as quoted on the Stock Exchange on 14 July 2020 (being the date of the Acquisition Agreement), the market value of the Consideration Shares is approximately HK\$67,124,020. The Consideration Shares represent approximately 8.00% of the existing issued share capital of the Company or approximately 7.40% of the enlarged issued share capital of the Company immediately upon Completion (assuming that there will not be any change in the issued share capital of the Company from the date of this announcement up to the Completion Date).

The Issue Price of HK\$0.370 per Share was arrived at after arm's length negotiations between the Purchaser and the Vendor with reference to, among others, the recent trading prices of the Shares, the financial performance of the Group and the current market conditions, and represents:

- (i) a discount of approximately 9.76% to the closing price of the Shares of HK\$0.410 per Share as quoted on the Stock Exchange on 14 July 2020, being the date of the Acquisition Agreement;
- (ii) a discount of approximately 9.09% to the average closing price of the Shares of HK\$0.407 per Share for the last 5 trading days up to and including 14 July 2020, being the date of the Acquisition Agreement;
- (iii) a discount of approximately 10.63% to the average closing price of the Shares of HK\$0.414 per Share for the last 10 trading days up to and including 14 July 2020, being the date of the Acquisition Agreement;

- (iv) a discount of approximately 13.42% to the average closing price of the Shares of approximately HK\$0.427 per Share for the last 30 trading days up to and including 14 July 2020, being the date of the Acquisition Agreement;
- (v) a discount of approximately 11.60% to the average closing price of the Shares of approximately HK\$0.419 per Share for the last 90 trading days up to and including 14 July 2020, being the date of the Acquisition Agreement; and
- (vi) a discount of approximately 11.18% to the average closing price of the Shares of approximately HK\$0.417 per Share for the last 180 trading days up to and including 14 July 2020, being the date of the Acquisition Agreement.

The Consideration Shares, upon issue, shall rank *pari passu* in all respects with the existing Shares save that the Consideration Shares will not rank for any dividend or other distribution of the Company declared by reference to a record date prior to the issue date of the Consideration Shares.

Conditions Precedent

Completion of the Acquisition Agreement is conditional upon, among others:

- (i) the passing by Independent Shareholders at the SGM by poll of an ordinary resolution to approve: (1) the Acquisition contemplated under the Acquisition Agreement as required by the Listing Rules; and (2) the allotment and issue of the Consideration Shares to the Vendor (or such other person(s) as may be directed by the Vendor in writing) under the Acquisition Agreement;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares;
- (iii) the obtaining of all necessary authorisations and internal approvals by the Vendor and Doof Japan for conducting the transactions contemplated under the Acquisition Agreement;
- (iv) the provision of written documents by the Vendor and Doof Japan to the Purchaser certifying that all necessary third party consents and permissions for conducting the transactions contemplated under the Acquisition Agreement have been obtained;
- (v) the representations and warranties given by the Vendor and Doof Japan in the Acquisition Agreement remaining true and accurate and not misleading as if they are repeated at any time prior to Completion by reference to the facts and circumstances then existing;
- (vi) the Purchaser and Doof Japan having fulfilled their respective obligations under the Acquisition Agreement that should be fulfilled on or before the Completion Date;

- (vii) there has been no material adverse effect on the operations, assets and financial situation of Doof Japan from the date of the Acquisition Agreement up to the Completion Date; and
- (viii) the obtaining of all necessary authorisations and internal approvals by the Purchaser for conducting the transactions contemplated under the Acquisition Agreement.

The Purchaser shall be entitled to waive the compliance with the conditions (v) to (vii) above and the Vendor shall be entitled to waive the compliance with the condition (viii) above as the parties agreed to retain flexibility to complete the Acquisition notwithstanding that such conditions may be unfulfilled. Conditions (i) to (iv) above may not be waived. If the above conditions are not fulfilled or waived on or before the Longstop Date, the Acquisition Agreement shall terminate and neither party shall have any liability thereunder save for any antecedent breach of the terms of the Acquisition Agreement.

Vendor's Undertakings

The Vendor has undertaken to, among other matters:

- (i) do all such acts to procure the approval of the transfer of the Sale Shares by Doof Japan;
- (ii) complete the necessary formalities in relation to the transfer of the Sale Shares in accordance with the application laws and regulations;
- (iii) report to the Purchaser immediately upon aware of any potential litigation, non-compliance or any other matter or circumstances that may have a material adverse impact on the business, assets, liabilities, financial situation, operating results, cashflow or future revenue of Doof Japan;
- (iv) procure the good faith management of Doof Japan, to operate the business and manage and operate the assets of Doof Japan in substantially same way and not to conduct any important business not in the ordinary and usually course of business, including but not limited to transfer, disposal, leasing, acquisition of material asset or business, new borrowings or other indebtedness, provision of guarantees and undertakings and material expenditures); and
- (v) obtain, and procure Doof Japan to obtain, all necessary third party consents and permissions for conducting the transactions contemplated under the Acquisition Agreement.

Completion

Upon compliance with or fulfilment or waiver of all the conditions precedent, Completion shall take place on the Completion Date. Following Completion, Doof Japan will become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Group.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that there will not be any change in the issued share capital of the Company from the date of this announcement up to the Completion Date, set out below is the table of the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion:

	As at the date of this announcement		Immediately after the Completion	
	Number of Shares	Approximate percentage of total Issued Shares	Number of Shares	Approximate percentage of total Issued Shares
Name of Shareholders				
China DaDi Group Limited (<i>Note</i>)	1,197,921,245	58.51%	1,361,638,366	61.58%
Other public shareholders	849,354,611	41.49%	849,354,611	38.42%
Total	2,047,275,856	100.00%	2,210,992,977	100.00%

Note: The entire issued share capital of China DaDi Group Limited is wholly-owned by Mr. Hu.

REASONS FOR, AND BENEFITS OF, THE ACQUISITION

The Company is an investment holding company. The Group is principally engaged in property development and investment which covers development, sales and leasing of properties (including serviced apartments, residential apartments and shopping mall).

To continue the momentum of the Group's expansion of its property development and related investment business, the Board considers that the Acquisition offers a good opportunity for the Group to expand into Japan market and enhance its assets portfolio with a potential of capital appreciation in the long run. The principal assets of the Target Group are a hotel and golf club with an 18-hole golf course located in Yoichi, Japan. The number of foreign tourists in Japan has grown considerably in recent years from approximately 8.36 million in 2012 to approximately 31.19 million in 2018, representing a compound annual growth rate of approximately 24.54%. Certain major events are set to take place in Japan, including the Tokyo Olympics and Paralympics, as well as the Osaka-Kansai World Expo. The Japanese government aims to attract 60 million foreign tourists by 2030.

Subject to the Completion, the Directors will review the business and operation of the Target Group. In each year, customers mainly utilise the facilities of the golf club and the hotel currently operates for about 8 months from spring to autumn. The Directors believe that there may be room for improvement and enhancement in business and operation, such as leveraging on the experience of the Group's management team in management and operation of the golf course to enhance competitiveness, efficiency and utilisation, exploring the possibility to operate as an all-year-round resort, enhancement of the facilities of the hotel including hot spring, skiing and accommodation facilities, and expanding the scope of services to ski enthusiasts in winter. The Directors will also review the marketing strategy of the hotel and golf club. Currently, a majority of the customers of the Target Group are local tourists. The Directors consider that there is potential to enlarge the customer base through more active promotion and marketing to tours, tourists and golf enthusiasts from overseas, in particular, China, Korea and South East Asia.

In addition, the Target Property has large areas of woodland, wilderness and other land that could be used for development. The Directors may review the business potential to further develop the vacant land.

Taking into account the abovementioned factors, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Acquisition Agreement and the transactions contemplated there under are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES TO THE ACQUISITION AGREEMENT

Information on the Group

The Company is incorporated in Bermuda with limited liability and the Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in property development and investment which covers development, sales and leasing of properties. The Purchaser is a wholly-owned subsidiary of the Company established in the BVI with limited liability and is principally engaged in investment holding.

Information on the Vendor

Mr. Hu is an executive Director and ultimate controlling Shareholder of the Company.

INFORMATION ON THE TARGET GROUP

As at the Latest Practicable Date, the Target Group comprises Doof Japan, Yoichi Country, Tokyo Doof and Ichiki Kogyo. As advised by the Vendor, the total original acquisition cost of the equity interests of Yoichi Country, the major operating subsidiary of Doof Japan, by Doof Japan was JPY1,200,000,000 (equivalent to approximately HK\$85,680,000).

Doof Japan

Doof Japan is a company incorporated in Japan with limited liability and is an investment holding company which is wholly-owned by Mr. Hu. Doof Japan has a wholly-owned subsidiary, namely Yoichi Country.

Yoichi Country

Yoichi Country is a company incorporated in Japan with limited liability and is principally engaged in hotel management business and operation of golf course. Yoichi Country holds the entire interest in the Target Property.

Set out below are certain key information of the Target Property:

Name:	A-Brand Hotel & Golf Club
Location:	2361-1, Yoichi Cho, Yoichi Gun, Hokkaido, Japan
Mortgage on the Target Property:	Nil
Total gross floor area of the golf clubhouse and hotel building:	6,440.51 m ²
Number of hotel rooms:	24 rooms and 10 log houses
Total gross area of golf course:	923,702.60 m ²
Specification of the golf course:	18 holes

Tokyo Doof

Tokyo Doof is a company incorporated in Japan with limited liability and is owned as to approximately 99.9% by Doof Japan and as to approximately 0.1% by the general manager of Yoichi Country. As at the date of this announcement, it is a dormant company.

Ichiki Kogyo

Ichiki Kogyo is a company incorporated in Japan with limited liability and is owned as to approximately 99.9% by Yoichi Country and as to approximately 0.1% by the general manager of Yoichi Country. As at the date of this announcement, it is a dormant company.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the key financial information of the Target Group based on its unaudited consolidated financial statements for the three financial years ended 31 March 2018, 2019 and 2020:

	For the year ended 31 March		
	2018	2019	2020
	JPY '000	JPY '000	JPY '000
Revenue	128,695	153,742	156,917
(Loss) before taxation	(683,259)	(196,523)	(190,592)
(Loss) after taxation	(678,465)	(185,511)	(177,525)
Net (liabilities)	(668,465)	(853,976)	(1,031,501)

Upon the Completion, the Group will be interested in the entire issued share capital of Doof Japan, and the Target Group will become subsidiaries of the Company, whose results, assets and liabilities will be consolidated into the accounts of the Group.

LISTING RULES IMPLICATIONS

As the Acquisition Agreement was entered into within 12 months after completion of the Previous Acquisitions, and the agreements in respect of the Previous Acquisitions and the Acquisition Agreement were entered between a member of the Group and the same connected person and/or his associates, the Acquisition and the Previous Acquisitions are required to be aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules.

As the highest of the applicable percentage ratios in respect of the Acquisition and the Previous Acquisitions in aggregate exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Vendor, Mr. Hu, is an executive Director and ultimate controlling Shareholder of the Company, and is therefore a connected person of the Company under the Listing Rules. The Acquisition from the Vendor also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition is subject to the applicable reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Company will convene a SGM to seek Independent Shareholders' approval on the Acquisition Agreement and the transactions contemplated therein, including a specific mandate for the allotment and issue of the Consideration Shares. Any other parties who are involved or interested in the Acquisition Agreement will abstain from voting on the relevant resolution(s) to be proposed at the SGM.

Pursuant to Rule 13.39(6) of the Listing Rules, the Company has established the Independent Board Committee comprising all its independent non-executive Directors, namely Ms. Pau Yee Ling, Mr. Wong Kwan Kit and Mr. Yuen Hoi Po to advise the Independent Shareholders on the Acquisition Agreement and the transactions contemplated therein, including the allotment and issue of the Consideration Shares. None of the members of the Independent Board Committee has any interest or involvement in the transactions contemplated under the Acquisition Agreement.

Gram Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Acquisition Agreement and the transactions contemplated therein, including the allotment and issue of the Consideration Shares. The Independent Board Committee will form its view in respect of the Acquisition Agreement and the transactions contemplated therein, including the allotment and issue of the Consideration Shares after obtaining and considering the advice from the independent financial adviser.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further information on the Acquisition; (ii) the notice of the SGM; and (iii) other information as required by the Listing Rules is expected to be despatched to the Shareholders on or before 31 August 2020, which is more than fifteen (15) business days after the date of this announcement, to allow for sufficient time to prepare the information to be disclosed in the circular.

Shareholders and potential investors should note that the Acquisition is subject to the conditions precedent set out in the paragraph headed “The Acquisition Agreement — Conditions Precedent” in this announcement and therefore may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following meanings:

“Acquisition”	the acquisition of the Sale Share and the Shareholder’s Loan by the Purchaser from the Vendor pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 14 July 2020 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturday and Sunday and public holidays) on which licensed banks in Hong Kong are generally open for business in Hong Kong
“BVI”	the British Virgin Islands
“Company”	Man Sang International Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 938)
“Completion”	the completion of the Acquisition pursuant to the terms and conditions contained in the Acquisition Agreement
“Completion Date”	seven Business Days immediately following the date on which all conditions are satisfied or waived or such later date as the parties to the Acquisition Agreement shall agree
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the amount of JPY848,394,046 (equivalent to approximately HK\$60,575,335), being the initial consideration payable by the Company to the Vendor for the Acquisition pursuant to the Acquisition Agreement (subject to the adjustment as described in the paragraph headed “Adjustment mechanism”)
“Consideration Shares”	a total of 163,717,121 Shares (subject to the adjustment as described in the paragraph headed “Adjustment mechanism”) to be allotted and issued by the Company to the Vendor pursuant to the Acquisition Agreement as the Consideration at the Issue Price to the Vendor (or such other person(s) as may be directed by the Vendor)

“Director(s)”	the director(s) of the Company
“Doof Japan”	株式會社多弗* (Tafutsu Kabushiki Kaisha*), a company incorporated in Japan with limited liability, which is wholly-owned by Mr. Hu
“Equipment Valuation”	the valuation of the plant and equipment of the Target Group, pursuant to the valuation report to be issued by Vigers Appraisal & Consulting Limited. The valuation of the plant and equipment of the Target Group is approximately JPY38,248,800 (equivalent to approximately HK\$2,730,964) as at 22 June 2020
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Ichiki Kogyo”	一木興業合同會社* (Ichiki Kogyo Godo Kaisha*), a company incorporated in Japan with limited liability
“Independent Board Committee”	an independent committee of the Board comprising all its independent non-executive Directors, established for the purpose of advising the Independent Shareholders on the Acquisition Agreement and the transactions contemplated therein (including the allotment and issue of the Consideration Shares)
“Independent Shareholders”	the Shareholders, other than those required under the Listing Rules to abstain from voting on the resolution(s) to be proposed at the SGM, to approve the Acquisition and the transactions contemplated therein (including the allotment and issue of the Consideration Shares)
“Issue Price”	the issue price of the Consideration Shares at HK\$0.370 per Share
“JPY”	Japanese Yen, the lawful currency of Japan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	the 180th day immediately following the date on which the Acquisition Agreement was executed

“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes, Hong Kong, the Macau Special Administrative Region and Taiwan
“Previous Acquisitions”	the acquisition of the entire equity interest in Zhejiang Doof Property Management Services Co., Ltd.* (浙江多弗物業管理服務有限公司), details of which were disclosed in the announcements of the Company dated 13 December 2019 and 9 March 2020, and the acquisition of the entire equity interest in Wenzhou Junshang Decoration Co., Ltd.* (溫州君尚裝飾有限公司), details of which were disclosed in the announcements of the Company dated 8 May 2020 and 21 May 2020
“Property Valuation”	the valuation of the Target Property, pursuant to the valuation report to be issued by Vigers Appraisal & Consulting Limited. The valuation of the Target Property is approximately JPY1,034,000,000 (equivalent to approximately HK\$73,827,600) as at 22 June 2020
“Purchaser”	Decent Start Limited, a company incorporated in the BVI with limited liability, which is wholly-owned by the Company
“Sale Shares”	the 1,000 shares of Doof Japan legally and beneficially owned by the Vendor, representing the entire issued share capital of Doof Japan to be acquired by the Purchaser from the Vendor pursuant to the Acquisition Agreement
“SGM”	the special general meeting of the Company to be convened and held for, the purpose of considering and, if thought fit, approving, among other things, the Acquisition Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s) of the Company
“Shareholder’s Loan”	an amount of approximately JPY1,975,537,251 (equivalent to approximately HK\$141,053,360) which is outstanding, repayable upon demand and owing by the Target Group to the Vendor as at the date of the Acquisition Agreement and at Completion in respect of an interest-free loan made available by the Vendor to the Target Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Group”	Doof Japan, Yoichi Country, Tokyo Doof and Ichiki Kogyo
“Target Property”	the hotel property and golf course located at 2361-1, Yoichi Cho, Yoichi Gun, Hokkaido, Japan
“Tokyo Doof”	東京多弗合同會社* (Tokyo Tafutsu Godo Kaisha*), a company incorporated in Japan with limited liability
“Vendor” or “Mr. Hu”	Mr. Hu Xingrong, an executive Director and ultimate controlling Shareholder of the Company
“Yoichi Country”	余市鄉村株式會社* (Yoichi Country Kabushiki Kaisha*), a company incorporated in Japan with limited liability, which is a wholly-owned subsidiary of Doof Japan
“%”	per cent.

For the purpose of this announcement, unless the context otherwise requires, conversion of JPY into HK\$ is based on the approximate exchange rate of JPY 1 to HK\$0.0714. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$ or JPY have been, could have been or may be converted at such or any other rate or at all.

The names of entities marked with “” for which no official translation exists are unofficial translations for identification purpose only and should not be regarded as their official translation.*

By Order of the Board
Man Sang International Limited
Hu Xingrong
Chairman

Hong Kong, 14 July 2020

As at the date of this announcement, the Board comprises Mr. Hu Xingrong (Chairman), Mr. Huang Xiaohai, Mr. Jin Jiangui, Mr. Li Zhenyu and Mr. Xu Haohao as executive Directors; and Ms. Pau Yee Ling, Mr. Wong Kwan Kit and Mr. Yuen Hoi Po as independent non-executive Directors.