



## **MAN SANG HOLDINGS, INC.**

NEW YORK--(BUSINESS WIRE)—June 28, 2005--Man Sang Holdings, Inc. (OTCBB:[MSHI - News](#)), is one of the world's largest purchasers and processors of Chinese cultured and freshwater pearls. The Group is principally engaged in the purchasing, processing, assembling, merchandising and wholesale distribution of pearls, pearl jewelry and other jewelry products. In addition, the Group owns and operates the Man Sang Industrial City, an industrial complex, located in Gong Ming Zhen, Shenzhen Special Economic Zone, PRC.

### **MSHI Announces 10K Release and Chairman Letter**

Dear Shareholders,

I am pleased to present to you the Man Sang Holdings, Inc. 2005 annual report.

During the fiscal year ended March 31, 2005, our sales increased due to the success of our finished products business on pearls and jewelry. We are pleased to see an increase in sales, which reflects an increasing demand from our major customers in Europe and the U.S. We also see pearl sales continuing to expand with no significant clouds on the horizon. During the past fiscal year, we also had a one-off gain from selling one of our investment properties in Hong Kong. Additionally, we will continue to seek new investment opportunities in Greater China as part of our continued efforts to make shareholder value our top priority.

#### **Revenue Rose 7.9%**

Sales revenue for the year totaled US\$52.9 million, representing an increase of 7.9% over last year. The rise in sales was due to increasing orders from existing and new customers in the pearls and jewelry industry. Gross profit was US\$15.0 million, representing a gross profit margin of 28.4% compared to a gross profit of US\$13.4 million and a gross profit margin of 27.3% last year. The gross profit for the year had improved by US\$1.6 million. Selling, general

and administrative expenses (SG&A) were US\$11.9 million. The operating income totaled US\$3.7 million compared to US\$2.7 million last year.

Our competitive advantages still lie in our well-established purchasing networks, effective sales channels, low operating costs, unique processing techniques and skilful craftsmanship. These competitive advantages in both our pearl and jewelry businesses will continue to fuel our growth in the years ahead.

Balance Sheet and Ratios are Strong

The Company's balance sheet remained within its historical range, with cash and cash equivalents totaling US\$31.2 million on March 31, 2005 compared to US\$13.4 million on March 31, 2004. The gearing ratio is zero and the current ratio is 11:1.

In the year ahead, we will continue our efforts to optimize results and maximize shareholder value. At the corporate level, one of our primary goals is to obtain a listing status on a primary exchange. Although the coming year will be one full of challenges, we believe promising opportunities will also be underway.

Yours sincerely,

Ricky Cheng  
Chairman, President and CEO

(SEC 10K filing):

<http://www.sec.gov/Archives/edgar/data/807630/000111667905001683/0001116679-05-001683.txt>