Man Sang International (B.V.I.) Ltd
Form F-4
July 24, 2009

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As filed with the Securities and Exchange Commission on July 24, 2009

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form F-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Man Sang International (B.V.I.) Limited
(Exact name of registrant as specified in its charter)

BRITISH VIRGIN ISLANDS	**5094**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

Suite 2208-14, 22/F, Sun Life Tower, The Gateway,
15 Canton Road, Tsimshatsui, Kowloon, Hong Kong
(852) 2317 9888
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

National Registered Agents, Inc.
875 Avenue of the Americas, Suite 501
New York, New York 10001
(845) 398 0900
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

Martin Pak Chief Financial Officer Man Sang Holdings, Inc, Suite 2208-14, 22/F, Sun Life Tower, The Gateway 15 Canton Road, Tsimshatsui, Kowloon, Hong Kong Telephone : (852) 2317 9888	Brian Spires Baker & McKenzie 14/F, Hutchison House 10 Harcourt Road Central, Hong Kong Telephone : (852) 2846 1888

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective and the satisfaction of all other conditions to the dissolution and liquidation of Man Sang Holdings, Inc., a Nevada corporation (Man Sang Nevada), pursuant to an agreement and plan of dissolution and liquidation, a copy of which is attached as Annex A to the proxy statement/prospectus contained herein.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Share(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Ordinary shares	6,382,582	$2.28	$14,552,287	$812
Preferred shares	100,000	$72.76(4)	$7,276,061(4)	$406

(1) Based on 6,382,582 ordinary shares and 100,000 preferred shares of Man Sang International (B.V.I.) Limited (Man Sang BVI) that will be issued and distributed to the holders of the common stock and preferred stock of Man Sang Nevada on a share-for-share basis upon consummation of the liquidation of Man Sang Nevada.

(2) Reflects the market price of the common stock of Man Sang Nevada, computed in accordance with Rule 457(c) and Rule 457(f)(1) under the Securities Act based upon the average of the high and low prices of the common stock of Man Sang Nevada as reported on the NYSE Amex stock exchange (NYSE Amex, formerly known as The American Stock Exchange) on July 23, 2009, and is estimated solely to determine the registration fee. Although there is no present market for the securities of Man Sang BVI, upon consummation of the liquidation of Man Sang Nevada, the ordinary shares of Man Sang BVI will be listed on the NYSE Amex. The preferred shares of Man Sang BVI will remain unlisted.

(3) Calculated by multiplying 0.00005580 by the proposed maximum aggregate offering price.

(4) Because the preferred stock of Man Sang Nevada is not listed, the price per share and maximum aggregate offering price of Man Sang Nevada preferred stock reflects the market price of the common stock of Man Sang Nevada, adjusted to reflect that 100,000 shares of preferred stock outstanding are entitled to the votes of 3,191,255 shares of common stock.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

The information in this proxy statement/prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 24, 2009

Man Sang Holdings, Inc.

Dear Stockholder: , 2009

You are cordially invited to join us at a special meeting of stockholders of Man Sang Holdings, Inc., or Man Sang Nevada, to be held at 10:00 a.m. (Hong Kong time) on , 2009. The meeting will be held at Man Sang Holdings, Inc., located at Suite 2208-14, 22/F, Sun Life Tower, The Gateway, 15 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

We are pleased to present for your approval a proposal for the dissolution and liquidation of Man Sang Nevada pursuant to the terms of an agreement and plan of liquidation entered into with Man Sang International (B.V.I.) Limited, or Man Sang BVI, a wholly owned subsidiary of Man Sang Nevada, on July 24, 2009, that will effectively change our place of incorporation from Nevada to the British Virgin Islands by dissolving and liquidating Man Sang Nevada. At the effective time of the dissolution and liquidation, Man Sang Nevada will distribute, on a share-for-share basis, 6,382,582 ordinary shares and 100,000 preferred shares of Man Sang BVI to its existing stockholders.

The dissolution and liquidation of Man Sang Nevada will result in the elimination of Man Sang Nevada as the holding company of our group, the number of Man Sang BVI ordinary shares and preferred shares that you will own will be the same as the number of shares of Man Sang Nevada common stock and preferred stock you own immediately prior to the completion of the liquidation, and your relative economic ownership and voting rights in our company will remain unchanged.

The accompanying proxy statement/prospectus contains detailed information about the dissolution and liquidation of Man Sang Nevada and the special meeting. This document is also a prospectus for the Man Sang BVI ordinary and preferred shares that will be delivered in connection with the liquidation. **We encourage you to read this proxy statement/prospectus carefully before voting, including the section entitled Risk Factors beginning on page 14.**

The board of directors of Man Sang Nevada, after careful consideration, has unanimously approved the dissolution and liquidation of Man Sang Nevada and the agreement and plan of liquidation and related matters and recommends that you vote FOR the dissolution and liquidation of Man Sang Nevada and the adoption of the agreement and plan of liquidation. A copy of the agreement and plan of liquidation is attached to this proxy statement/prospectus as Annex A.

Under Nevada law, at a meeting of stockholders at which a quorum is present, in person or by proxy, the affirmative vote of holders representing a majority of voting power of the outstanding shares of common stock and Series A preferred stock entitled to vote is required to approve the dissolution and liquidation of Man Sang Nevada and the adoption of the agreement and plan of liquidation. On , 2009, Cheng Chung Hing, Ricky, Cheng Tai Po and entities affiliated with them, which are our principal stockholders, owned approximately 3,437,501 outstanding shares of Man Sang Nevada common stock and 100,000 outstanding shares of Man Sang Nevada preferred stock, which together represent the votes of 6,628,726 shares of Man Sang Nevada common stock, or 69.2% of the total voting power of Man Sang Nevada common stock and Series A preferred stock. The principal stockholders have agreed to vote their shares in favor of the dissolution and liquidation of Man Sang Nevada and the adoption of the agreement and plan of liquidation. The principal stockholders own sufficient numbers of shares of our common stock and preferred stock to approve the dissolution and liquidation of Man Sang Nevada and the adoption of the agreement and plan of liquidation.

Man Sang Nevada common stock is currently traded on the NYSE Amex under the symbol MHJ. There is currently no public market for the Man Sang BVI ordinary shares. We intend to apply to list Man Sang BVI ordinary shares on the NYSE Amex under the same symbol, effective upon the dissolution and liquidation of Man Sang Nevada. The preferred shares of Man Sang BVI will remain unlisted.

Holders of Man Sang Nevada common stock will not be entitled to dissenters or appraisal rights under Nevada law in connection with the dissolution and liquidation of Man Sang Nevada.

Please vote your proxy by completing, signing and dating the enclosed proxy card and returning it promptly, whether or not you expect to attend the special meeting. You may revoke your proxy and vote in person if you decide to attend the meeting.

By order of the board of directors,

Sincerely,

Cheng Chung Hing, Ricky
Chairman

Man Sang Holdings, Inc.

Neither the Securities and Exchange Commission nor any non-U.S. or state securities commission has approved or disapproved of the securities to be issued under this proxy statement/prospectus or has passed upon the adequacy or accuracy of the disclosure in this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated , 2009 and is first being mailed to Man Sang Nevada stockholders on or about , 2009.

Man Sang Holdings, Inc.
Suite 2208-14, 22/F, Sun Life Tower, The Gateway
15 Canton Road, Tsimshatsui, Kowloon, Hong Kong

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To Be Held On , 2009

To the Stockholders of Man Sang Holdings, Inc.:

Notice is hereby given that a special meeting of the stockholders of Man Sang Holdings, Inc., a Nevada corporation (Man Sang Nevada), will be held at 10:00 a.m. (Hong Kong time) on , 2009 at Man Sang Holdings, Inc., Suite 2208-14, 22/F, Sun Life Tower, The Gateway, 15 Canton Road, Tsimshatsui, Kowloon, Hong Kong for the following purposes:

1. To approve the dissolution and liquidation of Man Sang Nevada and the adoption of the agreement and plan of liquidation, a conformed copy of which is attached to and described in the accompanying proxy statement/prospectus as Annex A, among Man Sang Nevada and Man Sang International (B.V.I.) Limited, an international business company incorporated under the International Business Companies Act of the British Virgin Islands and automatically re-registered under the BVI Business Companies Act, 2004 (Man Sang BVI), whereby Man Sang Nevada will effectively change its place of incorporation from Nevada to the British Virgin Islands by dissolving Man Sang Nevada and distributing to all of its stockholders, pro rata, all of Man Sang Nevada s property and assets, which consist entirely of Man Sang BVI ordinary shares and preferred shares, on a share-for-share basis, following which (1) Man Sang BVI and its subsidiaries will continue to conduct the business conducted by Man Sang Nevada and its subsidiaries, (2) Man Sang BVI ordinary shares will replace Man Sang Nevada common stock on the NYSE Amex stock exchange (NYSE Amex, formerly known as The American Stock Exchange), (3) all current officers and directors of Man Sang Nevada will maintain equivalent positions in Man Sang BVI and (4) Man Sang BVI will contractually assume all rights, title, obligations and liabilities of Man Sang Nevada. Although the dissolution and liquidation of Man Sang Nevada will result in the elimination of Man Sang Nevada as the holding company of our group, the number of Man Sang BVI ordinary shares and preferred shares you will own will be the same as the number of shares of Man Sang Nevada common stock and preferred stock you own immediately prior to the completion of the liquidation, and your relative economic ownership and voting rights will remain unchanged.

2. To transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

The terms of the proposed dissolution and liquidation of Man Sang Nevada and the related agreement and plan of liquidation are more fully described in the accompanying proxy statement prospectus. We encourage you to read this entire document carefully.

The board of directors of Man Sang Nevada, on behalf of Man Sang Nevada, is soliciting proxies from the Man Sang Nevada stockholders. The board of directors of Man Sang Nevada has fixed the close of business on July 27, 2009 as the record date for determination of stockholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements thereof.

To ensure that your shares of common and preferred stock are represented at the meeting, you should vote your proxy by completing, signing and dating the enclosed proxy card and returning it promptly in the enclosed envelope, whether or not you expect to attend the special meeting. You may revoke your proxy and vote in person if you decide to attend the meeting.

By Order of the Board of Directors,

Cheng Chung Hing, Ricky
Chairman

Kowloon, Hong Kong , 2009

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ADDITIONAL INFORMATION

Man Sang Nevada files annual, quarterly and other reports and other information with the Securities and Exchange Commission, or SEC. You can obtain this information by accessing the SEC s website at http://www.sec.gov. For a listing of the documents available from the SEC and for information as to how to otherwise obtain this information from the SEC, see the section entitled Where You Can Find More Information beginning on page 136.

Man Sang Nevada will provide you with copies of the information relating to Man Sang Nevada or Man Sang BVI, without charge, upon written or oral request to Martin Pak, Chief Financial Officer, Man Sang Holdings, Inc, Suite 2208-14, 22/F, Sun Life Tower, The Gateway, 15 Canton Road, Kowloon, Hong Kong or at +852 2317 9888 (e-mail: martinpak@man-sang.com). **In order to receive timely delivery of the documents in advance of the Man Sang Nevada special meeting, we should receive your request on , 2009.**

Man Sang BVI has filed with the SEC a registration statement on Form F-4 (which, together with all amendments and exhibits, we refer to as the Registration Statement) under the Securities Act of 1933, as amended, or the Securities Act. This proxy statement/prospectus, which constitutes a part of the Registration Statement, does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted as permitted by the rules and regulations of the SEC. For further information, reference is hereby made to the Registration Statement.

This proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy securities other than those specifically offered hereby or of any securities offered hereby in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation.

ENFORCEABILITY OF CIVIL LIABILITIES

Man Sang BVI is incorporated in the British Virgin Islands to take advantage of certain benefits associated with being a British Virgin Islands company, such as political and economic stability, an effective judicial system, a favorable tax system, the absence of exchange control or currency restrictions and the availability of professional and support services. However, certain disadvantages accompany incorporation in the British Virgin Islands. These disadvantages include that the British Virgin Islands has a less developed body of securities laws as compared to the United States and provides significantly less protection to investors and British Virgin Islands companies do not have standing to sue before the federal courts of the United States. Our constituent documents do not contain provisions requiring that disputes be submitted to arbitration, including those arising under the securities laws of the United States, between Man Sang BVI, its officers, directors and shareholders.

Substantially all of our operations are conducted in Hong Kong and the PRC. Most of our directors and officers and the experts named herein reside outside the United States (principally in Hong Kong and the PRC). All or a substantial portion of our assets and of such persons assets are or may be located outside the United States. As a result, it may not be possible for shareholders of Man Sang BVI to effect service of process within the United States upon us or such persons, or to enforce against us or such persons judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States or any state of the United States.

We have been informed by Conyers Dill & Pearman, our British Virgin Islands legal counsel, that the United States and the British Virgin Islands do not have a treaty providing for reciprocal recognition and enforcement of judgments of U.S. courts in civil and commercial matters and that a final judgment for the payment of money rendered by any general or state court in the United States based on civil liability, whether or not predicated solely upon the

U.S. federal securities laws, would not be automatically enforceable in the British Virgin Islands. We have also been advised by Conyers Dill & Pearman that a final and conclusive judgment obtained in U.S. federal or state courts under which a sum of money is payable as compensatory damages (i.e., not being a sum claimed by a revenue authority for taxes or other charges of a similar nature by a governmental authority, or in respect of a fine or penalty or multiple or punitive damages) may be the subject of an action on a debt in the Supreme Court of the British Virgin

Islands under the common law doctrine of obligation. This type of action should be successful upon proof that the sum of money is due and payable, without having to prove the facts supporting the underlying judgment, as long as:

the court that gave the judgment was competent to hear the action in accordance with private international law principles as applied by the courts in the British Virgin Islands; and

the judgment was not contrary to public policy in the British Virgin Islands, was not obtained by fraud or in proceedings contrary to the natural justice of the British Virgin Islands, and was not based on an error in British Virgin Islands law.

A British Virgin Islands court may impose civil liability on us or our directors or officers in a suit brought in the Supreme Court of the British Virgin Islands against us or these persons with respect to a violation of U.S. federal securities laws, provided that the facts surrounding any violation constitute or give rise to a cause of action under British Virgin Islands law.

ABOUT THIS DOCUMENT

This document, which forms part of a registration statement on Form F-4 filed with the SEC, by Man Sang International (B.V.I.) Limited (File No. 333-   ), constitutes a proxy statement/prospectus of Man Sang International (B.V.I.) Limited under Section 5 of the Securities Act with respect to the Man Sang BVI ordinary shares and preferred shares to be distributed to Man Sang Nevada stockholders pursuant to the dissolution and liquidation. This document also constitutes a proxy statement under Section 14(a) of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act.

CURRENCIES

In this proxy statement/prospectus, unless otherwise specified or the context otherwise requires, all references to U.S. dollars, dollars or US$ are to the legal currency of the United States and all references to H.K. dollars or HK to the legal currency of Hong Kong.

This proxy statement/prospectus contains translations of H.K. dollar amounts into U.S. dollars at specified rates solely for the convenience of the reader. Unless otherwise noted, all translations from H.K. dollars to U.S. dollars were made at the rate of HK$7.80 to US$1.00. On July 17, 2009, the noon buying rate in The City of New York for cable transfers in H.K. dollars per U.S. dollar as certified for customs purposes by the Federal Reserve Bank of New York, or the noon buying rate, was HK$7.75 to US$1.00. We make no representation that the H.K. dollar or U.S. dollar amounts referred to in this proxy statement/prospectus could have been or could be converted into U.S. dollars or H.K. dollars, as the case may be, at any particular rate or at all.

CONVENTIONS

Unless stated otherwise, all references in this proxy statement/prospectus to:

Assets are to all of Man Sang Nevada s property and assets, which consists of Man Sang BVI ordinary shares and Man Sang BVI preferred shares;

the Internal Revenue Code are to the U.S. Internal Revenue Code of 1986, as amended;

Man Sang BVI are to Man Sang International (B.V.I.) Limited, a company incorporated in the British Virgin Islands;

Man Sang Nevada are to Man Sang Holdings, Inc., a Nevada corporation;

the PRC are to the People s Republic of China; and

the principal stockholders are to Cheng Chung Hing, Ricky, Cheng Tai Po and entities affiliated with them, which, as of the record date, owned approximately 3,437,501 outstanding shares of Man Sang Nevada common stock and 100,000 outstanding shares of Man Sang Nevada Series A preferred stock, which together represent the votes of 6,628,726 shares of Man Sang Nevada common stock, or 69.2% of the total voting power of Man Sang Nevada common stock and Series A preferred stock.

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Except where indicated otherwise, we refer to Man Sang Nevada and Man Sang BVI, which will be Man Sang Nevada s successor following the liquidation, as our company, we, us or our, as the context requires.

Man Sang BVI was Man Sang Nevada s wholly owned subsidiary during each of the years or periods presented in this proxy statement/prospectus. Man Sang BVI is a holding company with no operations or assets, other than its equity interests in our subsidiaries. Therefore, we have not included consolidated historical financial and operating data for Man Sang BVI because this data is the same as that of Man Sang Nevada.

QUESTIONS AND ANSWERS ABOUT THE LIQUIDATION

The following questions and answers are intended to address briefly questions regarding the dissolution and liquidation. We urge you to read carefully the remainder of this proxy statement/prospectus because the information in this section does not provide all the information that might be important to you. Additional important information also is contained in the annexes to this proxy statement/prospectus.

Q: Why am I receiving this proxy statement/prospectus?

A: Pursuant to applicable Nevada law and relevant securities regulations, we are providing you with this proxy statement/prospectus to inform you of the dissolution and liquidation of Man Sang Nevada, a Nevada corporation, listed on the NYSE Amex, and to request your approval of the dissolution and liquidation of Man Sang Nevada and the adoption of the agreement and plan of liquidation.

Q: What am I being asked to vote on?

A: You are being asked to approve the dissolution and liquidation of Man Sang Nevada and the adoption of the agreement and plan of liquidation. The dissolution and the liquidation of Man Sang Nevada will effectively change our place of incorporation from Nevada to the British Virgin Islands.

Q: Who is entitled to vote on the dissolution and liquidation?

A: All stockholders of record at the close of business on July 27, 2009, as shown in our records, will be entitled to vote, or to grant proxies to vote, at the special meeting. At the close of business on the Man Sang Nevada record date, there were 6,382,582 shares of Man Sang Nevada common stock outstanding and 100,000 shares of preferred stock outstanding (which, as a class, are entitled to the votes of 3,191,225 shares of common stock) entitled to vote at the special meeting, held by approximately stockholders of record.

Q: When and where will the vote on the dissolution and liquidation take place?

A: A special meeting of stockholders will be held at 10 a.m., local time, on , 2009, at the offices of Man Sang Holdings, Inc., Suite 2208-14, 22/F., Sun Life Tower, The Gateway, 15 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

Q: What is required to constitute a quorum?

A: The presence at the special meeting, in person or by proxy, of the holders representing a majority of the outstanding shares of the common stock and Series A preferred stock entitled to vote at the special meeting is required to constitute a quorum.

Q: If the dissolution and liquidation is completed, what will I receive?

A: At the effective time of the liquidation, Man Sang Nevada will distribute the Assets to its stockholders on a share-for-share basis. The number and class of Man Sang BVI ordinary and preferred shares you will own as a result of the completion of the liquidation will be the same as the number and class of shares of Man Sang Nevada common and preferred stock you owned immediately prior to the completion of the liquidation. Shareholders proportionate ownership and relative voting rights will remain unchanged.

In the liquidation, holders of shares of Man Sang Nevada common stock will receive Man Sang BVI ordinary shares and holders of shares of Man Sang Nevada preferred stock will receive Man Sang BVI preferred shares, on a share-for-share basis in cancellation of the Man Sang Nevada common stock and preferred stock. The liquidation preference of the Man Sang BVI preferred shares will be equivalent to the liquidation preference of the Man Sang Nevada preferred stock. For a more complete description of what Man Sang Nevada stockholders will be entitled to receive pursuant to the liquidation, see The Liquidation The Agreement and Plan of Liquidation.

Q: Will the Man Sang BVI ordinary shares be listed and publicly traded on the NYSE Amex?

A: Yes. Upon the effective time of the liquidation, we expect the Man Sang BVI ordinary shares to be listed and publicly traded on the NYSE Amex under the trading symbol MHJ. Man Sang Nevada s common stock will be cancelled and de-listed from the NYSE Amex and will no longer be publicly traded. However, upon the effective time of the liquidation, the Man Sang BVI preferred shares will remain unlisted.

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Q: What vote is required to approve the dissolution and liquidation of Man Sang Nevada and the adoption of the agreement and plan of liquidation, and are there any stockholders already committed to voting in favor of the liquidation?

A: The dissolution and liquidation requires at a meeting of stockholders at which a quorum is present, in person or by proxy, the affirmative vote of holders representing a majority of the outstanding shares of common stock and Series A preferred stock entitled to vote. On the record date, the principal stockholders owned approximately 3,437,501 outstanding shares of Man Sang Nevada common stock and 100,000 outstanding shares of Man Sang Nevada preferred stock, which together represent the votes of 6,628,726 shares of Man Sang Nevada common stock, or 69.2% of the total voting power of Man Sang Nevada common stock and Series A preferred stock. The principal stockholders have agreed to vote their shares to approve the dissolution and liquidation of Man Sang Nevada and the adoption of the agreement and plan of liquidation. The principal stockholders own sufficient number of shares of Man Sang Nevada s common stock and preferred stock to approve the dissolution and liquidation of Man Sang Nevada and the adoption of the agreement and plan of liquidation. See The Special Meeting Vote Required.

Q: How do I vote if my shares are registered in my name?

A: By completing, signing and returning your proxy card in the enclosed postage-prepaid envelope, you will authorize the persons named on the proxy card to vote your shares according to your instructions.

Q: How do I vote if my broker holds my shares in street name ?

A: If you hold your shares in street name through a stockbroker, bank or other nominee rather than directly in your own name, you are considered the beneficial owner of shares, and the proxy materials are being forwarded to you by your stockbroker, bank or other nominee together with a voting instruction card. Please carefully consider the information contained in this proxy statement/prospectus and, whether or not you plan to attend the special meeting. Please follow the instructions provided to you by your stockbroker, bank or other nominee so that your shares may be voted in accordance with your wishes. To vote at the special meeting, beneficial owners will need to contact the broker, bank, or other nominee that holds their shares to obtain a proxy issued in your name to bring to the meeting.

Q: What if I don t vote or abstain?

A: Shares for which no votes are cast will effectively be treated as shares present for quorum purposes, but not entitled to vote, so they will have no effect on the outcome of the vote for the dissolution and liquidation of Man Sang Nevada and the agreement and plan of liquidation. Abstentions will be treated as shares present for quorum purposes and entitled to vote, so they will have the same effect as votes against the dissolution and liquidation of Man Sang Nevada and the agreement and plan of liquidation.

Q: Can I change my vote after I have delivered my proxy?

A: Yes. You may revoke your proxy at any time before its exercise. Proxies may be revoked by (1) sending a written notice of revocation dated later than the proxy to the Secretary of Man Sang Nevada at Man Sang Nevada s principal executive offices, before the special meeting, (2) duly executing a subsequent proxy relating to the same shares and delivering it to American Stock Transfer & Trust Company before the special meeting, or (3) attending the special meeting and voting in person (although attendance at the special meeting will not in and of itself constitute revocation of a proxy). Any written notice revoking a proxy should be delivered to American

Stock Transfer & Trust Company before the special meeting. If you are a beneficial stockholder, you must contact your broker, bank or other nominee to change your vote or obtain a proxy to vote your shares if you wish to cast your vote in person at the meeting.

Q: When do you expect the liquidation to be completed?

A: We are working to complete the dissolution and liquidation as quickly as practicable. We currently expect the liquidation to be completed by July 31, 2009. However, we cannot predict the exact effective time of the liquidation because it is subject to certain conditions both within and outside our control. See The Liquidation The Agreement and Plan of Liquidation Conditions to Complete the Liquidation beginning on page 39.

Q: Are Man Sang Nevada stockholders entitled to dissenters rights?

A: No. Under Nevada law, Man Sang Nevada stockholders are not entitled to dissenters rights because (a) the Nevada Revised Statutes do not provide for dissenters rights for this corporate action; and (b) neither Man Sang Nevada s restated articles of incorporation, as amended, the restated bylaws, nor a resolution of its board of directors grant shareholders dissenters rights.

Q: Are Man Sang Nevada stockholders entitled to appraisal rights?

A: No. Under Nevada law, there are no appraisal rights unless there are dissenters rights.

Q: Do I have to change my stock certificates?

A: Yes. The distribution agent will send you a letter of transmittal, which will instruct you how to surrender your certificates of common stock and preferred stock of Man Sang Nevada. Upon surrender of the certificate with a duly executed letter of transmittal, you will be entitled to receive in exchange the whole number of Man Sang BVI ordinary shares or preferred shares that you have the right to receive pursuant to the agreement and plan of liquidation. If you surrender a Man Sang Nevada stock certificate and request the new Man Sang BVI ordinary shares or preferred shares in dematerialized form to be issued in a name other than the one appearing on the surrendered certificate, you must endorse the stock certificate or otherwise prepare it to be in proper form for transfer. Man Sang Nevada certificates that are surrendered will be cancelled. No interest will be paid or accrued on any amount payable upon surrender of stock certificates. No holder of unsurrendered certificates will receive any dividends or other distributions with respect to Man Sang BVI ordinary shares or preferred shares to which the holder is entitled under the agreement and plan of liquidation until the Man Sang Nevada certificate registered to the holder is surrendered to the distribution agent. For further information, see The Liquidation The Agreement and Plan of Liquidation Share Conversion on page 41.

YOU SHOULD NOT SEND YOUR MAN SANG NEVADA STOCK CERTIFICATES TO THE DISTRIBUTION AGENT UNTIL YOU HAVE RECEIVED TRANSMITTAL MATERIALS FROM THE DISTRIBUTION AGENT.

Q: Will I be able to trade my shares during the time it takes to complete the liquidation?

A: Yes.

Q: Who will bear the cost for soliciting votes for the special meeting?

A: Man Sang Nevada will bear all expenses in conjunction with the solicitation of the enclosed proxy, including the charges of brokerage houses and other custodians, nominees or fiduciaries for forwarding documents to security owners. In addition, proxies may be solicited by mail, in person, or by telephone or fax by certain officers, directors and employees of Man Sang Nevada.

Q: Where can I find more information about Man Sang Nevada?

A: You can find more information about Man Sang Nevada in the section entitled Where You Can Find More Information on page 136 of this proxy statement/prospectus.

Q: Will the proposal affect current or future operations?

A: The dissolution and liquidation of Man Sang Nevada will have no immediate major impact on how we conduct day-to-day operations. The location of future operations will depend on the needs of our business, independent of our place of incorporation.

Q: Who can answer my questions?

A: If you have any questions about the liquidation, or if you need additional copies of this proxy statement/prospectus, please contact:

Martin Pak
Man Sang Holdings, Inc.,
Suite 2208-14, 22/F., Sun Life Tower, The Gateway,
15 Canton Road, Tsimshatsui, Kowloon, Hong Kong
(852) 2317 9888
martinpak@man-sang.com

SUMMARY

This summary, together with the section titled Questions and Answers About the Liquidation immediately preceding this summary, provides a summary of the material terms of the liquidation. These sections highlight selected information contained in this proxy statement/prospectus and may not include all the information that is important to you. To better understand the proposed liquidation, and the risks associated with the transactions, and for a more complete description of the legal terms of the liquidation, you should read this entire proxy statement/prospectus carefully, as well as those additional documents to which we refer you. We have included page references at various points in this summary to direct you to a more detailed description of the topics presented. In addition, see Where You Can Find More Information beginning on page 136.

This document constitutes a proxy statement/prospectus for use in providing information about the proposed dissolution and liquidation of Man Sang Nevada and the distribution of Man Sang BVI ordinary shares and preferred shares in connection with the liquidation.

Parties to the Agreement and Plan of Liquidation

Man Sang International (B.V.I.) Limited. Man Sang BVI was incorporated as an international business company under the International Business Companies Act of the British Virgin Islands, or BVI International Business Companies Act, on August 14, 1995, and automatically re-registered as a business company on January 1, 2007 pursuant to the British Virgin Islands Business Companies Act 2004, or the BVI Companies Act. Immediately prior to the completion of the dissolution and liquidation, Man Sang BVI elected to disapply Part IV of the BVI Companies Act (which applies to former international business companies which have been automatically re-registered as a business company) and is now governed by the BVI Companies Act. As a result of the liquidation, Man Sang BVI will become the holding company of our group.

Man Sang Holdings, Inc. Man Sang Nevada is organized under the laws of the State of Nevada and is principally engaged through subsidiaries in the purchasing, processing, assembling, merchandising and wholesale distribution of pearls, pearl jewelry products and jewelry products. In addition, Man Sang Nevada, through its subsidiaries, owns and operates commercial real estate for lease and sale in Hong Kong and the PRC.

Man Sang Nevada common stock is quoted on the NYSE Amex under the symbol MHJ.

The principal executive office of all parties to the liquidation is located at Suite 2208-14, 22/F., Sun Life Tower, The Gateway, 15 Canton Road, Tsimshatsui, Kowloon, Hong Kong, telephone: (852) 2317 9888

Structure of the Liquidation (see page 34)

The board of directors of Man Sang Nevada has unanimously approved and recommends that you approve the dissolution and liquidation of Man Sang Nevada and the adoption of the agreement and plan of liquidation, which will effectively change our place of incorporation from Nevada to the British Virgin Islands by dissolving and liquidating Man Sang Nevada. The terms and conditions of the dissolution and liquidation are set forth in the agreement and plan of liquidation attached as Annex A to this proxy statement/prospectus.

In the dissolution and liquidation, following payment of its obligations and liabilities, Man Sang Nevada will distribute the Assets to its stockholders on a share-for-share basis. Man Sang Nevada is a holding company without any operations. As of the date of this proxy statement/prospectus, its assets consist of its shareholdings in Man Sang

BVI and its liabilities and obligations consist of (1) the costs incurred in connection with the dissolution and liquidation, which we estimate will be approximately US$800,000, and (2) U.S. federal income tax arising from the deemed disposal of its shareholdings in Man Sang BVI.

After the liquidation, Man Sang BVI will remain the holding company of our subsidiaries, and Man Sang Nevada stockholders will become Man Sang BVI shareholders.

After completion of the liquidation, Man Sang BVI and its subsidiaries will continue to conduct the same businesses that Man Sang Nevada and its subsidiaries now conduct.

The liquidation will involve the following steps:

1. Man Sang Nevada, as sole stockholder of Man Sang BVI, will approve an amended and restated memorandum and articles of association of Man Sang BVI, which may differ in certain material respects from

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the current restated articles of incorporation, as amended, and the restated bylaws of Man Sang Nevada, because of differences in the corporate laws of Nevada and the British Virgin Islands.

2. The existing directors of Man Sang BVI, who currently also serve as directors of Man Sang Nevada, will appoint the officers of Man Sang Nevada to serve in equivalent positions with Man Sang BVI.

3. Man Sang BVI ordinary shares and preferred shares will be registered under the Securities Act and Man Sang BVI ordinary shares will register under the Exchange Act, in each case with the SEC.

4. The officers of Man Sang Nevada will file a Certificate of Dissolution with the Secretary of State of the State of Nevada, and Man Sang Nevada will be dissolved pursuant thereto.

5. Upon the filing of the Certificate of Dissolution, Man Sang Nevada common stock will be de-listed from the NYSE Amex and de-registered under the Exchange Act with the SEC and Man Sang BVI ordinary shares will be listed on the NYSE Amex under the symbol MHJ. The preferred shares of Man Sang BVI will remain unlisted.

6. In accordance with the Nevada Revised Statutes, the directors of Man Sang Nevada are required to collect the assets, settle the affairs and collect the outstanding debts of Man Sang Nevada, and to pay, or make adequate provision for payment of, Man Sang Nevada s liabilities and obligations. As of the date of this proxy statement/prospectus, (1) Man Sang Nevada s assets consist entirely of its shareholdings in Man Sang BVI; (2) Man Sang Nevada has no outstanding debts; (3) Man Sang Nevada s liabilities and obligations include (a) the costs incurred in connection with the dissolution and liquidation, which we estimate will be approximately US$800,000, and (b) provision for U.S. federal income tax arising from the deemed disposal of its shareholdings in Man Sang BVI. The settlement of affairs of Man Sang Nevada, which will be conducted by the directors of Man Sang Nevada, includes the actions discussed above as well as the distribution of Man Sang Nevada s assets to its stockholders in order to complete the dissolution and liquidation in accordance with the Nevada Revised Statutes.

7. Man Sang Nevada will then distribute its property and assets, which consist entirely of Man Sang BVI ordinary shares and preferred shares, to its stockholders on a share-for-share basis, rendering its stockholders the direct shareholders of Man Sang BVI.

8. During the final stage of the liquidation, Man Sang BVI will contractually assume all of Man Sang Nevada s rights, obligations and liabilities.

Background and Reasons for the Liquidation

We believe that the dissolution and liquidation of Man Sang Nevada will allow us to realize a variety of potential business, financial and strategic benefits. In particular, the board of directors of Man Sang Nevada is recommending the dissolution and liquidation of Man Sang Nevada because it should permit us to:

- simplify our corporate structure. Man Sang Nevada has no meaningful business or assets other than its equity interest in Man Sang BVI, which is also a holding company. The board of directors of Man Sang Nevada believes that the elimination of the two-tiered holding company structure will reduce administrative expenses by eliminating duplicative costs associated with maintaining both Man Sang Nevada and Man Sang BVI;

- reduce our SEC reporting requirements and related expenses because Man Sang BVI would be a foreign private issuer;

enhance our cash flow by reducing our worldwide effective tax rate. Any improvement in our cash flow should help us to implement our business strategy more effectively;

facilitate tax savings through a more flexible corporate structure. However, the amount of taxes we will pay will depend in part on our treatment by the taxing authorities in the jurisdictions in which we operate;

enhance our business growth prospects by attracting investment from non-U.S. investors. Based on our experience, certain PRC investors and potential strategic partners are less willing to invest in Man Sang Nevada primarily as a result of our status as a United States incorporated company and the attendant tax implications associated with such an investment, including primarily withholding taxes payable by such investors under the United States federal tax regime; and

better position ourselves for merger and acquisition opportunities with non-U.S. strategic partners.

Negative Effects of the Liquidation

There are a number of negative effects of the dissolution and liquidation. Examples of such negative effects include:

Taxable Nature of the Transaction

We expect that the dissolution and liquidation of Man Sang Nevada will have the following negative tax consequences:

For U.S. federal income tax purposes, as a result of the liquidation, U.S. shareholders will recognize gain or loss equal to the difference, if any, between the fair market value of the Man Sang BVI shares received in the liquidation and the holder s adjusted tax basis in the holder s shares of Man Sang Nevada exchanged therefor.

Man Sang Nevada will recognize gain for U.S. federal income tax purposes on the distribution of the shares of Man Sang BVI to its shareholders as if the shares had been sold to the distributee at fair market value.

Expenses of the Transaction

Costs incurred in connection with the dissolution and liquidation of Man Sang Nevada are estimated to be approximately US$800,000 and will be expensed as incurred.

Reduced Reporting Requirements

As a foreign private issuer, Man Sang BVI s reporting requirements will be limited to filing or furnishing with the SEC (1) an annual report on Form 20-F within six months after the end of each fiscal year prior to its fiscal year ending March 31, 2012, and within four months after the end of each fiscal year thereafter and (2) reports on Form 6-K with respect to any material information which is required to be publicly disclosed in the British Virgin Islands or regarding information distributed or required to be distributed by Man Sang BVI to its shareholders. In addition, Man Sang BVI will also furnish reports to the SEC on Form 6-K with respect to the interim reports filed by Man Sang International Limited for the first six months of Man Sang International Limited s financial year, not later than three months after the end of this six-month period, as required by the listing rules of the Stock Exchange of Hong Kong Limited. For further information on the reduced requirements of Man Sang BVI, see Comparison of Rights of Man Sang Nevada Stockholders and Man Sang BVI Shareholders Reporting Requirements.

Certain Differences between Nevada and British Virgin Islands Corporate Law

Significant differences between the provisions of the BVI Companies Act applicable to Man Sang BVI and the Nevada Revised Statutes applicable to Man Sang Nevada include limitations under British Virgin Islands law on the ability to bring shareholders suits, including class action and shareholder derivative actions, and reduced protections under British Virgin Islands law of the interests of minority shareholders.

For further information on the differences between Nevada and British Virgin Islands corporate law, see Comparison of Rights of Man Sang Nevada Stockholders and Man Sang BVI Shareholders Reporting Requirements and for further information on the risks relating to ownership of Man Sang BVI Shares, see, Risk Factors Risks Relating to

Ownership of Man Sang BVI Ordinary Shares Man Sang BVI is a British Virgin Islands company and, because legal precedent regarding the rights of shareholders is more limited under British Virgin Islands law than under United States law, following the liquidation our shareholders may have less protection for their shareholder rights than they currently do under Nevada law.

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Conditions to Complete the Liquidation

The liquidation will not be completed unless, among other things, the following conditions are satisfied or, if allowed by law, waived:

Shareholder Approvals Obtained. Approval by the shareholders of Man Sang Nevada stockholders and Man Sang BVI shareholders has been obtained;

Registration Statement Declared Effective. This proxy statement/prospectus has been declared effective by the SEC under the Securities Act and the Exchange Act and is not the subject of any stop order or proceedings or similar actions threatened or initiated by the SEC and not concluded or withdrawn;

NYSE Amex Approval. The NYSE Amex has confirmed that Man Sang BVI ordinary shares to be distributed pursuant to the liquidation in connection with the transactions contemplated thereto have been approved for listing on the NYSE Amex, subject to official notice of issuance and other customary conditions, and may trade on the NYSE Amex and succeed to the ticker symbol MHJ ;

Hart-Scott-Rodino Act. Any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder relating to the Liquidation have expired or been terminated.

Receipt of Tax Opinion. Man Sang Nevada and Man Sang BVI have received an opinion from PricewaterhouseCoopers Limited to the effect that the liquidation constitutes a complete liquidation for federal income tax purposes within the meaning of Section 331 of the Internal Revenue Code;

Covenants and Other Agreements. Man Sang Nevada and Man Sang BVI each have performed in all material respects their respective covenants and agreements contained in the agreement and plan of liquidation required to be performed at or prior to the effective time of the liquidation;

Governmental, Regulatory and Other Material Third-Party Consents. All filings required to be made with, and all material consents, approvals, permits and authorizations required to be obtained prior to the effective time of the liquidation from, any court or governmental or regulatory authority, or other person, have been made or obtained and are in force; and

No Injunctions or Restraints. No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the liquidation have been entered or enforced or continue to be in effect.

For additional factors, see The Liquidation The Agreement and Plan of Liquidation Conditions to Complete the Liquidation on page 39.

Effective Time

The effective time of the liquidation, which we refer to in this proxy statement/prospectus as the effective time, will occur when Man Sang Nevada distributes the Assets to the stockholders of Man Sang Nevada or at such other time and date as Man Sang Nevada and Man Sang BVI shall agree.

Termination of the Agreement and Plan of Liquidation

The agreement and plan of liquidation may be terminated and the liquidation abandoned at any time prior to the filing of a Certificate of Dissolution with the Secretary of State of the State of Nevada by Man Sang Nevada, whether before or after the approval of stockholders, by action of the board of directors of Man Sang Nevada or Man Sang BVI, as follows: (1) by Man Sang Nevada or Man Sang BVI if the transaction has not been consummated by December 31, 2009 or (2) by either Man Sang Nevada or Man Sang BVI if any material change in (i)(a) the price of Man Sang Nevada s common stock on the NYSE Amex; (b) the value of Man Sang BVI s ordinary shares; or (c) the price of Man Sang International Limited s ordinary shares on the Stock Exchange of Hong Kong Limited or (ii) any new or amended regulation, order, decree, judgment, interpretation or ruling issued by a governmental entity would render the transaction unadvisable or otherwise impracticable in the judgment of the directors of Man Sang Nevada or Man Sang BVI.

In the event of termination of the agreement and plan of liquidation, the agreement and plan of liquidation will become void and have no effect, without any liability or obligation on the part of Man Sang Nevada or Man Sang BVI, except as otherwise provided for in the agreement.

Termination Fees

Man Sang Nevada and Man Sang BVI have agreed that there will be no termination fee in the event that the agreement and plan of liquidation is terminated.

Differences Between British Virgin Islands and Nevada Corporate Law (see page 110)

There are a number of significant differences between the rights you would have as a holder of Man Sang Nevada common and preferred stock and the rights you would have as a holder of Man Sang BVI ordinary and preferred shares. Such differences relate to shareholders suits, including class actions and shareholder derivative actions, and protections of the interests of minority shareholders.

The amended and restated memorandum and articles of association of Man Sang BVI are designed to replicate, to the extent reasonably practicable and legally permissible, the rights currently attendant to Man Sang Nevada common stock and preferred stock. However, the rights of the holders Man Sang BVI ordinary shares and preferred shares may be less favorable than the rights of holders of Man Sang Nevada common stock and preferred stock.

In addition, as a foreign private issuer, Man Sang BVI is subject to requirements under the Securities Act and the Exchange Act that are different from the requirements applicable to Man Sang Nevada prior to the liquidation. For additional information regarding the rights of holders of Man Sang BVI ordinary and preferred shares and a summary of certain material differences between the rights of holders of Man Sang BVI ordinary and preferred shares and holders of Man Sang Nevada common and preferred stock, see Description of Man Sang BVI Share Capital beginning on page 95. See also Risk Factors Risks Relating to Ownership of Man Sang BVI Ordinary Shares beginning on page 25.

For a discussion comparing the rights of Man Sang BVI shareholders with Man Sang Nevada stockholders and for information on the different reporting and other requirements that would otherwise apply to Man Sang BVI if it were a company incorporated in Nevada, see the section titled Comparison of Rights of Man Sang Nevada Stockholders and Man Sang BVI Shareholders on page 110.

Recommendation of the Man Sang Nevada Board of Directors (see page 38)

The Man Sang Nevada board of directors has unanimously determined that the dissolution and liquidation of Man Sang Nevada and the agreement and plan of liquidation is advisable and the transactions contemplated by the agreement and plan of liquidation are in the best interests of Man Sang Nevada and its shareholders, and has unanimously approved by written consent the dissolution and liquidation of Man Sang Nevada and the adoption of the agreement and plan of liquidation and the transactions contemplated by the agreement and plan of liquidation.

Prior to providing its unanimous written consent, the board of directors of Man Sang Nevada considered a proposal to dissolve and liquidate our company and discussed the rationale and potential benefits of the liquidation, which have been summarized above under Background and Reasons for the Liquidation. The board of directors also noted potential disadvantages with respect to the liquidation. For further information, see The Liquidation Negative Effects of the Liquidation.

Having considered the above factors, the board of directors has determined that the potential medium- and long-term advantages of the liquidation outweigh potential tax liabilities, and the reduced reporting and corporate and other disadvantages to shareholders as a result of owning shares of a foreign private issuer incorporated in the British Virgin Islands. Accordingly, the board of directors of Man Sang Nevada unanimously approved the dissolution and liquidation of Man Sang Nevada and the adoption of the agreement and plan of liquidation and recommends that you vote FOR the dissolution and liquidation of Man Sang Nevada and the adoption of the agreement and plan of liquidation.

Share Ownership of Directors and Executive Officers (see page 92)

At the close of business on the record date, 2009, the directors and executive officers of Man Sang Nevada and their affiliates beneficially owned approximately 3,437,501 outstanding shares of Man Sang Nevada common stock and 100,000 outstanding shares of Man Sang Nevada preferred stock, which together represent the votes of 6,628,726 shares of Man Sang Nevada common stock, or 69.2%, of Man Sang Nevada common stock, including such number of votes of common stock to which the holders of preferred stock, as a class, are entitled, outstanding and entitled to vote on that date. The holdings of Man Sang Nevada s directors and executive officers are detailed in Securities Ownership of Certain Beneficial Owners and Management.

Interests of the Directors and Executive Officers of Man Sang Nevada in the Liquidation (see page 42)

In considering the recommendation of the Man Sang Nevada board of directors with respect to the agreement and plan of liquidation and the other matters related to the liquidation, you should be aware that certain members of the Man Sang Nevada board of directors and certain of Man Sang Nevada s executive officers have interests in the transactions contemplated by the agreement and plan of liquidation. These interests may be different from, in conflict with, or in addition to, the interests of Man Sang Nevada stockholders generally. These interests include, among other things, the following:

all of Man Sang Nevada s current board of directors comprise the current board of directors of Man Sang BVI. The existing directors of Man Sang BVI will appoint the officers of Man Sang Nevada to serve in equivalent positions with Man Sang BVI after the effective time of the liquidation;

all of Man Sang Nevada s current executive officers will be offered equivalent positions with Man Sang BVI after the effective time of the liquidation;

Mr. Cheng Chung Hing, Ricky, President, Chief Executive Officer and Chairman of the board of directors, and Mr. Cheng Tai Po, Vice Chairman of the board of directors, each a member of Man Sang Nevada s board of directors, and entities affiliated with them, who together owned approximately 3,437,501 outstanding shares of Man Sang Nevada common stock and 100,000 outstanding shares of Man Sang Nevada preferred stock, which together represent the votes of 6,628,726 shares of Man Sang Nevada common stock, or 69.2% of the total voting power of Man Sang Nevada common stock and Series A preferred stock as of the date of the agreement and plan of liquidation, executed a voting agreement agreeing to vote in favor of the dissolution and liquidation of Man Sang Nevada, and the agreement and plan of liquidation at the special meeting;

Mr. Cheng Chung Hing, Ricky and Mr. Cheng Tai Po, and other directors and executive officers of Man Sang Nevada, participated in the preparation of the agreement and plan of liquidation, this proxy statement/prospectus and other documents relating to the liquidation;

the continued indemnification of the current directors and officers of Man Sang Nevada under the agreement and plan of liquidation and the continuation of directors and officers liability insurance after the effective time of the liquidation;

each of Man Sang Nevada s current board of directors and executive officers is not a resident or a citizen of the United States, and, as a result, will experience a reduction in dividend withholding tax with respect to any future issuance of dividends by Man Sang BVI on shares of Man Sang BVI owned by such directors and officers following the liquidation of Man Sang Nevada.

The Man Sang Nevada board of directors was aware of these interests and considered them, among other matters, in making its recommendation. See The Liquidation Background and Reasons for the Liquidation beginning on page 35.

Restrictions on the Ability to Sell Man Sang BVI Shares

All shares of Man Sang BVI ordinary shares and preferred shares to be received by Man Sang Nevada stockholders in connection with the liquidation will be freely transferable unless the holder is an affiliate of Man Sang Nevada prior to the liquidation. In this regard, the principal stockholders of Man Sang Nevada are affiliates and will be subject to restrictions on the resale of Man Sang BVI shares.

Market Price (see page 43)

On July 23, 2009, the last trading day before the public announcement of the liquidation, the closing price per Man Sang Nevada share on the NYSE Amex was US$2.13, and the high and low sales prices were US$2.43 and US$2.13.

Material Tax Consequences (see page 101)

Generally, for U.S. federal income tax purposes, U.S. shareholders will recognize gain or loss as a result of the liquidation. Such a holder will generally recognize gain or loss equal to the difference, if any, between the fair market value of the Man Sang BVI shares received in the liquidation and the holder s adjusted tax basis in the holder s shares of Man Sang Nevada exchanged therefor. Generally, any such gain will be capital gain if the Man Sang Nevada shares surrendered constitute capital assets.

A Non-U.S. shareholder generally will not be subject to U.S. federal income tax on any gain realized on the exchange of Man Sang Nevada common stock as a result of the liquidation.

Man Sang Nevada will recognize gain or loss for U.S. federal income tax purposes on the distribution of the shares of Man Sang BVI to its shareholders as if the shares had been sold to the distributee at fair market value. The amount of gain or loss will equal the difference between the adjusted basis that Man Sang Nevada has in the Man Sang BVI ordinary and preferred shares and their fair market value on the date of distribution.

WE ENCOURAGE YOU TO READ THE SECTION ENTITLED MATERIAL TAX CONSEQUENCES ON PAGE 101 FOR A MORE DETAILED DESCRIPTION OF THESE TAX CONSEQUENCES. WE ALSO URGE YOU TO CONSULT YOUR OWN TAX ADVISORS REGARDING YOUR PARTICULAR TAX CONSEQUENCES.

In connection with the closing of the liquidation, Man Sang Nevada and Man Sang BVI have received a tax opinion from PricewaterhouseCoopers Limited that the liquidation constitutes a complete liquidation of Man Sang Nevada for U.S. federal income tax purposes under Section 331 and Section 336 of the Internal Revenue Code. In addition, it is a condition to the closing of the liquidation that Man Sang Nevada and Man Sang BVI receive this opinion from PricewaterhouseCoopers Limited and that the tax opinion must not have been withdrawn or modified in any material respect prior to the liquidation.

Accounting Treatment of the Liquidation (see page 43)

Upon completion of the dissolution and liquidation of Man Sang Nevada, Man Sang Nevada will distribute the Assets, which consist of Man Sang BVI ordinary shares and Man Sang BVI preferred shares, to its stockholders on a share-for-share basis. Subject to material tax considerations, the liquidation will not result in changes in our historical consolidated carrying amount of assets, liabilities and shareholders equity.

Voting Agreement (see page 44)

Concurrently with the execution of the agreement and plan of liquidation, the principal stockholders entered into a voting agreement with Man Sang Nevada and agreed, among other things, to take specified actions in furtherance of the dissolution and liquidation of Man Sang Nevada. A copy of the Voting Agreement is attached to this proxy statement/prospectus as Annex B. The principal stockholders own sufficient shares of Man Sang Nevada common stock and preferred stock to approve the dissolution and liquidation of Man Sang Nevada and the adoption of the agreement and plan of liquidation.

Regulatory Matters (see page 44)

We do not expect that the dissolution and liquidation of Man Sang Nevada will be subject to any United States or foreign regulatory requirements other than the filing of the registration statement on Form F-4, of which this proxy statement/prospectus forms a part, with the SEC, and the filing of certain documents with the Secretary of State of the State of Nevada.

Risk Factors (see page 14)

The liquidation will expose us and you to some risks. For a discussion of risk factors associated with the liquidation, please see the discussion under Risk Factors on page 14.

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SUMMARY OF SELECTED HISTORICAL FINANCIAL DATA

The selected historical consolidated financial data of Man Sang Nevada presented in the table below was derived from Man Sang Nevada s audited consolidated financial statements as of and for the five years ended March 31, 2009. This data should be read in conjunction with Man Sang Nevada s audited consolidated financial statements, including the notes to the financial statements, for the years ended March 31, 2009, 2008 and 2007, which are included in this proxy statement/prospectus, beginning on page F-1.

We have not included data for Man Sang BVI, since each of Man Sang Nevada and Man Sang BVI is a holding company with no operations or assets, other than its equity interests in subsidiaries. In addition, Man Sang BVI was Man Sang Nevada s wholly owned subsidiary during each of the years presented. Therefore its consolidated historical financial data is the same as that of Man Sang Nevada.

	Year Ended March 31,					
	2009	**2009**	**2008**	**2007**	**2006**	**2005**
	US$(1)	**HK$**	**HK$**	**HK$**	**HK$**	**HK$**
	(Dollars in thousands, except share data)					
Income Statement Data:						
Net sales	42,710	333,138	633,691	398,279	378,297	412,262
Cost of sales	(27,952)	(218,030)	(352,195)	(285,580)	(272,443)	(295,014)
Gross profit	14,758	115,108	281,496	112,699	105,854	117,248
Rental income, gross	3,410	26,596	6,802	4,225	3,362	4,646
Expenses from rentals	(3,218)	(25,097)	(5,956)	(5,888)	(6,802)	(11,027)
	192	1,499	846	(1,663)	(3,440)	(6,381)
Selling, general and administrative expenses	(19,091)	(148,905)	(118,430)	(84,134)	(70,411)	(81,862)
Operating income	(4,141)	(32,298)	163,912	26,902	32,003	29,005
Equity in loss of an affiliate	(7)	(54)	(7)			
Interest expenses						(100)
Interest income	1,288	10,043	17,872	9,394	7,140	1,067
Gain on sales of a real estate investment	109	854	10,485			34,248
Other income	606	4,724	3,693	28,981	2,312	1,617
Other than temporary decline in fair value of marketable securities	(660)	(5,148)				
(Loss) Income before income taxes and minority interests	(2,805)	(21,879)	195,955	65,277	41,455	65,837

Income taxes expense	401	3,132	(75,267)	(6,776)	(4,095)	(6,129)
Minority interests	987	7,694	(80,753)	(30,536)	(19,748)	(32,792)
Net income	(1,417)	(11,053)	39,935	27,965	17,612	26,916
Basic earnings per common share	(0.20)	(1.71)	6.16	4.31	2.90	4.80
Diluted earnings per common share	(0.20)	(1.71)	5.94	4.23	2.74	4.24
Weighted average number of shares of common stock outstanding :						
Basic	6,382,582	6,382,582	6,382,582	6,382,582	5,980,870	5,509,847
Diluted	6,382,582	6,382,582	6,382,582	6,382,582	6,323,848	6,231,653
Weighted average number of shares of preferred stock outstanding:						
Basic	100,000	100,000	100,000	100,000	100,000	100,000
Diluted	100,000	100,000	100,000	100,000	100,000	100,000
Dividend per common share						
Dividend per preferred share						

(1) Translations of Hong Kong dollars into U.S. dollars were made at the rate of HK$7.80 = US$1.00.

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	As of March 31,					
	2009	2009	2008	2007	2006	2005
	US$(1)	HK$	HK$	HK$	HK$	HK$
	(Dollars in thousands)					
Balance Sheet Data:						
Non-current assets	97,699	762,056	705,367	252,491	167,847	166,463
Current assets	122,252	953,573	1,076,270	426,618	440,928	392,778
Total assets	219,951	1,715,629	1,781,637	679,109	608,775	559,241
Total current liabilities (including current portion of long-term debt)	(77,431)	(603,963)	(567,402)	(42,600)	(35,859)	(35,750)
Long-term debt	(13,038)	(101,700)	(166,500)			
Other liabilities (including minority interests)	(77,566)	(605,016)	(631,758)	(316,150)	(282,020)	(258,775)
Total liabilities	(168,035)	(1,310,679)	(1,365,660)	(358,750)	(317,879)	(294,525)
Shareholders equity	(51,916)	(404,950)	(415,977)	(320,359)	(290,896)	(264,716)

(1) Translations of Hong Kong dollars into U.S. dollars were made at the rate of HK$7.80 = US$1.00.

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SUMMARY PRO FORMA FINANCIAL DATA

A pro forma condensed consolidated balance sheet for Man Sang BVI is not presented in this proxy statement/prospectus because there would be no significant pro forma adjustments required to be made to the historical consolidated balance sheet of Man Sang Nevada as of March 31, 2009 and 2008.

A pro forma condensed consolidated income statement for Man Sang BVI is not presented in this proxy statement/prospectus because there would be no significant pro forma adjustments required to be made to income from operations in the historical consolidated income statements of Man Sang Nevada for the years ended March 31, 2009 and 2008.

Reference is made to the consolidated financial statements of Man Sang Nevada, beginning with the index thereto on page F-1.

Costs incurred in connection with the dissolution and liquidation of Man Sang Nevada are estimated to be approximately US$800,000 and will be expensed as incurred. Although the dissolution and liquidation will result in the elimination of Man Sang Nevada as the holding company of our group, the dissolution and liquidation should have no material impact on our financial condition or operating results, other than the costs incurred in connection with the dissolution and liquidation and U.S. federal income tax arising from the deemed disposal of its shareholdings in Man Sang BVI.

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RISK FACTORS

In addition to the other information included in this proxy statement/prospectus, you should carefully consider the following risks that could materially affect the trading price of Man Sang Nevada s common stock and the ordinary shares of Man Sang BVI, your interests as a shareholder, and our future performance, cash flows and financial condition.

Risks Relating to the Liquidation

The IRS may challenge the position taken by Man Sang Nevada with respect to the adjusted basis and valuation of its assets

Man Sang Nevada will be required to pay taxes in the United States as a result of the liquidation. We cannot assure you that the IRS will not challenge the position taken by Man Sang Nevada with respect to the adjusted basis and the valuation of its assets. If the IRS were to successfully challenge the adjusted basis and the valuation of Man Sang Nevada s assets, Man Sang BVI, as a successor to Man Sang Nevada, could incur a material amount of United States federal income tax liability as a result of the liquidation. A more detailed discussion of the material United States federal income tax consequences of the reorganization to Man Sang Nevada and Man Sang BVI is set forth under the heading Material Tax Consequences Material United States Federal Income Tax Consequences on page 101.

There is a risk that Man Sang BVI could be treated as a U.S. domestic corporation for U.S. federal income tax purposes after the liquidation, which could result in significantly greater U.S. federal income tax liability to us

Section 7874(b) of the Internal Revenue Code, or Section 7874(b), generally provides that a corporation organized outside the United States which acquires, directly or indirectly, pursuant to a plan or series of related transactions substantially all of the assets of a corporation organized in the United States will be treated as a domestic corporation for U.S. federal income tax purposes if shareholders of the acquired corporation own at least 80% (of either the voting power or the value) of the stock of the acquiring corporation after the acquisition. If Section 7874(b) were to apply to the liquidation, then we would be subject to U.S. federal income tax on our worldwide taxable income following the change of our place of incorporation as if we were a domestic corporation.

We believe that under Section 7874(b), Man Sang BVI will not be treated as a domestic corporation for U.S. federal income tax purposes. However, there is no assurance that the IRS would not seek to assert that Man Sang BVI is subject to U.S. federal income tax on its worldwide income after the liquidation, although we believe that such an assertion should not be successful. As such, shareholders are urged to consult their own tax advisors on this issue.

The liquidation may not allow us to maintain a competitive worldwide effective corporate tax rate

We believe that the liquidation will help enhance our cash flow and reduce our worldwide effective tax rate. However, we cannot give any assurance as to the amount of taxes we will pay as a result of or after the liquidation. The amount of taxes we will pay will depend in part on our treatment by the taxing authorities in the jurisdictions in which we operate. Additionally, the tax laws of the British Virgin Islands and other jurisdictions could change in the future, and such changes could cause a material change in our effective tax rate.

Tax law changes could adversely affect Man Sang BVI, its subsidiaries and its shareholders

Changes in tax laws, treaties or regulations or the interpretation or enforcement thereof could adversely affect the tax consequences of the liquidation. In addition, if the IRS or other taxing authorities do not agree with our assessment of the effects of such laws, treaties and regulations, this could have a material adverse effect on the tax consequences of the liquidation.

WE STRONGLY URGE YOU TO CONSULT YOUR TAX ADVISORS REGARDING YOUR PARTICULAR TAX CONSEQUENCES OF THE CHANGE OF OUR INCORPORATION.

The liquidation could result in adverse tax consequences for you

Depending on your circumstances, you may be required to make a filing with the IRS as a result of the liquidation. If you fail to make this filing on a timely basis you could owe taxes as a result of the liquidation, even

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though you will not have realized any income or liquidity as a result. For a more detailed description of the tax consequences associated with this transaction, see Material Tax Consequences Material United States Federal Income Tax Consequences.

Man Sang BVI may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. holders of its ordinary and preferred shares

We do not expect for Man Sang BVI to be considered a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for our current taxable year ending March 31, 2010, and we expect that Man Sang BVI will conduct its operations in such a manner so as not to become a PFIC in future taxable years. However, we must make a separate determination each year as to whether we are a PFIC (after the close of each taxable year). Accordingly, we cannot assure you that we will not be a PFIC for our current taxable year ending March 31, 2010 or any future taxable year. A non-U.S. corporation will be considered a PFIC for any taxable year if either (1) at least 75% of its gross income (looking through to certain corporate subsidiaries) is passive income or (2) at least 50% of the average value of its assets (looking through certain corporate subsidiaries) is attributable to assets that produce, or are held for the production of, passive income. The market value of Man Sang BVI s assets may be determined in large part by the market value of the shares of Man Sang International Limited, which is likely to fluctuate. If Man Sang BVI were treated as a PFIC for any taxable year during which a U.S. person held an ordinary or preferred share, certain adverse U.S. federal income tax consequences could apply to such U.S. person.

We urge U.S. shareholders to consult their own tax advisors regarding the possible application of the PFIC rules. For a more detailed discussion of the PFIC rules, see Material Tax Consequences Material United States Federal Income Tax Consequences Tax Consequences to U.S. Holders of Man Sang BVI Shares Passive Foreign Investment Company Rules.

We may not realize the expected cost savings and other benefits from the liquidation

We expect that we will realize cost savings and other financial and operating benefits as a result of the liquidation and the change of our place of incorporation. For a description of the anticipated benefits cost savings and benefits we expect to realize from the liquidation and change in place of our incorporation, see The Liquidation Background and Reasons for the Liquidation. However, we cannot predict with certainty if or when these cost savings and benefits will occur, or the extent to which they actually will be achieved. Many factors could affect our ability to realize the anticipated benefits of the liquidation. The anticipated reduction of SEC reporting requirements and related expenses may not be achieved in the event of changes to the SEC rules applicable to foreign private issuers. In addition, if opportunities for us to engage in merger and acquisition activities with, or attract investment from, non-U.S. parties do not materialize, the liquidation may not prove useful for this purpose as we anticipate. With regard to simplification of our tax position, since we have not paid United States corporate income or dividend taxes in the last three fiscal years, primarily because Man Sang Nevada has no operations in the United States and paid no dividends in the last three fiscal years, and assuming no change in our dividend practices, we may find that our overall tax position does not materially improve as a result of the liquidation. In addition, changes in existing or proposed tax laws in the places of incorporation of Man Sang BVI and its subsidiaries, which are the British Virgin Islands, Bermuda, Hong Kong and China, may result in the liquidation not achieving some or all of our anticipated benefits. In particular, if we are considered as a PRC tax resident enterprise under the new PRC Enterprise Income Tax Law, then our global income will be subject to PRC enterprise income tax at the rate of 25%. Further, any dividends paid by our PRC subsidiaries to our offshore intermediate holding companies will be subject to 10% withholding tax, unless there are applicable tax treaties to reduce this rate. See Risks Relating to Our Business The implementation of new tax laws may significantly increase our income tax liability. Other factors that may affect our ability to realize the anticipated benefits of the liquidation include a number of other macroeconomic factors beyond our control, such as general economic and market conditions, increased operating costs and regulatory developments.

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Man Sang Nevada did not receive an opinion as to the fairness of the terms and conditions of the liquidation. Accordingly, you will not be able to rely on a third party opinion in determining the fairness of the transaction

Man Sang Nevada did not receive an opinion from an independent third party with respect to whether the terms and conditions of the liquidation are fair to shareholders from a financial perspective. In making the determination that the liquidation is fair and in the interest of the stockholders, Man Sang Nevada s board of directors relied on, among other things, its analysis that the financial value of the ordinary and preferred shares of Man Sang BVI immediately after the liquidation would be effectively the same as the financial value of the common and preferred stock of Man Sang Nevada immediately before the liquidation.

We may prepare our financial statements in accordance with IFRS following the liquidation, which could have a significant effect on our reported financial results

The SEC permits foreign private issuers to file financial statements in accordance with International Financial Reporting Standards or IFRS, as issued by the International Accounting Standards Board, or IASB. At any time in the future, as a foreign private issuer, we may decide to prepare our financial statements in accordance with IFRS as issued by the IASB. If we decide to prepare our financial statements in accordance with IFRS as issued by IASB, we may choose to recognize fair value gains or losses on our investment properties as of the balance sheet date. The annual revaluation of our investment properties will be based on market conditions and other factors that are uncertain and beyond our control and could result in significant fluctuations in our results of operations. Any application by us of different accounting standards, a change in the rules of IFRS as issued by the IASB, or in the SEC s acceptance of such rules, could have a significant effect on our reported financial results.

Risks Relating to Our Business

We face a number of risks related to the recent financial crisis and severe tightening in the global credit markets

The ongoing global financial crisis affecting the banking system and financial markets has resulted in a severe tightening in credit markets, a low level of liquidity in many financial markets, and extreme volatility in credit and equity markets. If these conditions continue or worsen, our cost of borrowing may increase, the terms of borrowings may become onerous and it may become more difficult to obtain financing for our operations or investments. The financial crisis could also impact our business in other ways, including:

Economic Downturns in the Markets in Which We Operate. Sustained downturns in the Asia, United States and Europe markets in which we operate may result in a continued decline in demand for our products and have a negative impact on our financial condition and results of operations over the next several fiscal quarters and possibly beyond.

Potential Reduction or Delay of Purchases and Orders by Customers. Recessionary conditions and depressed levels of consumer and commercial spending have caused and may continue to cause customers to reduce, modify, delay or cancel plans to purchase our products in response to tighter credit, decreased cash availability and declining consumer confidence. Accordingly, future demand for our products could differ materially from our current expectations, which could have a negative result on our financial condition and results of operations.

Liquidity Issues with Our Customers. Because we generally grant credit to our customers, we have a significant amount of accounts receivables. In January 2009, one of our existing customers in the United States filed for Chapter 11 bankruptcy protection. If other customers encounter liquidity issues or are forced to seek bankruptcy protection, then we could encounter delays or defaults in payments owed to us which could adversely impact our financial condition and results of operations. Our allowance for doubtful accounts increased by HK$27.1 million, or 158.1%, from HK$17.1 million as of March 31, 2008 to HK$44.2 million as of March 31, 2009. Allowance for doubtful accounts as a percentage of gross accounts receivable increased from 10.4% as of March 31, 2008 to 30.9% as of March 31, 2009.

Negative Impact from Increased Financial Pressures on Key Suppliers. Our ability to meet customers demands depends, in part, on our ability to obtain timely and adequate delivery of materials from our suppliers. If certain key suppliers were to become capacity constrained or insolvent as a result of the financial crisis, it could result in a reduction or interruption in supplies or a significant increase in the price of supplies, or otherwise materially change the terms of sale, and adversely impact our financial condition and results of operations. In addition, credit constraints of key suppliers could result in accelerated payment of accounts payable by us, impacting our cash flow.

Reduction of Discretionary Spending by Retail Customers. Our results of operations are impacted by the discretionary spending of retail customers, both of our pearl and jewelry products and the products of our tenants. Discretionary spending is affected by many factors, including, among others, general business conditions, interest rates, inflation, consumer debt levels, the availability of consumer credit, currency exchange rates, taxation, electricity power rates, gasoline prices, unemployment trends and other matters that influence consumer confidence and spending. Many of these factors are outside of our control. Retail customers purchases of discretionary items, including our products, could decline during periods when disposable income is lower or in periods of actual or perceived unfavorable economic conditions, which could adversely impact our financial condition and results of operations.

A few large suppliers account for a significant percentage of our pearl supplies, and we may be unable to purchase adequate supplies of pearls

Our principal raw materials are pearls. As pearls are commodities and their value is subject to prevailing market conditions, buyers and sellers of pearls do not customarily enter into any long-term contracts. We purchase different types of pearls from different sources around the world but do not currently have any fixed term purchase contracts with any pearl farmers or suppliers. Rather, we negotiate the purchase of pearls on an as needed basis at prevailing market prices. In addition, a few large suppliers account for a significant percentage of our pearl supplies. In fiscal years 2009, 2008 and 2007, our five largest suppliers accounted for approximately 50.0%, 47.1% and 51.9% of our total purchases, with the largest supplier accounting for approximately 21.3%, 16.2% and 16.3% of our total purchases.

If the availability or cost of pearls is adversely affected (for example, due to a decrease in one of our significant suppliers or in the number of suppliers, or a reduction in the overall availability, whether due to a lack of supply, the loss of a supply contract, or increased demand from our competitors), we may have to bear greater expenses for, or be unable to acquire, adequate supplies of pearls of the quality or on the terms required by us. Any such adverse changes may require us to increase prices or stop producing certain products and could adversely affect our business, results of operations, financial condition and future prospects.

We have significant outstanding bank borrowings, and we may not be able to arrange adequate financing when they mature

As of March 31, 2009, we had HK$493.1 million in cash and cash equivalents and HK$192.1 million in outstanding borrowings (denominated in Renminbi), of which approximately HK$90.4 million was due within one year. We might not be able to obtain extensions of these borrowings in the future as they mature. In the event we are unable to obtain extensions of these borrowings, or if we are unable to obtain sufficient alternative funding at reasonable terms to make repayments, we will have to repay these borrowings with cash generated by our operating activities. Our business might not generate sufficient cash flow from operations to repay these borrowings, some of which are secured by significant amounts of our assets. In addition, repaying these borrowings with cash generated by our operating activities will divert our financial resources from the requirements of our ongoing operations and future growth, and would have a material adverse effect on our business, financial condition and future prospects.

Disruptions in the financial market may adversely affect the availability and cost of credit to us

Our ability to make scheduled payments or refinance our obligations with respect to indebtedness will depend on our operating and financial performance, which in turn is subject to prevailing economic conditions and financial, business and other factors beyond our control. Recent disruptions in the financial markets, including the bankruptcy or restructuring of a number of financial institutions in the United States and Europe, reduced lending activity, decreased liquidity and higher costs in the credit markets, may adversely affect the availability and cost of credit that we have already arranged, and the availability, terms and cost of credit in the future, including any financing necessary to complete China Pearls and Jewellery City, our pearl market center under development in the PRC. In this regard, as a consequence of the on-going global financial crisis affecting the banking system and financial markets, the PRC has also recently experienced a tightening in credit markets. We cannot assure you that recent PRC government fiscal stimulus measures in response to disruptions in the financial markets will stabilize the markets in general or increase liquidity and the availability of credit to us.

We operate in a highly competitive industry

The pearl and jewelry industry is highly competitive. We compete with a large number of local and international pearl and jewelry manufacturers and wholesalers. Because of the breadth and depth of this competition, we are constantly under competitive pressure that both constrains pricing and requires extensive merchandising efforts in order for us to remain competitive. We compete primarily on the basis of our reputation for high quality products, brand recognition and distinctive merchandise. Our success is also dependent on our ability to both react to and create customer demand for our pearl and jewelry products. Certain of our competitors, especially jewelry retailers, are larger, have been in existence for a longer period of time, have achieved greater brand recognition and a greater market share in the markets in which we operate and have substantially greater financial, distribution and other resources than we do. Due to the above factors, we cannot assure you that we can continue to compete favorably in this highly competitive industry.

Changes in climate or environmental conditions may lead to fluctuations in pearl prices

Any adverse change in the climate or environmental conditions in the areas where we obtain our source of supply of pearls may have an adverse effect on pearl harvesting, the supply of pearls and our business.

Over the years, we have developed relationships with a network of suppliers in an attempt to ensure a steady supply of different varieties of pearls. In order to reduce the impact of fluctuations in pearl prices, we have adopted policies aimed at both diversifying our product range as well as the sources and suppliers from which we purchase pearls. In so doing, we believe we are less susceptible to fluctuations in pearl supplies due to changes in climate or environmental conditions in any particular region of supply. However, pearls remain our primary product. Any adverse change in the climate or environmental conditions in any region of supply of pearls may have an adverse effect on the prices of pearls in the entire market and may adversely affect our profitability.

Changes in the purchasing decisions of our customers may affect our future operating results

Our customer network consists principally of wholesale distributors and mass merchandisers in Europe, the United States, Hong Kong and other Asian countries. In accordance with industry practice, we generally do not have long-term sales arrangements with our customers. As a result, short-term changes to these customers purchasing decisions could affect our year-to-year sales volumes. In addition, our customers purchase orders may vary significantly from period to period. As a result, it may be difficult for us to forecast our revenues in future periods. Because our current expense levels are based in part on our expectations for future revenues, we may be unable to adjust our purchases of supplies, and as a result reduce our expenses, in a timely manner in response to unexpected disruptions in purchase orders from customers. This could have a material and adverse effect on our business, results of operations and financial condition.

Our sales could be negatively impacted by the actions or circumstances of one or more key customers leading to material fluctuations in revenues or a substantial reduction in orders for our products

We currently sell a substantial portion of our pearls and jewelry products to a limited number of customers. In fiscal years 2009, 2008 and 2007, sales to our top five customers accounted for approximately 47.4%, 41.9% and 41.1%, respectively, of our total sales, and our largest customer accounted for approximately 15.1%, 10.4% and 16.0%, respectively, of our total sales. Dependence on a limited number of customers exposes us to the risks that one of the following events may cause material fluctuations or declines in our revenues:

- reduction, delay or cancellation of orders from one or more of our significant customers;
- loss of one or more of our significant customers due to disputes, dissatisfaction with our products or otherwise, and our failure to attract additional or replacement customers; and
- failure of any of our significant customers to make timely payment for our products.

Our business could be harmed if we fail to maintain proper inventory levels

Recently, we have decreased inventory purchases in response to a decrease in demand in the United States and Asia markets. We may be unable to sell the products that we have in our inventory. The current economic environment has made accurate projecting of inventory levels increasingly challenging. Inventory levels in excess of customer demand may result in inventory write-downs, or the sale of excess inventory at discounted prices, all of which could adversely affect our gross margins. Conversely, if we underestimate consumer demand for our pearls and jewelry products or if our suppliers fail to supply pearls in a timely manner, we may experience inventory shortages. Inventory shortages might result in unfilled orders, negatively impact customer relationships and result in lost revenues, any of which could harm our business.

Global or regional recessions may adversely affect consumer purchases of our products

Our revenues are dependent on cycles in general global and regional economic conditions and macroeconomic factors such as employment levels, salary levels, business conditions, tax rates and credit availability, all of which affect consumer spending on discretionary items such as jewelry, which are perceived as luxuries. Volumes and values of sales of jewelry tend to decrease faster than sales and values of essential goods during economic downturns. Declining confidence in the global economy or regional economies where we are active could therefore adversely affect consumers ability and willingness to purchase our products. Regionally, purchases made by our customers in North America, Europe and Hong Kong and other Asian countries accounted for approximately 22.1%, 48.3% and 21.5% of our total revenues in fiscal year 2009. Should any of these economies suffer a serious economic downturn, it could have a material and adverse effect on our business, results of operations and financial condition.

We are exposed to currency exchange fluctuations

We make the majority of our purchases in U.S. dollars, Hong Kong dollars, Japanese Yen and Renminbi, and denominate our sales in either U.S. dollars or Hong Kong dollars. Accordingly, changes in currency exchange rates (including revaluation of the Renminbi) and costs of conversion between U.S. dollars, Hong Kong dollars and such other currencies may have an adverse effect on our business. These exposures may change over time as business practices evolve and could result in increased costs or reduced revenue that could impact our cash flow and operating results. Currency devaluations and unfavorable changes in international monetary and tax policies could also have a material adverse effect on our profitability.

The implementation of new tax laws may significantly increase our income tax liability

Man Sang Nevada is a holding company incorporated in Nevada and Man Sang BVI is a holding company incorporated in the British Virgin Islands. We also have intermediate holding companies incorporated in Bermuda and Hong Kong, and subsidiaries that operate in the PRC. As a result, any change in the policies or regulations regarding taxation in the British Virgin Islands, Bermuda, Hong Kong or the PRC may have a material adverse effect on our profitability. On March 16, 2007, the PRC National People s Congress, the PRC legislature, adopted a new tax law, the Enterprise Income Tax Law of the People s Republic of China, or the Enterprise Income Tax Law, which became effective January 1, 2008. On December 6, 2007, the State Council promulgated the Implementation Regulations of the Enterprise Income Tax Law, or the Implementation Regulations, which also became effective January 1, 2008. The Enterprise Income Tax Law imposes a uniform tax rate of 25% for all enterprises incorporated or resident in China, including foreign investment enterprises, and eliminates many tax exemptions, reductions and preferential treatments formerly applicable to foreign investment enterprises. Man Hing Industry Development (Shenzhen) Co., Ltd., our primary manufacturing subsidiary in China, enjoyed a preferential enterprise income tax rate of 20% on its taxable income prior to and during fiscal year 2009. Under the Enterprise Income Tax Law and the Implementation

Regulations, Man Hing Industry Development (Shenzhen) Co., Ltd. s income tax rates will increase gradually over a period of five years until it pays income tax at a rate of 25%.

Under the Income Tax Law for Enterprises with Foreign Investment and Foreign Enterprises, effective prior to January 1, 2008, any dividends payable by foreign-invested enterprises to their non-PRC investors were exempt from any PRC withholding income tax. Under the new Enterprise Income Tax Law, China-sourced income of foreign enterprises, such as dividends paid by a PRC subsidiary to its overseas parent, will normally be subject to PRC withholding tax at a rate of 10%, unless there are applicable treaties that reduce such rate. Neither the British

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Virgin Islands nor Bermuda has a tax treaty with China entitling us to any withholding tax lower than 10%. Hong Kong, where some of our intermediate holding companies are incorporated, has an arrangement with China under which the dividend withholding tax rate is reduced to 5% if a Hong Kong resident enterprise owns over 25% of the PRC company distributing the dividends. If the applicable Hong Kong intermediate holding company is regarded as a non-resident enterprise and owns at least a 25% share in the relevant PRC subsidiary, dividends paid by such PRC subsidiary would be subject to a withholding tax at the rate of 5%, provided that the Hong Kong subsidiary and we are not considered to be a PRC tax resident enterprise, as described below.

The new Enterprise Income Tax Law, however, also provides that enterprises established outside China whose de facto management bodies are located in China are considered resident enterprises and will generally be subject to the uniform 25% enterprise income tax rate on their global income. Under the Implementation Regulations, de facto management bodies is defined as the bodies that have, in substance, overall management control over such aspects as the production and business, personnel, accounts and properties of an enterprise. Pursuant to this definition, we believe our de facto management bodies are located in Hong Kong. However, if we are considered as a PRC tax resident enterprise under the above definition, then our global income will be subject to PRC enterprise income tax at the rate of 25%.

Dividends payable by us to our foreign investors and gain on the sale of our shares may become subject to withholding taxes under PRC tax laws

Under the new Enterprise Income Tax Law and the Implementation Regulations, PRC income tax at the rate of 10% applies to dividends payable to investors that are non-resident enterprises (and that do not have an establishment or place of business in China, or that have such establishment or place of business but the relevant income is not effectively connected with such establishment or place of business) to the extent such dividends are sourced within China and the enterprise that distributes dividends is considered a resident enterprise in China. Therefore, if we are considered as a PRC tax resident enterprise for tax purposes, any dividends we pay to our overseas shareholders as well as gains realized by such shareholders from the transfer of our shares may be regarded as China-sourced income and as a result be subject to 10% PRC withholding tax. We intend to take the position that any dividends we pay to our overseas shareholders will not be subject to a withholding tax in the PRC.

As the new Enterprise Income Tax Law and the Implementation Rules have only recently taken effect, it is uncertain how they will be implemented by the relevant PRC tax authorities. In addition, a number of detailed implementation regulations are still in the process of promulgation. If dividend payments from our PRC operating subsidiaries to our overseas intermediate holding companies, and from our overseas intermediate holding companies to us are subject to PRC withholding tax, our financial condition, results of operations and the amount of dividends available to pay our shareholders may be adversely affected. If dividends we pay to our overseas shareholders or gains realized by such shareholders from the transfer of our shares are subject to PRC withholding tax, it may materially and adversely affect your investment return and the value of your investment in us.

We are exposed to general real estate investment risks

We own certain real estate investments. Real estate investments, like many other types of long-term investments, have historically experienced significant fluctuations in value, and specific market conditions and cycles may result in occasional or permanent reductions in the value of our investments. Property cash flows and the marketability and value of real property will depend on many factors beyond our control, including, without limitation:

- adverse changes in international, national, regional and local economic and market conditions;
- changes in interest rates or financial markets;

fluctuating local real estate conditions and changes in local laws and regulations;

changes or promulgation and enforcement of governmental regulations relating to land use and zoning, environmental, occupational and safety matters;

changes in real estate tax rates and other operating expenses;

existence of uninsured or uninsurable risks; and

natural disasters, acts of war or terrorism.

We may not be able to complete China Pearls and Jewellery City or commence or complete our properties planned for future real estate projects on time or within budget

Our real estate projects involve acquiring land-use rights for large plots of land, many of which have existing structures and residents, from municipal and provincial governments of the PRC. Other properties we may develop in the future may also involve similar circumstances. Acquiring these development rights, converting them into land-use rights and committing the financial and managerial resources to develop the land involves significant risks. Before a real estate development project generates any revenue, we must make a variety of material expenditures, including to acquire the development rights and to construct the required infrastructure. As of March 31, 2009, China Pearls and Jewellery City Holdings Limited, a subsidiary of Man Sang Nevada, had incurred approximately HK$793 million in development costs, primarily for the construction of phase one of China Pearls and Jewellery City.

It generally takes several years for a planned real estate project to generate revenue, and we cannot assure you that our real estate projects will achieve positive cash flow. As a result, our current and future real estate development activities may be exposed to the following risks:

we may lease or sell developed properties at below expected rental rates or sales prices, and we may experience delays in the sale or leasing of developed properties;

we may be unable to complete construction of our real estate projects on schedule, or on budget, due to a variety of factors including shortages of materials, equipment, technical skills and labor, adverse weather conditions, natural disasters, labor disputes, disputes with contractors and sub-contractors, accidents, changes in government priorities and policies, changes in market conditions, delays in the relocation process, delays in obtaining the requisite licenses, permits and approvals from the relevant authorities and other problems and circumstances, resulting in increased debt service expense and construction costs;

occupancy rates, rents and sales prices at our real estate properties may fluctuate depending on a number of factors, including market and economic conditions, and may result in our investments being less profitable than we expected or not profitable at all;

the services rendered by our contractors may not always meet our quality requirements, and negligence or poor work quality by any contractors may result in defects in our buildings or trade center units, which could in turn cause us to suffer financial losses, harm our reputation or expose us to third-party claims;

since it normally takes several years for us to complete a real estate project, we expect that we will be affected by increases in the costs of construction materials and the costs of other goods and services, most significantly labor costs.

we may delay, or change the structure of, real estate projects and as a result we may lose deposits paid to participate in the land tender process or fail to recover expenses already incurred;

we may be unable to obtain, or face delays in obtaining, required zoning, land-use, building, occupancy, and other governmental permits, rights and authorizations, which could result in increased costs with respect to a project;

The occurrence of any of these circumstances, most of which are beyond our control, could delay the completion of our real estate projects, which could adversely affect our business, financial condition and results of operations, which in turn could cause the market value of our securities to decline.

We may not be able to generate sufficient cash flow or obtain financing to complete China Pearls and Jewellery City or implement our business strategies

We intend to invest approximately HK$88.6 million and HK$28.5 million for capital expenditures in fiscal years 2010 and 2011, respectively, nearly all of which will be dedicated to the construction of the phase one pearl market center for China Pearls and Jewellery City. We intend to finance these capital expenditures with cash reserves, cash flows from operations, dividend payments from subsidiaries and, if required, borrowings. We may not generate sufficient cash flows from operations to fully fund our capital expenditures for China Pearls and

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Jewellery City or other projects we may undertake. We may need additional funding to implement our business strategy. If we are unable to generate enough cash to pay for these projects we may need to raise additional funds. We may not be able to raise any additional funds on commercially acceptable terms, if at all. If we can not generate enough cash, or find alternative sources of funding to complete these projects, our business, cash flows, financial condition, results of operations and prospects could be materially and adversely affected.

The cyclical nature of the real estate industry could adversely affect our results of operations

The results of our real estate operations are affected by the cyclical nature of the real estate industry in the PRC. Property values and rents are affected by, among other factors, supply and demand of comparable properties, interest rates, unemployment rates, inflation, the rate of economic growth, tax laws and political and economic developments in the PRC. We cannot assure you that property values and rents will not decline in the future. In addition, increased competition from other pearl processing and pearl market centers could adversely affect our rents and occupancy rates at Man Sang Industrial City and China Pearls and Jewellery City as well as sales prices for our units at China Pearls and Jewellery City. Furthermore, a significant downturn in demand for pearl and jewelry products could adversely affect demand for our units at Man Sang Industrial City and China Pearls and Jewellery City. A significant downturn in demand for our units would result in a material adverse effect on our business, financial condition and results of operations.

If we fail to obtain the necessary land-use rights, we will not be able to continue the development of China Pearls and Jewellery City

We entered into a master agreement with the Zhuji Shanxiahu People s Government in January 2006 for the development of China Pearls and Jewellery City. Pursuant to this master agreement, the Zhuji Shanxiahu People s Government has identified land which is suitable for the development of China Pearls and Jewellery City. However, the signing of the master agreement does not guarantee that we will obtain all of the land identified therein, which is transferred by public tender, auction or listing for sale. As of March 31, 2009, we had obtained the land-use rights for approximately 300,000 square meters of land for the development of China Pearls and Jewellery City, including substantially all of the land-use rights for our phase one pearl market center.

We cannot assure you that land administration authorities will grant us the remaining 900,000 square meters of land corresponding to the land identified in our master agreement for the development of the remaining phases of China Pearls and Jewellery City in a timely manner, or at all. Moreover, we cannot assure you that we will be able to obtain the land at our desired price. If we are not successful in obtaining the land-use rights for the development of the remaining phases of China Pearls and Jewellery City, we will not be able to develop China Pearls and Jewellery City as planned, which may result in a material adverse effect on our business, financial condition and results of operations.

Our results of operations may fluctuate from period to period due to variations in the proceeds received from sales of pearl market center units in China Pearls and Jewellery City

Our policy will be to maintain an optimal mix between pearl market center units for sale and pearl market center units held as investment properties at China Pearls and Jewellery City. Accordingly, our results of operations may fluctuate from period to period depending upon the proportion and gross floor area of pearl market center units that are sold or leased, as well as when construction of pearl market center units is completed. In addition, because China Pearls and Jewellery City is a large-scale, multi-phase project to be developed over the course of several years, the selling prices of pearl market center units are also subject to fluctuation, which may result in a material adverse effect on our business, financial condition and results of operations.

Our operations are subject to extensive governmental regulation, and we are susceptible to changes in policies related to the real estate market in the PRC

In order to develop and operate China Pearls and Jewellery City, we must obtain various permits, licenses, certificates and other approvals from the relevant administrative authorities at various stages of development, including land-use rights documents, planning permits, construction permits, and certificates or confirmation of completion and acceptance. Each approval is dependent on the satisfaction of certain pre-conditions. We cannot assure you that we will be able to fulfill the pre-conditions necessary to obtain required governmental approvals, or that we will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the real estate market in general or the particular processes with respect to the grant of approvals in China. There may also be delays on the part of relevant administrative bodies in reviewing our applications and granting approvals. If we fail to obtain, or experience material delays in obtaining, the requisite governmental approvals, the development, sale and lease of China Pearls and Jewellery City pearl market center units could be substantially disrupted, which would result in a material adverse effect on our business, financial condition and results of operations.

Demand for our units at China Pearls and Jewellery City and Man Sang Industrial City has been and may continue to be negatively affected by the recent financial market and economic crisis, which would have a material adverse effect on our business, results of operations and financial condition

The recent global financial crisis has adversely affected the United States and other world economies. Although the PRC government has adopted increasingly flexible macroeconomic policies, including an announced fiscal stimulus package, aimed at offsetting the slowdown brought about by the financial crisis, as the financial crisis has broadened and intensified, the growth of China s economy has been negatively impacted. The financial crisis has had a negative impact on the manufacturing activities and exports by manufacturers, including manufacturers and suppliers of pearl and jewelry products, which are our principal tenants. Current and potential tenants and purchasers of our units at China Pearls and Jewellery City and current and potential tenants of our units at Man Sang Industrial City may be increasingly affected by the economic crisis and, as a result, may be unable to sustain their business operations or make agreed upon rental or purchase payments for our units, all of which could lead to a reduction in demand and profit margins and delay in rental and purchase payments. Although, as of March 31, 2009 we had not experienced any material defaults or delinquencies by tenants of China Pearls and Jewellery City or Man Sang Industrial City, we cannot assure you that we will not experience material tenant defaults or delinquencies in the future.

PRC tax authorities may challenge the basis on which we pay our land appreciation tax obligations and our results of operations and cash flows may be affected.

Under PRC laws and regulations, PRC enterprises engaging in property development are subject to land appreciation tax, or LAT, which is levied by the local tax authorities. All taxable gains from the sale or transfer of land use rights, buildings and their attached facilities in the PRC are subject to LAT at progressive rates ranging from 30% to 60%. Provisioning for LAT requires our management to use a significant amount of judgment with respect to, among other things, the anticipated total proceeds to be derived from the sale or transfer of land use rights and buildings, the total appreciation of land value and various deductions to the LAT. If the LAT provisions we make are substantially lower than the actual LAT amounts assessed by the tax authorities in the future, our results of operations and cash flows will be materially and adversely affected.

Our principal stockholders have substantial control over Man Sang Nevada and can affect decisions made by our stockholders and, following the liquidation, will continue to have substantial control over Man Sang BVI

As of the record date, our principal stockholders, Mr. Cheng Chung Hing, Ricky, our President, Chairman and Chief Executive Officer and Mr. Cheng Tai Po, our Vice Chairman, beneficially owned approximately 3,437,501 outstanding shares of Man Sang Nevada common stock and 100,000 outstanding shares of Man Sang Nevada preferred stock, which together represent the votes of 6,628,726 shares of Man Sang Nevada common stock, or 69.2% of the total voting power of Man Sang Nevada common stock and Series A preferred stock. As a result, Mr. Cheng Chung Hing, Ricky and Mr. Cheng Tai Po have the requisite voting power to exert substantial influence over actions which require stockholder approval and generally to direct our affairs, including decisions regarding the election of directors, mergers, consolidations and the sale of all or substantially all of our assets and other significant corporate actions. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could deprive our shareholders of an opportunity to receive a premium for their shares as part of a sale of our company and might reduce the price of our shares. These actions may be taken even if they are opposed by our other shareholders. Following the liquidation, the principal stockholders will continue to have the same level of control over Man Sang BVI and will be able to similarly affect decisions made by Man Sang BVI s shareholders. In addition, our principal stockholders have substantial interests in other market and trade centers in the PRC, although these market and trade centers are unrelated to the pearl and jewelery industry and therefore do not compete with our business. As a result of the above, the interests of our principal stockholders may differ with those of our other shareholders.

We rely on the experience, expertise and managerial and technical skills of our core management team

Our past success is largely attributable to the experience, expertise and managerial and technical skills of our core management team. In particular, Mr. Cheng Chung Hing, Ricky, our President, Chairman and Chief Executive Officer, and Mr. Cheng Tai Po, our Vice Chairman, each have over 25 years of experience in management and knowledge in the pearl and jewelry industry and over 10 years of experience in the property investment and development industry.

Mr. Cheng Chung Hing, Ricky and Mr. Cheng Tai Po are responsible for our overall management and the formulation of our corporate policies and business strategies. Our other executive officers and key personnel also possess substantial experience in business management and operations and in-depth industry knowledge and understanding and have made significant contributions to our business development. If one or more of the members of our core management team or our executive officers are unable or unwilling to continue in their present positions, we may not be able to replace them readily, if at all. Therefore, our business may be severely disrupted, and we may incur additional expenses to recruit and retain new members of our core management team or executive officers, in particular those with the in-depth industry knowledge and experience possessed by our current team. In addition, if any of our executive join a competitor or forms a competing company, we may lose some of our customers.

The price of our common stock may fluctuate significantly, which may result in losses for investors

The market price for the common stock has been volatile and the market price for the common stock may continue to be volatile. For example, during the period from April 1, 2008 to March 31, 2009, the closing prices of the common stock as reported on the NYSE Amex (formerly known as The American Stock Exchange) ranged from a high of US$8.2 per share on May 16, 2008 to a low of US$1.0 per share on March 9, 2009. We expect our stock price to be subject to fluctuations as a result of a variety of factors, including factors beyond our control. These factors include and are not necessarily limited to:

- actual or anticipated variations in operating results from guidance provided by us;
- announcements relating to strategic relationships or acquisitions;
- changes in financial estimates or other statements by securities analysts or research firms;
- changes in general economic conditions; and
- changes in the economic performance and/or market valuations of other competitors.

Because of this volatility, we may fail to meet the expectations of our stockholders or of securities analysts in the future, and our stock price could decline as a result.

A lack of effective internal control over financial reporting could result in an inability to accurately report our financial results, which could lead to a loss of investor confidence in our financial reports and have an adverse effect on our stock price

Effective internal controls are necessary for us to provide reliable financial reports. If we cannot provide reliable financial reports, our business and operating results could be harmed. We have in the past discovered deficiencies in our internal controls and, based on our evaluation of the effectiveness of our internal control over financial reporting as of the end of the fiscal year 2009, we identified a material weakness in our internal control over financial reporting as of March 31, 2009. For a description of this material weakness, see Management s Discussion and Analysis of Financial Condition and Results of Operations Internal Control Over Financial Reporting. In addition, we may in the future discover deficiencies in our internal controls. Evaluations of the effectiveness of our internal controls in the future may lead our management to determine that internal control over financial reporting is no longer effective. Such conclusions may result from our failure to implement controls for changes in our business, or deterioration in the degree of compliance with our policies or procedures. A failure to maintain effective internal control over financial reporting, including a failure to implement effective new controls to address changes in our business could result in a material misstatement of our consolidated financial statements or otherwise cause us to fail to meet our financial reporting obligations. This, in turn, could result in a loss of investor confidence in the accuracy and completeness of our financial reports, which could have an adverse effect on our stock price.

Risks Relating to Ownership of Man Sang BVI Ordinary Shares

Man Sang BVI is a British Virgin Islands company and, because legal precedent regarding the rights of shareholders is more limited under British Virgin Islands law than under United States law, following the liquidation our shareholders may have less protection for their shareholder rights than they currently do under Nevada law

Man Sang BVI s corporate affairs are governed by its amended and restated memorandum and articles of association, the BVI Companies Act and the common law of the British Virgin Islands. The rights of shareholders to take action against Man Sang BVI s directors, actions by minority shareholders and the fiduciary responsibilities of Man Sang BVI s directors to our company under British Virgin Islands law are to a large extent governed by the common law of the British Virgin Islands. The common law of the British Virgin Islands is derived in part from comparatively limited judicial precedent in the British Virgin Islands as well as that from English common law, which has persuasive, but not binding, authority on a court in the British Virgin Islands. The rights of Man Sang BVI shareholders and the fiduciary responsibilities of Man Sang BVI s directors under British Virgin Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States, including Nevada. In particular, the British Virgin Islands has a less developed body of securities laws than the United States. In addition, Nevada, and other states of the United States, have more fully developed and judicially interpreted bodies of corporate law than the British Virgin Islands.

Examples of the significant differences between the provisions of the BVI Companies Act applicable to Man Sang BVI and the laws applicable to companies incorporated in Nevada and their shareholders include limitations under British Virgin Islands law on the ability to bring shareholders suits, including class actions and shareholder derivative actions, and reduced protections under British Virgin Islands law of the interests of minority shareholders.

As a result of all of the above, shareholders of Man Sang BVI, as shareholders of a British Virgin Islands company, may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or our principal stockholders than they would as shareholders of Man Sang Nevada, a Nevada incorporated company. For further information regarding the rights of Man Sang BVI shareholders and Man Sang Nevada common stockholders, see Comparison of Rights of Man Sang Nevada Stockholders and Man Sang BVI Shareholders beginning on page 110.

The enforcement of judgments in shareholder suits against Man Sang BVI may be more difficult

Because Man Sang BVI is a British Virgin Islands corporation, investors could experience more difficulty enforcing judgments obtained against Man Sang BVI in U.S. courts than would currently be the case for U.S. judgments obtained against Man Sang Nevada. In addition, it may be more difficult to bring some claims against Man Sang BVI in British Virgin Islands courts than it would be to bring similar claims against a U.S. company in a U.S. court.

The price of Man Sang BVI ordinary shares may fluctuate significantly, which may result in losses for investors

The market price for Man Sang Nevada common stock has been volatile and the market price for Man Sang BVI ordinary shares may continue to be volatile. We expect our stock price to be subject to fluctuations as a result of a variety of factors, including factors beyond our control. These factors include but are not necessarily limited to:

- actual or anticipated variations in operating results from guidance provided by us;

announcements relating to strategic relationships or acquisitions;

changes in financial estimates or other statements by securities analysts or research firms;

changes in general economic conditions; and

changes in the economic performance and/or market valuations of other competitors.

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Because of this volatility, we may fail to meet the expectations of our shareholders or of securities analysts in the future, and our stock price could decline as a result.

Man Sang BVI s amended and restated articles of association contain anti-takeover provisions that could have a material adverse effect on the rights of its ordinary shares

Man Sang BVI s amended and restated articles of association will become effective following their filing and registration with the BVI Registrar of Corporate Affairs and the filing of a Certificate of Dissolution with the Secretary of State of the State of Nevada by Man Sang Nevada. The new articles of association limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. For example, Man Sang BVI s board of directors has the authority, without further action by our shareholders, to issue additional preferred shares. If Man Sang BVI s board of directors decides to issues additional preferred shares within the number of the existing authorized preferred shares, the price of our ordinary shares may fall and the voting and other rights of the holders of Man Sang BVI ordinary shares may be materially adversely affected. The new articles of association also include a business combination provision, which is consistent with the provisions of the Nevada Revised Statutes governing interested shareholder transactions, and a provision requiring a supermajority vote of shareholders to remove directors without cause.

Risks Relating to the PRC and Hong Kong

Previous macroeconomic measures taken by the PRC government could have adverse economic consequences, and recent fiscal stimulus measures may not offset the decline in the rate of economic growth in the PRC

A portion of our assets are located in China and Hong Kong and a portion of our revenue is sourced from China and Hong Kong. Accordingly, our results of operations, financial condition and prospects are to a significant degree subject to economic, political and legal developments in China and Hong Kong. Previous macroeconomic measures taken by the PRC government to manage economic growth could have adverse economic consequences, and recent fiscal stimulus measures may not be successful in offsetting a decline in the rate of economic growth in the PRC.

In previous years, the PRC government has periodically taken measures to slow economic growth to a more manageable level, in response to concerns about China s historical high growth rate in industrial production, bank credit, fixed investment and money supply. These measures have included macroeconomic measures to control perceived overinvestment in the real property market. More recently, along with a decline in economic growth worldwide, the rate of growth of the PRC economy has slowed down. In 2008, China s real GDP grew by a rate of an estimated 9.8% as compared to a rate of 11.9% in 2007. In response to the global economic downturn, and a resulting slowdown in the PRC economy, the PRC government has adopted increasingly flexible macroeconomic policies, including an announced fiscal stimulus package, aimed at offsetting the slowdown brought by the financial crisis.

These policies include measures specifically designed to encourage development of the domestic real property market, which represents a reversal on policies implemented since 2003 designed to tighten control on the real property market. However, we cannot assure you that the PRC government s fiscal stimulus package will be successful in offsetting the slowdown brought by the economic downturn and deterioration in the global credit markets, or that restrictive measures already in place will not adversely affect our business.

Introduction of new laws or changes to existing laws by the PRC government may adversely affect our business

Our business and operations in the PRC are governed by the PRC legal system. The PRC legal system is a codified system with written laws, regulations, circulars, administrative directives and internal guidelines. The PRC government is still in the process of developing its legal system. As the PRC economy has traditionally developed at a faster pace than its legal system, a certain degree of uncertainty exists in connection with whether and how existing laws and regulations will apply to certain events or circumstances. Some of the laws and regulations, and the interpretation, implementation and enforcement thereof, are still at an experimental stage and are therefore subject to policy changes.

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Further, precedents on the interpretation, implementation and enforcement of the PRC laws and regulations are limited, and court decisions in the PRC do not have any binding effect on lower courts. Accordingly, the outcome of dispute resolution may not be as consistent or predictable as in other more developed jurisdictions and it may be difficult to obtain swift and equitable enforcement of the laws in the PRC, or to obtain enforcement of a judgment by a court or another jurisdiction.

Adverse changes in political and economic policies of the PRC government could have a material adverse effect on the overall economic growth of China, which could reduce the demand for our products and materially and adversely affect our competitive position

Our real estate operations are conducted in the PRC and some of our sales are made in China. Accordingly, our business, financial condition, results of operations and prospects are affected by economic, political and legal developments in the PRC. The Chinese economy differs from the economies of most developed countries in many respects, including:

- the amount of government involvement;
- the level of development;
- the growth rate;
- the control of foreign exchange; and
- the allocation of resources.

While the Chinese economy has grown significantly in the past 20 years, the growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall Chinese economy, but may also have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations that are applicable to us.

The Chinese economy has been transitioning from a planned economy to a more market-oriented economy. Although in recent years the PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of the productive assets in China is still owned by the PRC government. The PRC government also exercises significant control over Chinese economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies.

Fluctuation in the value of the Renminbi may have a material adverse effect on your investment

The change in value of the Renminbi against the U.S. dollar, Euro and other currencies is affected by, among other things, changes in China s political and economic conditions. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar. Under the new policy, the Renminbi is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. On May 18, 2007, China s central bank announced that it would allow Renminbi to fluctuate more during each day s foreign exchange rate trading. These changes in policy have resulted in an approximately 15.8% appreciation of Renminbi against the U.S. dollar between July 22, 2005 and July 24, 2009. While the international reaction to the Renminbi revaluation has generally been positive, there remains significant international pressure on the PRC government to adopt an even more flexible currency policy, which could result in a further and more significant appreciation of the Renminbi against the U.S. dollar. As a portion of our costs and expenses is denominated in Renminbi, the revaluation in July 2005 and potential future adjustment or revaluation have increased and could further increase our costs in U.S. dollar terms. In addition, as we rely partially on dividends paid to us by certain of our subsidiaries in the PRC, any significant adjustment or revaluation of the Renminbi may have a material adverse effect on our revenues and financial condition, and the value of, and any dividends payable on, our ordinary shares. For example, to the extent that we need to convert U.S. dollars we receive from our overseas sales into Renminbi for our operations in the PRC, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we receive from the conversion. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount available to us.

Restrictions on currency exchange may limit our ability to receive and use our revenues effectively

Certain portions of our revenues and expenses are denominated in Renminbi. If our revenues denominated in Renminbi increase or expenses denominated in Renminbi decrease in the future, we may need to convert a portion of our revenues into other currencies to meet our foreign currency obligations, including, among others, payment of dividends declared, if any, in respect of our ordinary shares. Under China s existing foreign exchange regulations, our PRC subsidiaries are able to pay dividends in foreign currencies without prior approval from the State Administration of Foreign Exchange by complying with certain procedural requirements. However, the PRC government could take further measures in the future to restrict access to foreign currencies for current account transactions.

Foreign exchange transactions by our PRC subsidiaries under capital accounts continue to be subject to significant foreign exchange controls and require the approval of, or registration with, PRC governmental authorities. In particular, if our PRC subsidiaries borrow foreign currency loans from us or other foreign lenders, these loans must be registered with the State Administration of Foreign Exchange, and if we finance our PRC subsidiaries by means of additional capital contributions, these capital contributions must be approved by certain government authorities including the Ministry of Commerce or its local counterparts. These limitations could affect the ability of our PRC subsidiaries to obtain foreign exchange through debt or equity financing.

We are a holding company and rely on dividends paid by our subsidiaries for our funding requirements

We conduct all of our operations through our operating subsidiaries. Most of our assets are held by, and substantially all of our earnings and cash flows are attributable to our operating subsidiaries. The ability of our operating subsidiaries to pay dividends depends on business considerations and regulatory restrictions, including cash flow, articles of association of these companies and shareholders agreements to which they are parties. We cannot assure you that our operating subsidiaries will generate sufficient earnings and cash flows to pay dividends or otherwise distribute sufficient funds to enable us to declare dividends.

In addition, the ability of our subsidiaries in the PRC to pay dividends to their shareholders is subject to the requirements of PRC law. PRC regulations permit payment of dividends out of accumulated profits as determined in accordance with PRC accounting standards and regulations. Dividends may not be paid until cumulative prior years losses are made up. As a result, if our subsidiaries in the PRC incur losses, such losses may impair their ability to pay dividends or other distributions to us, which would restrict our ability to distribute dividends and to service our indebtedness. Our PRC subsidiaries are required to make monthly contributions to the social security plan maintained for their employees, consisting of pension benefits, personal injury insurance and medical and unemployment benefits. In addition, each of our PRC subsidiaries is also required to set aside at least 10% of its after-tax profits based on PRC accounting standards each year to its statutory surplus reserve fund until the cumulative amount of such fund reaches 50% of its registered capital.

Any future outbreak of Severe Acute Respiratory Syndrome, avian influenza, influenza A H1N1 or any other epidemic may adversely affect our operational results

In the first half of 2003, certain regions of Asia, including China, encountered an outbreak of Severe Acute Respiratory Syndrome, or SARS, a highly contagious form of atypical pneumonia. There have also been media reports regarding the spread of the H5N1 virus, or avian influenza, among birds and in particular poultry, as well as some isolated cases in countries outside Hong Kong and China of transmission of the virus to humans. Further, the World Health Organization in June 2009 raised its pandemic alert level to phase 6, its highest level, in response to an outbreak of influenza A caused by the H1N1 virus that originated in Mexico, which resulted in a number of confirmed cases worldwide. If an outbreak of SARS, avian influenza, influenza A H1N1 or any other epidemic occurs in the future and any of our employees or customers are suspected of having contracted SARS, avian influenza, influenza A H1N1 or any other epidemic, we may be required to quarantine certain employees suspected of infection, as well as others that have come into contact with these employees. Furthermore, such an outbreak would likely restrict the level of economic activity in affected areas, which would also adversely affect our business operations.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus contains certain forward-looking statements. Generally, the words expects, anticipates, targets, goals, projects, intends, plans, believes, seeks, estimates, variations of such word expressions identify forward-looking statements and any statements regarding the benefits of the liquidation, or Man Sang BVI s or Man Sang Nevada s future financial condition, results of operations and business are also forward-looking statements. The forward-looking statements are contained principally in the sections entitled Risk Factors, The Liquidation, Business Description and Management s Discussion and Analysis of Financial Condition a Results of Operations.

These forward-looking statements involve a number of risks and uncertainties, many of which are beyond our control, and reflect business decisions that are subject to change. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others, the following factors:

- our ability to consummate the liquidation;
- our ability to realize the expected benefits of the liquidation and the change of our place of incorporation within the expected time frame, or at all;
- costs or difficulties related to the liquidation, the change of our place of incorporation and related transactions, which could be greater than expected;
- the availability, terms and cost of funding for our operations and development projects;
- difficulties and delays in obtaining regulatory approvals for the liquidation;
- potential difficulties in meeting conditions set forth in the agreement and plan of liquidation;