MAN SANG HOLDINGS, INC.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2002

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____________ TO _____________.

COMMISSION FILE NUMBER: 33-10639-NY

MAN SANG HOLDINGS, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

NEVADA	87-0539570
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(IRS EMPLOYER NO.)

21/F RAILWAY PLAZA, 39 CHATHAM ROAD SOUTH, TSIMSHATSUI, KOWLOON, HONG KONG
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICERS)

(852) 2317 5300
(ISSUER'S TELEPHONE NUMBER)

(FORMER NAME, FORMER ADDRESS AND FORMER FISCAL YEAR, IF CHANGED SINCE LAST REPORT)

CHECK WHETHER THE ISSUER (1) FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(d) OF THE EXCHANGE ACT DURING THE PAST 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS.
YES [X] NO [ ]

AS OF DECEMBER 31, 2002 AND FEBRUARY 14, 2003, 4,815,960 SHARES OF COMMON STOCK OF THE REGISTRANT WERE OUTSTANDING.

MAN SANG HOLDINGS, INC.

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PART 1 - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MAN SANG HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts expressed in thousands except share data)

	DECEMBER 31, 2002		MARCH 31, 2002
	US$	HK$	HK$
	(UNAUDITED)		
ASSETS			
Current assets:			
Cash and cash equivalents	13,523	105,481	82,152
Restricted cash	-	-	16,169
Marketable securities	1,336	10,423	13,584
Accounts receivable, net of allowance for doubtful accounts of HK$9,793 as of December 31, 2002 and HK$10,054 as of March 31, 2002	7,559	58,963	60,814
Inventories :			
Raw materials	256	1,995	1,773
Work in progress	4,172	32,544	35,679
Finished goods	13,458	104,975	81,059
	17,886	139,514	118,511
Prepaid expenses	607	4,733	2,702
Deposits and other receivables	2,043	15,932	11,317
Other current assets	1,297	10,113	15,983
Income taxes receivable	58	449	-
Total current assets	44,309	345,608	321,232
Property, plant and equipment	12,656	98,717	112,468
Accumulated depreciation	(4,357)	(33,988)	(32,135)
	8,299	64,729	80,333
Real estate investment	13,888	108,327	89,669
Accumulated depreciation	(1,441)	(11,237)	(7,683)
	12,447	97,090	81,986
Long-term investments, net of impairment loss of HK$3,000 as of December 31, 2002 and HK$3,000 as of March 31, 2002	332	2,586	3,330
Deferred tax assets	109	851	2,188
Total assets	65,496	510,864	489,069

MAN SANG HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS - CONTINUED
(Amounts expressed in thousands except share data)

	DECEMBER 31, 2002		MARCH 31, 2002
	US$	HK$	HK$
	(UNAUDITED)		
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	1,932	15,073	29,445
Current portion of long-term debts :			
Secured bank loans	715	5,575	5,575
Accounts payable	2,484	19,379	3,726
Accrued payroll and employee benefits	794	6,192	4,658
Other accrued liabilities	1,361	10,614	8,674
Income taxes payable	647	5,044	373
Total current liabilities	7,933	61,877	52,451
Long-term debts :			
Secured bank loans	2,286	17,829	22,010
Minority interests	22,591	176,208	170,208
Stockholders' equity:			
Series A preferred stock, par value US$0.001 - authorized, issued and outstanding: 100,000 shares; (entitled in liquidation to US$2,500 (HK$19,500))	--	1	1
Series B convertible preferred stock, par value US$0.001 - authorized: 100,000 shares; no shares outstanding	--	--	--
Common stock, par value US$0.001 - authorized: 25,000,000 shares; issued and outstanding: 4,815,960 shares as of December 31, 2002 and 4,405,960 shares as of March 31, 2002	5	37	34
Additional paid-in capital	7,773	60,629	58,458
Retained earnings	25,290	197,266	187,570
Accumulated other comprehensive loss	(382)	(2,983)	(1,663)
Total stockholders' equity	32,686	254,950	244,400
Total liabilities and stockholders' equity	65,496	510,864	489,069

See accompanying notes to condensed consolidated financial statements

MAN SANG HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31
(Amounts expressed in thousands except share data)

	THREE MONTHS ENDED DECEMBER 31,			NINE MONTHS ENDED DECEMBER 31,		
	2002		2001	2002		2001
	US$	HK$	HK$	US$	HK$	HK$
Net sales	8,569	66,839	57,127	28,854	225,060	203,066
Cost of goods sold	(6,620)	(51,631)	(38,188)	(20,193)	(157,502)	(139,813)
Gross profit	1,949	15,208	18,939	8,661	67,558	63,253
Rental income, gross	248	1,928	1,889	722	5,628	5,700
	2,197	17,136	20,828	9,383	73,186	68,953
Selling, general and administrative expenses						
- Pearls	(1,982)	(15,457)	(14,598)	(5,777)	(45,060)	(47,864)
- Real estate investment	(212)	(1,658)	(1,502)	(616)	(4,805)	(4,358)
Operating income	3	21	4,728	2,990	23,321	16,731
Share of result of an associate	2	20	--	(8)	(60)	--
Non-operating items						
- Interest expenses	(50)	(394)	(922)	(183)	(1,430)	(4,325)
- Interest income	21	162	404	75	585	2,351
- Other income	132	1,028	370	341	2,658	1,592
Income before income taxes and minority interests	108	837	4,580	3,215	25,074	16,349
Income taxes	(69)	(533)	(86)	(777)	(6,060)	(3,749)
Income before minority interests	39	304	4,494	2,438	19,014	12,600
Minority interests	(105)	(815)	(2,596)	(1,195)	(9,318)	(5,651)
Net (loss) income	(66)	(511)	1,898	1,243	9,696	6,949
Other comprehensive loss, net of taxes and minority interests						
- Foreign currency translation adjustments	33	255	354	61	471	745
- Unrealized holding gain (loss) on marketable securities	8	60	1,255	(230)	(1,791)	(1,134)
Other comprehensive gain (loss), net of taxes and minority interests	41	315	1,609	(169)	(1,320)	(389)
Comprehensive (loss) income	(25)	(196)	3,507	1,074	8,376	6,560
Basic (loss) earnings per common share	(0.01)	(0.11)	0.43	0.26	2.06	1.58
Diluted (loss) earnings per common share	(0.01)	(0.11)	0.43	0.26	2.06	1.58
Weighted average number of shares of common stock						
- for basic earnings per share	4,815,960	4,815,960	4,405,960	4,716,069	4,716,069	4,405,960
- for diluted earnings per share	4,815,960	4,815,960	4,405,960	4,716,069	4,716,069	4,405,960

See accompanying notes to condensed consolidated financial statements

MAN SANG HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED DECEMBER 31
(Amounts expressed in thousands)

	NINE MONTHS ENDED DECEMBER 31,		
	2002		2001
	US$	HK$	HK$
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income	1,243	9,696	6,949
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for doubtful debts	130	1,019	5,054
Write-down of inventories	723	5,639	--
Depreciation and amortization	945	7,370	7,008
Provision for impairment of goodwill	--	--	591
Share of result of an associate	8	60	--
Loss on disposal of property, plant and equipment	110	858	9
Loss on disposal of subsidiaries	12	98	--
Minority interests	1,195	9,318	5,651
Changes in operating assets and liabilities:			
Accounts receivable	47	360	(935)
Inventories	(3,694)	(28,814)	1,660
Prepaid expenses	(260)	(2,031)	(15)
Deposits and other receivables	(58)	(449)	(12,485)
Other current assets	404	3,155	310
Income tax receivable	(58)	(449)	--
Deferred tax assets	171	1,337	--
Accounts payable	2,007	15,653	3,715
Amount due to an affiliate	--	--	(184)
Accrued payroll and employee benefits	197	1,534	1,267
Other accrued liabilities	259	2,022	(3,864)
Income taxes payable	599	4,671	3,558
Net cash provided by operating activities	3,980	31,047	18,289
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of marketable securities	--	--	(3,578)
Purchase of property, plant and equipment	(953)	(7,438)	(1,402)
Decrease in restricted cash	2,073	16,169	48,955
Loan to an associate	(38)	(300)	
Proceeds from disposal of a long term investment	115	900	--
Proceeds from disposal of property, plant and equipment	25	196	5
Proceeds from disposal of interests in subsidiaries	62	489	--
Purchase of a long-term investment	(20)	(156)	--
Net cash provided by investing activities	1,264	9,860	43,980
CASH FLOW FROM FINANCING ACTIVITIES:			
Increase in short-term borrowings	121	942	2,035
Repayment of short-term borrowings	(1,838)	(14,339)	(46,300)
Repayment of long-term debts	(536)	(4,181)	(16,755)
Net proceeds from issuance of shares by a subsidiary	--	--	14,030
Net cash used in financing activities	(2,253)	(17,578)	(46,990)
Net increase in cash and cash equivalents	2,991	23,329	15,279
Cash and cash equivalents at beginning of period	10,532	82,152	65,294
Exchange adjustments	--	--	250
Cash and cash equivalents at end of period	13,523	105,481	80,823
SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid during the period for:			
Interest and financing charges	185	1,441	4,397
Net income taxes paid	64	501	191

See accompanying notes to condensed consolidated financial statements

MAN SANG HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2002
(UNAUDITED)

1. INTERIM FINANCIAL PRESENTATION

The interim financial statements are prepared pursuant to the requirements for reporting on Form 10-Q. The March 31, 2002 balance sheet data was derived from audited financial statements but does not include all disclosures required by generally accepted accounting principles. The interim financial statements and notes thereto should be read in conjunction with the financial statements and notes included in the annual report of Man Sang Holdings, Inc. (the "Company") on Form 10-K for the fiscal year ended March 31, 2002. In the opinion of management, the interim financial statements reflect all adjustments of a normal recurring nature necessary for a fair presentation of the results for the interim periods presented. Operating results and cash flows for interim periods are not necessarily indicative of results of the entire year.

2. CURRENCY PRESENTATION AND FOREIGN CURRENCY TRANSLATION

Assets and liabilities of foreign subsidiaries are translated from their functional currency to the reporting currency, at period end exchange rates, while revenues and expenses are translated at average exchange rates during the period. Adjustments arising from such translation are reported as a separate component of stockholders' equity. Gains or losses from foreign currency transactions are included in the Statement of Operations. Aggregate net foreign currency gains or losses were immaterial for all periods.

The consolidated financial statements of the Company are maintained, and its consolidated financial statements are expressed, in Hong Kong dollars. The translations of Hong Kong dollar amounts into United States dollars are for convenience only and have been made at the rate of HK$7.8 to US$1, the approximate free rate of exchange at December 31, 2002. Such translations should not be construed as representations that Hong Kong dollar amounts could be converted into United States dollars at that rate or any other rate.

3. RECENT ACCOUNTING PRONOUNCEMENTS

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 requires that, among other things, all business combinations entered into subsequent to June 30, 2001, be accounted for using the purchase method of accounting. SFAS No. 142 provides that goodwill and other intangible assets with indefinite lives not be amortized, but will be tested for impairment on an annual basis. SFAS No. 142 is effective for fiscal years beginning after December 15, 2001. The Company adopted SFAS No. 141 during the year ended March 31, 2002 and it did not impact the Company's financial statements. The Company has adopted SFAS No. 142 on April 1, 2002. There was no significant impact on the Company's financial position and results of operations.

In August 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations". This statement addresses the diverse accounting practices for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The Company will be required to adopt this standard on April 1, 2003. Management is assessing, but has not yet determined, the impact that SFAS No. 143 will have on its financial position and results of operations.

The FASB also issued SFAS No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets" that is applicable to financial statements issued for fiscal years beginning after December 15, 2001. The FASB's new rules on assets impairment supersede SFAS No. 121, "Accounting for Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and portions of APB Opinion 30 "Reporting the Results of Operations". The statement provides a single accounting model for long-lived assets to be disposed of and significantly changes the criteria that would have to be met to classify an asset as held-for-sale. Classification as held-for-sale is an important distinction since such assets are not depreciated and are stated at the lower of fair value and carrying amount. The statement also requires expected future operating losses from discontinued operations to be displayed in the period(s) in which the losses are incurred, rather than as of the measurement dates as presently required. The Company has adopted SFAS No. 144 on April 1, 2002. There was no significant impact on the Company's financial position and results of operations from adoption of this statement.

In April 2002, the FASB also issued SFAS No. 145, "Rescission of FASB Statement No. 4,44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections", to update, clarify, and simplify certain existing accounting pronouncements. Specifically, SFAS No. 145: (i) Rescinds SFAS No. 4, "Reporting Gains and Losses from Extinguishment of Debt", an amendment of APB Opinion 30, and SFAS No. 64, "Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements", which amended SFAS No. 4, as these two standards required that all gains and losses from the extinguishment of debt be aggregate and, if material, classified as an extraordinary item. Consequently, such gains and losses will now be classified as extraordinary only if they meet the criteria for extraordinary treatment set forth in APB Opinion 30, Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extra-ordinary, Unusual and Infrequently Occurring Events and Transactions; (ii) Rescinds SFAS No. 44, "Accounting for Intangible Assets of Motor Carriers", an amendment of Chapter 5 of Accounting Research Bulletins No. 43 and an interpretation of APB Opinions 17 and 30, because the discrete event to which the Statement relates is no longer relevant; (iii) Amends SFAS No. 13, "Accounting for leases", to require that certain lease modifications that have economic effects similar to sale-leaseback transactions be accounted for in the same manner as such transactions; (iv) Makes certain technical corrections, which the FASB deemed to be non-substantive, to a number of existing accounting pronouncements. The provisions of SFAS No. 145 related to the rescission of SFAS No. 4 and No. 64 are effective for fiscal years beginning after May 15, 2002. The provisions related to the amendment of SFAS No. 13 are effective for transactions occurring after May 15, 2002. All other provisions of SFAS No. 145 are effective for financial statements issued on or after May 15, 2002. For those provisions that become effective during the nine-month period ended December 31, 2002, there was no significant impact on the Company's financial position and results of operations; for the remaining provision under SFAS No. 145, management is assessing, but has not yet determined, the impact such provisions will have, if any, on its financial position and results of operations.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities", which requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of commitment to an exit or disposal plan. Such costs covered by the standard include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operation, plant closing, or other exit or disposal activity. SFAS No. 146 replaces the previous accounting guidance provided by the Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." SFAS No. 146 is to be applied prospectively to exit or disposal activities initiated after December 31, 2002 and the Company does not anticipate that the statement will have a material impact on the Company's financial statements and results of operations.

On December 31, 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure", which amends SFAS No. 123, "Accounting for Stock-Based Compensation". SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. (Under the fair value based method, compensation cost for stock options is measured when options are issued.) In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 to require more prominent and more frequent disclosures in financial statements of the effects of stock-based compensation.

The transition guidance and annual disclosure provisions of SFAS No. 148 are effective for fiscal years ending after December 15, 2002, with earlier application permitted in certain circumstances. The interim disclosure provisions are effective for financial reports containing financial statements for interim periods beginning after December 15, 2002. Management is assessing but has not yet determined the impact that SFAS No. 148 will have, if any, on its financial position and results of operations.

4. EARNINGS PER SHARE ("EPS")

EPS is calculated in accordance with SFAS No. 128. Per share data is calculated using the weighted average number of shares of common stock outstanding during the period.

Man Sang International Limited ("MSIL"), a subsidiary of the Company whose shares are listed on The Stock Exchange of Hong Kong Limited, adopted a share option scheme (the "Old Share Option Scheme") on September 8, 1997. The Old Share Option Scheme is administered by Board of Directors of MSIL, whose decisions are final and binding on all parties. On August 2, 2002, at the 2002 Annual General Meeting of MSIL, MSIL's shareholders approved a share option scheme (the "New Share Option Scheme") to replace the Old Share Option Scheme. No option has been granted under the New Share Option Scheme and all the options granted under the Old Share Option Scheme shall continue to be valid and exercisable in accordance therewith.

	For the Quarter Ended December 31, 2001		
	Earnings HK$	No. of shares	EPS HK$
Basic EPS			
Net income available to common stockholders	1,898,217	4,405,960	0.43
Diluted EPS			
Net income available to common stockholders, including conversion	1,898,217	4,405,960	0.43

	For the Nine Months Ended December 31, 2001		
	Earnings HK$	No. of shares	EPS HK$
Basic EPS			
Net income available to common stockholders	6,948,612	4,405,960	1.58
Diluted EPS			
Net income available to common stockholders, including conversion	6,948,612	4,405,960	1.58

For each of the three-month and nine-month periods ended December 31, 2001, the effect on consolidated EPS of both options and warrants issued by MSIL and options issued by the Company was not included in the computation of diluted EPS because it would have resulted in an anti-dilutive effect.

	For the Quarter Ended December 31, 2002		
	Loss HK$	No. of shares	Loss per share HK$
Basic loss per share			
Net loss available to common stockholders	(511,147)	4,815,960	(0.11)
Diluted loss per share			
Net loss available to common stockholders, including conversion	(511,147)	4,815,960	(0.11)

	For the Nine Months Ended December 31, 2002		
	Earnings HK$	No. of shares	EPS HK$
Basic EPS			
Net income available to common stockholders	9,696,007	4,716,069	2.06
Diluted EPS			
Net income available to common stockholders, including conversion	9,696,007	4,716,069	2.06

For each of the three-month and nine-month periods ended December 31, 2002, the effect on consolidated EPS of options issued by MSIL and options issued by the Company was not included in the computation of diluted EPS because it would have resulted in an anti-dilutive effect.

5. DISCLOSURE OF GEOGRAPHIC INFORMATION

All of the Company's sales of pearls are co-ordinated through its Hong Kong subsidiaries and an analysis by destination is as follows:

	For the quarter ended December 31		For the nine months ended December 31	
	2002	2001	2002	2001
	HK$'000	HK$'000	HK$'000	HK$'000
Net Sales:				
Hong Kong *	10,413	15,137	37,760	47,704
Export:				
North America	17,759	11,866	65,316	50,896
Europe	19,440	11,013	45,990	42,997
Other Asian countries	16,975	18,008	67,364	54,061
Others	2,252	1,103	8,630	7,408
	------	------	-------	-------
	66,839	57,127	225,060	203,066
	======	======	=======	=======

* A majority of sales (by dollar amount) in Hong Kong are for re-export to North America and Europe.

The Company operates in only one geographic area. The locations of the Company's identifiable assets are as follows:

	December 31, 2002	March 31, 2002
	HK$'000	HK$'000
Hong Kong	417,830	371,558
Other regions of The People's Republic of China (the "PRC")	93,034	117,511
	------	-------
	510,864	489,069
	=======	=======

6. DISCLOSURE OF MAJOR CUSTOMERS

During the three months ended December 31, 2002, there was one customer who accounted for 12.1% of total sales; during the nine months ended December 31, 2002, no customer accounted for 10% or more of total sales. On the other hand, there is one customer who accounted for 11.0% and 10.4% of total sales for the three and nine months ended December 31, 2001 respectively. A substantial percentage of the Company's sales was made to a small number of customers and was typically on an open account basis.

7. SEGMENT INFORMATION

Reportable segment profit or loss, and segment assets are disclosed as follows:

Reportable Segment Profit or Loss, and Segment Assets

	For the three months ended, December 31		For the nine months ended, December 31	
	2002	2001	2002	2001
	HK$'000	HK$'000	HK$'000	HK$'000
Revenues from external customers:				
Pearls	66,839	57,127	225,060	203,066
Real estate investment	1,928	1,889	5,628	5,700
	68,767	59,016	230,688	208,766
Operating income:				
Pearls	2,899	8,228	29,542	22,826
Real estate investment	269	386	822	1,341
Corporate expenses	(3,147)	(3,886)	(7,043)	(7,436)
	21	4,728	23,321	16,731
Interest expenses:				
Pearls	208	387	811	1,615
Real estate investment	123	414	405	2,243
Corporate expenses	63	121	214	467
	394	922	1,430	4,325
Depreciation and amortization:				
Pearls	1,735	1,399	5,034	4,545
Real estate investment	457	457	1,370	1,370
Corporate assets	276	398	966	1,093
	2,468	2,254	7,370	7,008
Capital expenditure for segment assets:				
Pearls	5,839	731	7,274	1,357
Real estate investment	--	--	--	--
Corporate assets	142	--	164	45
	5,981	731	7,438	1,402

	As of December 31, 2002	As of March 31, 2002
	HK$'000	HK$'000
Segment assets:		
Pearls	356,884	331,249
Real estate investment	97,090	81,986
Corporate assets	56,890	75,834
	510,864	489,069

8. COMMON STOCK

Effective June 1, 2002, the Company entered into two agreements with two business consultants. Under the terms of such agreements, the consultants will provide service for two years in consideration of either HK$2.9 million in cash or 410,000 shares of the Common Stock of the Company.

On June 7, 2002, the Company issued in aggregate 410,000 shares of Common Stock, US$0.001 par value per share, to the consultants pursuant to the business consulting agreements. The amount of the relevant compensation expenses of approximately HK$2.2 million, being the fair value of the shares issued, is to be recognized over the consultants' service period. During the nine months ended December 31, 2002, approximately HK$634K was charged to the income statement.

9. ACQUISITION

On December 1, 2002, Arcadia Jewellery Limited ("AJL"), a wholly owned subsidiary of MSIL, acquired fixed assets, inventories and customers information from a jewellery company (which is not related to any officer, director or shareholder of the Company) for a total consideration of HK$7.2 million. At December 31, 2002, the Company has paid HK$5.2 million. The Company expects to pay another HK$1 million on June 1, 2003, and another HK$1 million on December 1, 2003. No liabilities were assumed in the acquisition.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This section and other parts of this Form 10-Q contain forward-looking statements that are, by their nature, subject to risks and uncertainties. These forward-looking statements include, without limitation, statements relating to: (a) future supplies, demands, and purchase and sale prices of pearl and pearl jewelry in the international pearl and jewelry markets, and real estate in Hong Kong and the PRC; (b) sales and profitability of the Company's products and its future product mix; (c) the amount and nature of, and potential for, future developments and competitions; (d) expansion, consolidation and other trends in the pearl and jewelry industry; (e) the Company's business strategy; (f) the Company's estimated financial information regarding its business; (g) tax exemptions and tax rates; and (h) exchange rates. These forward-looking statements are based on assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors the Company believes to be appropriate in particular circumstances. However, whether actual results and developments will meet the Company's expectations and predictions depends on a number of known and unknown risks and uncertainties and other factors, any or all of which could cause actual results, performance or achievements to differ materially from the Company's expectations, whether expressed or implied by such forward-looking statements (which may relate to, among other things, the Company's sales, costs and expenses, income, inventory performance, and receivables). Primarily engaged in the processing and trading of pearls and pearl jewelry products, and in real estate investment, the Company's ability to achieve its objectives and expectations are derived at least in part from assumptions regarding economic conditions, consumer tastes, and developments in its competitive environment. The following assumptions, among others, could materially affect the likelihood that the Company will achieve its objectives and expectations communicated through these forward-looking statements: (i) that low or negative growth in the economies or the financial markets of our customers, particularly in the United States and in Europe, will not occur and reduce discretionary spending on good that might be perceived as "luxuries"; (ii) that the Hong Kong dollar will remain pegged to the US dollar at US$1 to HK$7.8; (iii) that customer's choice of pearls vis-a-vis other precious stones and metals will not change adversely; (iv) that the Company will continue to obtain a stable supply of pearls in the quantities, of the quality and on terms required by the Company; (v) that there will not be a substantial adverse change in the exchange relationship between RMB and the Hong Kong or US dollar; (vi) that there will not be substantial increase in tax burden of subsidiaries of the Company operating in the PRC; (vii) that there will not be substantial change in climate and environmental conditions at the source regions of pearls that could have material effect on the supply and pricing of pearls; and (viii) that there will not be substantial adverse change in the real estate market conditions in the PRC and in Hong Kong. The following discussion of results of operation, and liquidity and capital resources should be read in conjunction with the financial statements and the notes thereto included elsewhere in this Form 10-Q and with the Company's annual report on Form 10-K for the year ended March 31, 2002.

RESULTS OF OPERATIONS

Nine-Month Period Ended December 31, 2002 Compared to Nine-Month Period Ended December 31, 2001

Net sales for the nine months period ended December 31, 2002 increased by HK$22.0 million to HK$225.1 million, representing a 10.8% increase when compared to net sales of HK$203.1 million during the same period in 2001. The increase in sales was mainly attributable to an improvement in general business and consumer confidence resulting in further improvement in demand and market sentiment in the second and third quarters this year. The major contribution for the increase was mainly due to the growth in Asia (including PRC and Thailand), North America as well as Europe.

Gross profit for the nine-month period ended December 31, 2002, increased by HK$4.3 million, or 6.8% from HK$63.3 million for the same period in 2001 to HK$67.6 million. As a percentage of net sales, gross profit slightly reduced from 31.1% for the nine-month period ended 31 December 2001 to 30.0% for the same period in 2002. The decrease in gross profit margin in this period is due to the strategy in lowering the Chinese Cultured pearls price to boost sales when compared to the same period last year. Other pearls, including Freshwater pearls and South Sea pearls, are all showing improvement in gross profit margin as compared with last year.

Rental Income

Gross rental income for the nine-month period ended December 31, 2002 was approximately HK$5.63 million, representing a decrease of approximately HK$72K, or 1.3%, as compared to the same period in 2001. The decrease in gross rental income was mainly attributable to the decrease in rental rates in respect of the property at 19th Floor of Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong, but partly offset by rental payments received in respect of the investment property at 17th Floor and Car Parking Space No. 16, 24 Macdonnell Road, Midlevels, Hong Kong in the third quarter of 2002.

Selling, General and Administrative Expenses ("SG & A expenses")

SG&A expenses were HK$49.9 million, consisting of HK$45.1 million attributable to pearl operations and HK$4.8 million attributable to real estate operations, for the nine-month period ended December 31, 2002, a decrease of approximately HK$2.3 million, or 4.4%, from HK$52.2 million, consisting of a decrease of HK$2.8 million attributable to pearl operations but offset by an increase of HK$0.5 million attributable to real estate operations, for the same period in 2001. The decrease in SG&A expenses was mainly due to a decrease in other operating expenses including salaries under the Company's cost savings program and bad debt provision although such decrease was partially offset by an increase in marketing expenses related to exhibitions and trade shows to boost sales. The higher SG & A expenses related to the Company's real estate business are mainly due to higher depreciation and building management fee during the nine-month period ended December 31, 2002.

As a percentage of net sales, SG&A expenses from pearl operations decreased slightly from 23.6% for the nine-month period ended December 31, 2001 to 20.0% for the same period in 2002.

Interest Expenses

Interest expenses for the nine months ended December 31, 2002 decreased by HK$2.9 million, or 66.9%, to HK$1.4 million from HK$4.3 million for the comparable period last year as a result of lower interest rate and the use of bank deposits by the Company to repay part of bank borrowings. The Company borrows most of the cash it needs in PRC through short-term loans from PRC banks in order to minimize exposure to any Renminbi ("RMB") fluctuations. See "Item 3. Quantitative and Qualitative Disclosures About Market Risk".

Interest Income

Interest income decreased by HK$1.8 million, or 75.1%, to HK$585K from HK$2.4 million in the comparable period last year. The decrease in interest income was due principally to the use of bank deposits to reduce bank borrowings and lower interest rates for the nine-month period ended December 31, 2002 as compared to interest rates for the same period in 2001. See "Item 3. Quantitative and Qualitative Disclosures About Market Risk".

Income Taxes

Income tax charges for nine-month period ended December 31, 2002 increased by HK$2.4 million to HK$6.1 million as compared to HK$3.7 million for the same period in 2001. The increase was in line with the increase in income before income taxes and minority interests. The effective tax rate for the nine-month period slightly increased to 24.2% in December 31, 2002 from 22.9% for the comparable period last year.

Net Income

Net income for the nine months ended December 31, 2002 showed an improvement of HK$2.7 million over the net income of HK$7.0 million for the same period in 2001 to a net income of HK$9.7 million. The improvement was mainly attributable to an overall increase in sales and gross profit and a decrease in SG&A expenses.

The income before income taxes and minority interests for the nine months ended December 31, 2002 was HK$25.1 million, and the amount for the comparable period in last year was HK$16.3 million.

Three-Month Period Ended December 31, 2002 Compared to Three-Month Period Ended December 31, 2001

Sales and Gross Profit

Net sales for the three-month period ended December 31, 2002 increased by HK$9.7 million to HK$66.8 million, representing a 17.0% increase when compared to net sales of HK$57.1 million for the same period in 2001. The overall increase in sales was mainly attributable to further improvement in market sentiment in the third quarter. The major areas of growth were Asia (including PRC), North America as well as Europe.

Gross profit for the three-month period ended December 31, 2002 reduced by HK$3.7 million or 19.7%, to HK$15.2 million, compared to HK$18.9 million for the same period in 2001. As a percentage of net sales, gross profit reduced from 33.2% for the three-month period ended December 31, 2001 to 22.8% for the same period in 2002. The decrease in gross profit margin is due to the strategy in lowering the Chinese Cultured pearls price to boost sales when compared to the same period last year. Other pearls, including Freshwater pearls and South Sea pearls, are all showing positive improvements in gross profit margin.

Rental Income

Gross rental income for the three-month period ended December 31, 2002 was approximately HK$1.9 million, representing an increase of approximately HK$39K, or 2%, as compared to the same period in 2001. The net increase in gross rental income was mainly attributable to the rental payments received in respect of the investment property at 17th Floor and Car Parking Space No. 16, 24 Macdonnell Road, Midlevels, Hong Kong in this quarter but offset by the decrease in rental rate in respect of the property at 19th Floor of Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong.

Selling, General and Administrative Expenses

SG&A expenses were HK$17.1 million, consisting of HK$15.5 million attributable to pearl operations and HK$1.7 million attributable to real estate operations, for the three-month period ended December 31, 2002, an increase of approximately HK$1.0 million, or 6.3%, from HK$16.1 million, consisting of HK$14.6 million attributable to pearl operations and HK$1.5 million attributable to real estate operations, for the same period in 2001. The increase in SG&A expenses was mainly due to an increase in marketing expenses related to exhibitions and trade shows to boost sales and other operating expenses as a result of higher sales.

As a percentage of net sales, SG&A from pearl operations decreased from 25.6% for the three months ended December 31, 2001 to 23.1% for the same period in 2002.

Interest Expense

Interest expense decreased by HK$528K, or 57.3%, to HK$394K from HK$922K for the comparable period in last year as a result of the Company having used its bank deposits to repay part of its bank borrowings. The Company borrows most of the cash it needs in the PRC through short-term loans from the PRC banks in order to minimize exposure to any Renminbi fluctuations. See "Item 3. Quantitative and Qualitative Disclosures About Market Risk".

Interest Income

Interest income decreased by HK$242K, or 60%, to HK$162K from the comparable period of HK$404K in last year. The decrease in interest income was due principally to the use of bank deposits to reduce bank borrowings and lower interest rates when compared to same period last year. See "Item 3. Quantitative and Qualitative Disclosures About Market Risk".

Income Taxes

Income tax charges for three-month period ended December 31, 2002 increased by HK$447K to HK$533K as compared to HK$86K for the same period in 2001. The effective tax rate for the 3 months period ended December 31, 2002 increased to 63.7% from 1.9% for the same period in 2001. The increase was mainly due to the increase in valuation allowances in respect of tax losses incurred by the Company and certain subsidiaries of the Company.

Net Income

For the three-month period ended December 31, 2002 the Company showed a net loss of HK$511K but a net income of HK$1.9 million for the same period in 2001. The drop was mainly attributable to the income tax charges, a decrease in gross profit margin and a slight increase in SG&A expenses during the period.

The income before income taxes and minority interest for the three-month period ended December 31, 2002 was HK$837K, and the amount for the comparable period in last year was HK$4.6 million.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary liquidity needs are funded by collection of accounts receivable and sales of inventories. At December 31, 2002, the Company had working capital of HK$283.7 million, which included a cash balance of HK$105.5 million, compared to working capital of HK$268.8 million, which included a cash balance of HK$98.3 million (including restricted cash) at March 31, 2002. The current ratio was 5.6 to 1 as of December 31, 2002 as compared with that of 6.2 to 1 as of March 31, 2002. Net cash provided by operating activities was approximately HK$31.0 million for the nine months ended December 31, 2002, while net cash provided by operating activities was HK$18.3 million for the same period in 2001. The increase in cash and cash equivalents by HK$23.3 million from March 31, 2002 to December 31, 2002 was the net effect of net cash provided by operating activities of HK$31.0 million and net cash provided by investing activities of HK$9.9 million but offset by net cash used in financing activities of HK$17.6 million.

Inventories increased by HK$21.0 million from HK$118.5 million at March 31, 2002 to HK$139.5 million at December 31, 2002. The inventory turnover period slightly decreased from 7.4 months as at March 31, 2002 to 7.3 months as at December 31, 2002.

Accounts receivable decreased by HK$1.8 million to HK$59.0 million at December 31, 2002, as compared to HK$60.8 million at March 31, 2002. The debtors turnover period decreased from 80 days as at March 31, 2002 to 70 days as at December 31, 2002. The decrease in accounts receivable was mainly attributable to continuing efforts by the company to control its credit. The management continues to monitor closely both the amount (both with respect to each customer and in aggregate) and the aging of the Company's accounts receivable.

Long-term debts (including current portion of long-term debts) were HK$23.4 million at December 31, 2002, a decrease of HK$4.2 million compared to that of HK$27.6 million at March 31, 2002. The decrease was attributable to repayment of installment loans during the nine months ended December 31, 2002. The gearing ratio was 0.84 at December 31, 2002, compared to 0.93 at March 31, 2002.

The Company had available working capital facilities of HK$57.0 million in total with various banks at December 31, 2002. Such banking facilities include letter of credit arrangements, import loans, overdraft and other facilities commonly used in the jewelry business. All such banking facilities bear interest at floating rates generally based on inter bank rates in Hong Kong and in the PRC, and are subject to periodic review. At December 31, 2002, the Company did not utilize such credit facilities.

The Company believes that funds to be generated from internal operations and the existing banking facilities will enable the Company to meet anticipated future cash flow requirements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

During the nine months ended December 31, 2002, the Company made approximately 26.9% of its purchases in RMB, with the remaining amounts mainly settled in Japanese Yen, US dollars and Hong Kong dollars (at 19.9%, 15.5%, and 13.7% of total purchase respectively). The RMB is not a fully convertible currency and the PRC government determines its exchange rate against other currencies. There are conflicting speculations in the market for either a devaluation of the RMB as an attempt of the PRC government to make PRC exports more competitive, or a revaluation of the RMB following the PRC's entry to the World Trade Organization. As the PRC has not declared any intention to either devalue or revalue its currency, the management believes that the imminent risk of a substantial fluctuation of the RMB exchange rate remains low. However, to further minimize any exposure to any RMB fluctuations, the Company borrows most of the cash it needs in the PRC through short-term loans from banks in the PRC. At December 31, 2002, the Company had short-term RMB bank borrowings of about HK$15.1 million, the weighted average interest rate was 5.4% per annum. The Company is closely monitoring the movements of the Japanese Yen against the US dollar and may take measures to hedge its currency exposure if deemed necessary. See also "Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations".

The Company's policy is to denominate all its sales in either US dollars or Hong Kong dollars. Since the Hong Kong dollar remained pegged to the US dollar throughout the period, the Company's sales proceeds have thus far had minimal exposure to foreign exchange fluctuations.

Therefore, since most of the Company's purchases are made in currencies that the Company believes have low risk of revaluation or appreciation and sales are made in US dollars, the currency risk in the foreseeable future should not be material, and the Company's management determined that no derivative contracts such as forward contracts and options to hedge against foreign exchange fluctuations were necessary during the nine months ended December 31, 2002.

In addition, the Company's interest expense is sensitive to fluctuations in the general level of Hong Kong interest rates determined on the basis of Hong Kong Inter-bank Offer Rate ("HIBOR"). As the Hong Kong dollar is pegged to the US dollar, which in turn correlates Hong Kong interest rates to US interest rates, any movement in US interest rates is expected to have a bearing on Hong Kong interest rates. Since the US economy has slowed down and US interest rates has been falling since June 30, 2000, three-month HIBOR has decreased by 5.0% from 6.5% as at June 30, 2000 to 1.5% as at December 31, 2002. At December 31, 2002, the Company had Hong Kong dollar bank borrowings of about HK$23.4 million, the weighted average interest rate of which was 2.8% per annum. Therefore, the Company does not consider risks of a substantial increase in Hong Kong interest rates in the foreseeable future to be material, and believes that the risk associated with fluctuations in interest rate is not material and no derivative contracts are necessary. See "Item 2 -- Management's Discussion and Analysis of Financial Condition and Results of Operations".

As a result, the Company believes that the risk associated with fluctuations in interest rate is not material, and no derivative contracts are necessary.

ITEM 4. CONTROLS AND PROCEDURES

Within the 90-day period to the filing of this report, an evaluation was carried out under the supervision and the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-14(c) under the Securities Exchange Act of 1934, as amended). Based on such evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective. No significant changes were made in our internal controls or in other factors that would significantly affect these controls subsequent to the date of such evaluation.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On November 1, 2001, Man Sang Jewellery Company Limited ("MSJ"), a subsidiary of the Company, filed an action in the High Court of Hong Kong against a customer, World Wide Imports, Inc. to claim approximately US$119,182 (for which the Company has made full provision) plus interests and costs. Up to November 14, 2002, MSJ has recovered HK$344,126 (approximately US$44,120) and the Company estimates that non-recoverable costs in addition to the amount claimed, if any, will be immaterial.

ITEM 2. CHANGES IN SECURITIES

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITIES HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(A) Exhibits

99.1 Certification of Chief Executive Officer and Chief Financial Officer

(B) Reports on Form 8-K

None

SIGNATURE

In accordance with the requirements of the Securities Exchange Act of 1934, as amended, Man Sang Holdings, Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MAN SANG HOLDINGS, INC.

Date: February 14, 2003

By: /s/ CHENG Chung Hing, Ricky

CHENG Chung Hing, Ricky
Chairman of the Board, President,
Chief Executive Officer and
Chief Financial Officer

I, CHENG Chung Hing, Ricky, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Man Sang Holding, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial conditions, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: February 14, 2003

/s/ CHENG Chung Hing, Ricky

CHENG Chung Hing, Ricky
Chairman of the Board, President,
Chief Executive Officer and
Chief Financial Officer

INDEX TO EXHIBITS

The following documents are filed herewith or have been included as exhibits to previous filings with the Securities and Exchange Commission and are incorporated by reference as indicated below.

Exhibit No.	Description
99.1	Certification of Chief Executive Officer and Chief Financial Officer.

EXHIBIT 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Man Sang Holdings, Inc. (the "Company") on Form 10-Q for the period ended December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Cheng Chung Hing, Ricky, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ CHENG Chung Hing, Ricky

CHENG Chung Hing, Ricky
Chief Executive Officer and Chief Financial Officer