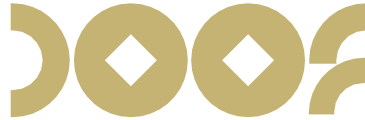


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## **MAN SANG INTERNATIONAL LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 938)**

### **PROPOSED SHARE CONSOLIDATION**

#### **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Existing Shares of HK\$0.10 each will be consolidated into one (1) Consolidated Share of HK\$0.50 each. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the SGM. As at the date of this announcement, there are 2,210,992,977 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be allotted, issued or repurchased from the date of this announcement up to the date of the SGM, upon the Share Consolidation becoming effective, there will be 442,198,595 Consolidated Shares in issue which will be fully paid or credited as fully paid. The Existing Shares are currently traded on the Stock Exchange in board lot size of 2,000 Existing Shares. Upon the Share Consolidation becoming effective, the Consolidated Shares will continue to be traded in board lots of 2,000 Consolidated Shares.

#### **GENERAL**

The SGM will be convened and held for the Shareholders to consider and if thought fit, approve the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the SGM. A circular containing, among other things, further information on the proposed Share Consolidation and a notice to convene the SGM are expected to be despatched to the Shareholders on or before Monday, 8 February 2021.

## **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Existing Shares of HK\$0.10 each will be consolidated into one (1) Consolidated Share of HK\$0.50 each.

### **Effects of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 divided into 5,000,000,000 Existing Shares of par value of HK\$0.10 each, of which 2,210,992,977 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming that no further Shares will be allotted, issued or repurchased from the date of this announcement up to the date of the SGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$500,000,000 divided into 1,000,000,000 Consolidated Shares of par value of HK\$0.50 each, of which 442,198,595 Consolidated Shares will be in issue and will be fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled and the necessary professional expenses for the implementation of the Share Consolidation.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group and that on the date the Share Consolidation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Share Consolidation would be, unable to pay its liabilities as they become due. The Share Consolidation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

## **Conditions of the Share Consolidation**

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Share Consolidation, if any.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Tuesday, 2 March 2021 being the second Business Day after the date of SGM.

## **Listing Application**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

## **No change in board lot size**

The Existing Shares are currently traded on the Stock Exchange in board lot size of 2,000 Existing Shares. Upon the Share Consolidation becoming effective, the Consolidated Shares will continue to be traded in board lots of 2,000 Consolidated Shares.

Based on the closing price of HK\$0.39 per Existing Share (equivalent to HK\$1.95 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the market value of each board lot of 2,000 Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$3,900.

## **OTHER ARRANGEMENTS**

### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold and retained for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares of the Company regardless of the number of share certificates held by such holder.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots, if any, of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

### **Free exchange of share certificates for Consolidated Shares**

Subject to the Share Consolidation becoming effective, which is currently expected to be Tuesday, 2 March 2021, being the second Business Day immediately after the date of the SGM, Shareholders may on or after Tuesday, 2 March 2021 and until Monday, 12 April 2021 (both days inclusive), submit their existing share certificates in yellow colour for the Existing Shares to the Company's branch share registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for exchange for new share certificates for the Consolidated Shares in blue colour on the basis of every five (5) Existing Shares for one (1) Consolidated Share without any fractional Consolidated Share, at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Company's branch share registrar for each share certificate issued for the Consolidated Shares or each share certificate for the Existing Shares submitted for cancellation, whichever the number of share certificates issued or cancelled is higher.

After 4:10 p.m. on Thursday, 8 April 2021, trading will only be in Consolidated Shares which share certificates will be issued in blue colour. Existing share certificates in yellow colour for the Existing Shares will cease to be valid for trading, settlement and registration purpose, but will remain valid and effective as documents of title.

## REASONS FOR THE PROPOSED SHARE CONSOLIDATION

Pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 30 August 2019 (the “**Guideline**”), the expected board lot value should be greater than HK\$2,000 per board lot taking into account the minimum transaction costs for a securities trade. As at the Latest Practicable Date, the closing price of each Existing Share is HK\$0.39, with a board lot size of 2,000 Existing Shares, the Company is trading below HK\$2,000 per board lot.

The Existing Shares has been constantly traded below HK\$1.00 in the past three years. In order to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes to implement the Share Consolidation. It is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price per Consolidated Share. As such, it would enable the Company to comply with the trading requirements under the Listing Rules. Further, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the shares of the Company as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade. It is hoped that this will make investing in the Shares more attractive to a broader range of investors, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor, and thus help to further broaden the shareholder base of the Company.

The Company has no intention to carry out other corporate action or arrangement that may affect the trading in the shares of the Company, including share consolidation, share subdivision and change in board lot size, in the next 12 months which would have a contradictory effect to the Share Consolidation. The Company does not have any current intention or plan to undertake any other equity issues in the next 12 months.

It is expected that the Share Consolidation will increase the value of each board lot of the Consolidated Shares to more than HK\$2,000. The theoretical price per board lot of 2,000 Consolidated Shares will be HK\$3,900. Accordingly, the Board is of the view that the Share Consolidation is beneficial to the Company and the Shareholders as a whole.

## EXPECTED TIMETABLE

Set out below is the expected timetable for the Share Consolidation. The expected timetable is subject to the results of the SGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

**2021**

Despatch date of circular with notice of the SGM. .... on or before  
Monday, 8 February

Latest date and time for lodging transfer  
documents in order to qualify for attending  
and voting at the SGM ..... 4:30 p.m. on  
Monday, 22 February

Record date and time for attendance and  
voting at the SGM <sup>(note 1)</sup> ..... 4:30 p.m. on  
Monday, 22 February

Latest time for lodging forms of proxy  
for the SGM ..... 4:00 p.m. on  
Wednesday, 24 February

Date and time of the SGM ..... 4:00 p.m. on  
Friday, 26 February

Publication of the announcement of  
the results of the SGM ..... Friday, 26 February

**The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement:**

Effective date of the Share Consolidation ..... Tuesday, 2 March

Dealing in the Consolidated Shares commences ..... 9:00 a.m. on  
Tuesday, 2 March

First day of free exchange of existing share certificates

for new share certificates for Consolidated Shares ..... Tuesday, 2 March

Original counter for trading in the Existing Shares

in board lots of 2,000 Existing Shares (in the form of  
existing share certificates) temporarily closes..... 9:00 a.m. on  
Tuesday, 2 March

Temporary counter for trading in the Consolidated Shares

in board lots of 400 Consolidated Shares (in the form of  
existing share certificates) opens ..... 9:00 a.m. on  
Tuesday, 2 March

Original counter for trading in the Consolidated Shares in board lots

of 2,000 Consolidated Shares (in the form of new share  
certificates for the Consolidation Shares) re opens ..... 9:00 a.m. on  
Tuesday, 16 March

Parallel trading in the Consolidated Shares

(in the form of new share certificates for the Consolidated Shares  
and existing share certificates) commences ..... 9:00 a.m. on  
Tuesday, 16 March

Designated broker starts to stand in the market

to provide matching services for odd lots of the  
Consolidated Shares..... 9:00 a.m. on  
Tuesday, 16 March

Temporary counter for trading in the Consolidated Shares

in board lots of 400 Consolidated Shares  
(in the form of existing share certificates) closes ..... 4:10 p.m. on  
Thursday, 8 April

Parallel trading in the Consolidated Shares

(in the form of new share certificates for the  
Consolidated Shares and existing share certificates) ends ..... 4:10 p.m. on  
Thursday, 8 April

Designated broker ceases to stand in the market

to provide matching services for  
odd lots of the Consolidated Shares..... 4:00 p.m. on  
Thursday, 8 April

Last day and time for free exchange of

existing share certificates for new share certificates  
for the Consolidated Shares..... 4:30 p.m. on  
Monday, 12 April



Note 1: Members whose names appear on the register of members of the Company at 4:30 p.m. on 22 February 2021 will be entitled to attend and vote at the special general meeting. In order to qualify for attending the SGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, whose share registration public offices are located at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 22 February 2021.

## **GENERAL**

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the SGM.

A circular containing, among other things, further information on the proposed Share Consolidation and a notice to convene the SGM are expected to be despatched to the Shareholders on or before Monday, 8 February 2021.

Only Shareholders whose names appear in the register of members of the Company at 4:30 pm on 22 February 2021 are entitled to attend and vote at the SGM. In order to qualify for the entitlement to attend and vote at the SGM, unregistered holders of Shares will ensure that all transfer documents and relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 pm on Monday, 22 February 2021.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed "Conditions of the Share Consolidation" above in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.**

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or on which a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.50 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“Existing Share(s)”	issued and unissued ordinary share(s) of HK\$0.10 each in the existing share capital of the Company before the Share Consolidation becoming effective
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SGM”	the special general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the Share Consolidation

“Share Consolidation”	the proposed consolidation of every five (5) Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Shareholder(s)”	holder(s) of the Existing Share(s), or the Consolidated Share(s), as the case may be
“Share(s)”	the Existing Share(s) or as the context may require, the Consolidated Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board  
**Man Sang International Limited**  
**Hu Xingrong**  
*Chairman*

Hong Kong, 27 January 2021

*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.*