



MAN SANG HOLDINGS, INC.

FOR IMMEDIATE RELEASE

MAN SANG HOLDINGS, INC. ANNOUNCES FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2006

NEW YORK--(BUSINESS WIRE) — November 14, 2006 -- Man Sang Holdings, Inc. (the “Company”) (AMEX: MHJ) announced today its financial results for the six months ended September 30, 2006.

Net sales for six months ended September 30, 2006 decreased by 8.7% to HK\$193.3 million (US\$24.78 million) as compared to the same period last year. The decrease in net sales resulted from the decreased sales of South Sea pearls, partially offset by an increase in sales of assembled finished pearl and jewelry products. The high oil price together with fluctuating gold price affected market demand and customers reacted conservatively in placing their orders.

Sales to European customers showed positive growth while sales to US customers dropped when compared to the same period last year. Despite a decline in net sales of the Company for six months ended September 30, 2006 as compared to the same period last year, the Company received positive responses from buyers participating in the Hong Kong Jewellery and Watch Fair in September 2006.

Gross profit for the six months ended September 30, 2006 increased by HK\$1.1 million (US\$140,000), or 1.8%, to HK\$59.7 million (US\$7.65 million), as compared to gross profit of HK\$58.6 million (US\$7.51 million) for the same period last year. Gross profit margin has increased to 30.9% for the six months ended September 30, 2006, as compared to 27.7% for the same period last year. The increase was mainly attributable to the change in sales mix resulting in a slightly higher gross profit margin. The sales of assembled pearl and jewelry products accounted for 49.4% of the total sales for the six months ended September 30, 2006, which increased by 8.3% when compared to that of 41.1% for the same period last year.

Net income for the six months ended September 30, 2006 increased by HK\$1.1 million (US\$140,000), or 12.6%, to HK\$9.8 million (US\$1.26 million), as compared to net income of HK\$8.7 million (US\$1.12 million) for the six months ended September 30, 2005. The increase was mainly attributable to the improved gross profit margin, higher interest income and lower income tax expense, but partially offset by an increase in selling, general and administrative expense.

In March 2006, the Company invested in China Pearls and Jewellery City project located in Zhuji, Zhejiang in PRC (the “CP&J City”). The investment has been fully paid and the Company has obtained the land use rights certificate and commenced construction work for the development of Phase I of the CP&J City. The Company expects that Phase I of the CP&J City will be completed by the end of 2007. For details: <http://www.cpjcity.com/eng/main.htm>

“We will continue to adopt prudent measures on controlling our costs and in the meantime, expand our market share and customer base. We expect to continue to provide high quality and innovative designs of our products which we believe will lead us to achieving our performance targets.” **Mr. Cheng Chung Hing, Chairman of Man Sang, stated.**

“The management and staff are dedicated and committed in achieving the Company's goals and we are confident that our business future shall be promising in years to come,” **concluded Mr. Cheng.**

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 conversion of Hong Kong dollar into United States dollars is for convenience only and has been made at the rate of HK\$7.8 to US\$1, the approximate free rate of exchange as at September 30, 2006. Such conversion should not be construed as representations that the 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 (the “Act”), which are, by their nature, subject to risks and uncertainties. The 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 depend 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 included hereto and in the Company's quarterly report on Form 10-Q for the quarterly period ended September 30, 2006 and with the Company's annual report on Form 10-K for the year ended March 31, 2006. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press 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.

CONTACTS:

Man Sang Holdings, Inc.

Mr. Sonny Hung

(852) 2317 9369

E-mail: sonnyh@man-sang.com

The Altman Group, Inc.

Patricia Baronowski

(212) 400-2604

Email: pbaronowski@altmangroup.com

MAN SANG HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (Unaudited)
FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30
(Amounts expressed in thousands except share data)

	<u>Three Months Ended September 30,</u>			<u>Six Months Ended September 30,</u>		
	<u>2006</u>		<u>2005</u>	<u>2006</u>		<u>2005</u>
	<u>US\$</u>	<u>HKS</u>	<u>HKS</u>	<u>US\$</u>	<u>HKS</u>	<u>HKS</u>
Net sales	12,230	95,395	107,709	24,786	193,332	211,867
Cost of goods sold	<u>(8,432)</u>	<u>(65,768)</u>	<u>(78,819)</u>	<u>(17,138)</u>	<u>(133,675)</u>	<u>(153,260)</u>
Gross profit	3,798	29,627	28,890	7,648	59,657	58,607
Rental income, gross	<u>120</u>	<u>938</u>	<u>938</u>	<u>238</u>	<u>1,857</u>	<u>1,843</u>
	3,918	30,565	29,828	7,886	61,514	60,450
Selling, general and administrative expenses						
- Pearls	(2,266)	(17,676)	(16,807)	(4,966)	(38,738)	(35,028)
- Real estate investment	<u>(204)</u>	<u>(1,592)</u>	<u>(2,068)</u>	<u>(404)</u>	<u>(3,155)</u>	<u>(3,789)</u>
Operating income	1,448	11,297	10,953	2,516	19,621	21,633
Non-operating items						
- Interest income	259	2,010	1,485	525	4,095	2,530
- Other income	<u>46</u>	<u>362</u>	<u>369</u>	<u>111</u>	<u>864</u>	<u>821</u>
Income before income taxes and minority interests	1,753	13,669	12,807	3,152	24,580	24,984
Income taxes	(168)	(1,302)	(2,787)	(310)	(2,415)	(4,874)
Income before minority interests	<u>1,585</u>	<u>12,367</u>	<u>10,020</u>	<u>2,842</u>	<u>22,165</u>	<u>20,110</u>
Minority interests	(883)	(6,891)	(5,719)	(1,581)	(12,333)	(11,374)
Net income	<u>702</u>	<u>5,476</u>	<u>4,301</u>	<u>1,261</u>	<u>9,832</u>	<u>8,736</u>
Other comprehensive income, net of taxes and minority interests						
- Foreign currency translation adjustments	34	264	430	41	316	424
- Unrealized holding gain on marketable securities	<u>4</u>	<u>33</u>	<u>489</u>	<u>11</u>	<u>85</u>	<u>734</u>
Other comprehensive income, net of taxes and minority interests	<u>38</u>	<u>297</u>	<u>919</u>	<u>52</u>	<u>401</u>	<u>1,158</u>
Comprehensive income	<u>740</u>	<u>5,773</u>	<u>5,220</u>	<u>1,313</u>	<u>10,233</u>	<u>9,894</u>
Basic earnings per common share	<u>0.11</u>	<u>0.84</u>	<u>0.73</u>	<u>0.19</u>	<u>1.52</u>	<u>1.49</u>
Diluted earnings per common share	<u>0.11</u>	<u>0.84</u>	<u>0.67</u>	<u>0.19</u>	<u>1.50</u>	<u>1.37</u>
Weighted average number of shares of common stock						
- for basic earnings per share	<u>6,382,582</u>	<u>6,382,582</u>	<u>5,813,289</u>	<u>6,382,582</u>	<u>6,382,582</u>	<u>5,744,262</u>
- for diluted earnings per share	<u>6,382,582</u>	<u>6,382,582</u>	<u>6,286,875</u>	<u>6,382,582</u>	<u>6,382,582</u>	<u>6,277,575</u>

See accompanying notes to condensed consolidated financial statements

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)

	September 30, 2006		March 31, 2006
	US\$	HK\$	HK\$
	(Unaudited)		
ASSETS			
Current assets:			
Cash and cash equivalents	29,705	231,700	304,753
Marketable securities	2,017	15,732	15,560
Accounts receivable, net of allowance for doubtful accounts of HK\$22,230 (US\$2,850) as of September 30, 2006 and HK\$22,265 (US\$2,854) as of March 31, 2006	10,394	81,070	47,330
Inventories :			
Raw materials	1,916	14,945	11,838
Work in progress	916	7,147	6,154
Finished goods	2,530	19,732	37,878
	5,362	41,824	55,870
Prepaid expenses	533	4,158	5,775
Deposits and other receivables, net of allowance for doubtful accounts of HK\$3,721 (US\$477) as of September 30, 2006 and March 31, 2006	1,484	11,576	10,124
Other current assets	18	137	259
Income tax receivable	149	1,166	1,257
Total current assets	49,662	387,363	440,928
Deferred tax assets	145	1,134	1,022
Property, plant and equipment	19,784	154,319	152,598
Accumulated depreciation	(6,910)	(53,900)	(50,303)
	12,874	100,419	102,295
Real estate investment	9,653	75,290	75,290
Accumulated depreciation	(1,711)	(13,343)	(12,452)
	7,942	61,947	62,838
Investment in and advance to an affiliate	11,084	86,459	1,692
Total assets	81,707	637,322	608,775

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

	<u>September 30, 2006</u>		<u>March 31, 2006</u>
	US\$	HK\$	HK\$
(Unaudited)			
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>			
Current liabilities:			
Accounts payable	1,747	13,631	11,477
Accrued payroll and employee benefits	1,183	9,225	9,405
Other accrued liabilities	1,246	9,732	12,928
Income taxes payable	557	4,342	2,049
Total current liabilities	<u>4,733</u>	<u>36,930</u>	<u>35,859</u>
Deferred tax liabilities	260	2,031	2,031
Minority interests	37,822	295,009	279,989
Stockholders' equity:			
Series A preferred stock, par value US\$0.001	-	1	1
- authorized, issued and outstanding: 100,000 shares; (entitled in liquidation to US\$2,500 (HK\$19,500))			
Common stock, par value US\$0.001	6	49	49
- authorized: 31,250,000 shares; issued and outstanding: 6,382,582 shares as of September 30, 2006 and March 31, 2006, respectively			
Additional paid-in capital	8,951	69,821	67,598
Retained earnings	29,128	227,196	217,364
Accumulated other comprehensive income	807	6,285	5,884
Total stockholders' equity	<u>38,892</u>	<u>303,352</u>	<u>290,896</u>
Total liabilities and stockholders' equity	<u>81,707</u>	<u>637,322</u>	<u>608,775</u>

See accompanying notes to condensed consolidated financial statements

MAN SANG HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
FOR THE SIX MONTHS ENDED SEPTEMBER 30

(Amounts expressed in thousands)

	<u>Six Months Ended September 30,</u>		
	<u>2006</u>	<u>2005</u>	<u>2005</u>
	<u>US\$</u>	<u>HKS</u>	<u>HKS</u>
Cash flow from operating activities:			
Net income	1,261	9,832	8,736
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for doubtful debts	-	-	1,500
Inventory write down	1,212	9,450	14,800
Compensation expense	577	4,501	-
Depreciation and amortization	500	3,903	3,707
Minority interests	1,581	12,333	11,374
Changes in operating assets and liabilities:			
Accounts receivable	(4,326)	(33,740)	(25,718)
Inventories	616	4,803	(9,228)
Prepaid expenses	208	1,620	215
Deposits and other receivables	(180)	(1,403)	(3,596)
Other current assets	16	122	165
Income taxes receivable	12	91	-
Deferred tax assets	(14)	(112)	(1,314)
Accounts payable	272	2,124	3,501
Accrued payroll and employee benefits	(24)	(189)	(271)
Other accrued liabilities	(417)	(3,250)	(428)
Deferred tax liabilities	-	-	461
Income taxes payable	294	2,293	6,678
Net cash provided by operating activities	<u>1,588</u>	<u>12,378</u>	<u>10,582</u>
Cash flow from investing activities:			
Purchase of property, plant and equipment	(174)	(1,360)	(2,142)
Proceeds from disposal of property, plant and equipment	3	24	914
Advance to an affiliate	(10,868)	(84,767)	-
Net cash (used in) provided by investing activities	<u>(11,039)</u>	<u>(86,103)</u>	<u>(1,228)</u>
Cash flow from financing activities:			
Net proceeds from issuance of common stock	-	-	1,904
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>	<u>1,904</u>
Net increase in cash and cash equivalents	(9,451)	(73,725)	11,258
Cash and cash equivalents at beginning of period	39,071	304,753	243,297
Exchange adjustments	85	672	175
Cash and cash equivalents at end of period	<u>29,705</u>	<u>231,700</u>	<u>254,730</u>
Supplementary disclosures of cash flow information			
Cash paid during the period for:			
Interest and financing charges	-	-	-
Net income taxes paid	<u>17</u>	<u>134</u>	<u>-</u>

See accompanying notes to condensed consolidated financial statements