



**MAN SANG HOLDINGS, INC.**

FOR IMMEDIATE RELEASE

**MAN SANG HOLDINGS, INC. ANNOUNCES  
FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED JUNE 30, 2005**

NEW YORK--(BUSINESS WIRE) — August 11, 2005 -- Man Sang Holdings, Inc. (the "Company") (AMEX: MHJ) announced today its financial results for the first quarter ended June 30, 2005.

During the period, our net sales for the three months ended June 30, 2005 increased 5.1% to HK\$104.2 million (US\$13.4 million) as compared to the same period in 2004. The increase in sales in this quarter was mainly contributed by the increase in sales of freshwater pearls, assembled pearl and jewelry finished products. Gross profit increased 8.1% to HK\$29.7 million (US\$3.8 million) when compared to same period in 2004. Net income was HK\$4.4 million (US\$569,000), compared to a net income of HK\$3.8 million (US\$481,000) for the same period last year.

The sales for South Sea pearls (including white and gold South Sea pearls and Tahitian black pearls) continued to comprise the largest share of the Company's sales, constituting 48.8% of total sales. The increase in sales of the freshwater and the cultured pearls including South Sea pearls during this quarter were mainly attributable to higher sales in Japan, Germany and Hong Kong.

Sales of assembled pearl and jewelry finished products have also increased this quarter, specifically in the European and North American markets, due to increased market awareness and exposure. This was achieved by attending international tradeshow and exhibitions as well as organizing various marketing and advertising campaigns.

"We have gained a firm foothold on assembled pearl and jewelry finished products because of our ability to cover different market and customer segments. With our focused marketing strategies, aggressive flexible pricing policies and unique design, we believe that we can enhance further sales growth. In addition, through further expansion of our production facilities and capacity, as well as, effective control on production costs and expenses, we are confident that we can continue to perform well in the coming quarters," commented by Mr. Ricky Cheng, Chairman of the Company.

As of August 8, 2005, the Company has listed its shares of common stock on the American Stock Exchange. "This listing aims to attract a broader investor base while providing our stockholders with a more liquid and efficient market in which to trade our shares. This change represented a great leap forward for us. We will continue to work hard to increase stockholders' value on an on-going basis," Mr. Ricky Cheng concluded.

## **About Man Sang Holdings, Inc.**

Man Sang Holdings, Inc. and its subsidiaries (together the "Man Sang Group") are one of the world's largest purchasers and processors of Chinese cultured and freshwater pearls. The Man Sang Group is principally engaged in the purchasing, processing, assembling, merchandising and wholesale distribution of pearls, pearl jewelry and other jewelry products. In addition, the Man Sang Group owns and operates the Man Sang Industrial City, an industrial complex, located in Gong Ming Zhen, Shenzhen Special Economic Zone, PRC.

- \* 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 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 June 30, 2005. 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.

*This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are, by their nature, subject to risks and uncertainties. This Act provides a "safe harbor" for forward-looking statements to encourage companies to provide prospective information about themselves so long as they identify these statements as forward-looking and provide meaningful cautionary statements identifying important factors that could cause actual results to differ from the projected results. All statements, including statements regarding industry prospects and future results of operations or financial position, made in this press release are forward looking. Words such as "anticipates," "believes," "expects," "future" and "intends" and similar expressions may identify forward-looking statements. These forward-looking statements include, without limitation, statements relating to: the Company's future performance, the Company's expansion efforts, the state of economic conditions and the Company's market. 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 its customers, particularly in the United States and in Europe, will not occur and reduce discretionary spending on goods 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-à-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 the renminbi ("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. This press release 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, 2005. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. The Company will not publicly release any revisions to these forward-looking statements after the date hereof. Readers are urged, however, to*

*review the factors set forth in reports that the Company files from time to time with the Securities and Exchange Commission.*

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