



**MAN SANG HOLDINGS, INC.**

FOR IMMEDIATE RELEASE

**MAN SANG HOLDINGS, INC.  
Annual Results Announcement**

NEW YORK--(MARKETWIRE) — June 12, 2009 -- Man Sang Holdings, Inc. (the "Company") (NYSE Amex: MHJ) announced today the following, with regard to its 10K filing:

**Business Review**

The Group focused on two main business segments during the year. One business segment is engaged in the purchase, processing, assembling, merchandising and wholesale distribution of pearls and jewelry products and the other is engaged in real estate development and real estate leasing. Net sales for fiscal year 2009 decreased by HK\$300.6 million, or 47.4%, from HK\$633.7 million for fiscal year 2008, consisting of HK\$405.4 million attributable to our Pearl Operation and HK\$228.3 million attributable to our Real Estate Operations, to HK\$333.1 million for fiscal year 2009, consisting of HK\$316.7 million attributable to our Pearl Operations and HK\$16.4 million attributable to our Real Estate Operations.

**Gross Profit**

Gross profit decreased by HK\$166.4 million, or 59.1%, from HK\$281.5 million for fiscal year 2008, consisting of HK\$124.5 million attributable to our Pearl Operations and HK\$157.0 million attributable to our Real Estate Operations, to HK\$115.1 million for fiscal year 2009, consisting of HK\$102.8 million attributable to our Pearl Operations and HK\$12.3 million attributable to our Real Estate Operations.

Net loss of HK\$11.1 million was incurred for fiscal year 2009, as compared to net income of HK\$39.9 million for fiscal year 2008.

***Pearl Operations***

Net sales decreased by HK\$88.7 million, or 21.9%, from HK\$405.4 million for fiscal year 2008 to HK\$316.7 million for fiscal year 2009. Net sales of assembled jewelry decreased by HK\$25.6 million, or 11.1%, from HK\$230.9 million for fiscal year 2008 to HK\$205.3 million for fiscal year 2009. Decreases in net sales were primarily due to a decrease in market demand worldwide, particularly in the United States and Asian countries, including Hong Kong, due to the continued global financial and credit crisis and the contraction of economic activities around the world.

Gross profit decreased by HK\$22.3 million, or 17.9%, from HK\$124.5 million for fiscal year 2008 to HK\$102.2 million for fiscal year 2009. The decrease was primarily due to a decrease of HK\$88.7 million in net sales mainly led by a decrease in the United States and the Asia markets.

***Real Estate Operations***

We commenced presales of phase one market center units in China Pearls and Jewellery City ("CP&J City") in the fourth quarter of fiscal year 2008. As of March 31, 2009, we have sold approximately 31% of the planned saleable area of CP&J City.

Net sales decreased by HK\$211.8 million, or 92.8%, from HK\$228.2 million for fiscal year 2008 to HK\$16.4 million for fiscal year 2009. The decrease was primarily due to continued credit-tightening measures implemented by PRC government and a material downturn in the global financial and credit market which has

had the effect of discouraging investment in the PRC real estate market.

Gross profit decreased by HK\$144.7 million, or 92.2%, from HK\$157.0 million for fiscal year 2008 to HK\$12.3 million for fiscal year 2009. The decrease was primarily due to a decrease of HK\$211.8 million in net sales of real estate.

Gross rental income increased by HK\$19.8 million, or 291.0%, from HK\$6.8 million, consisting of HK\$1.3 million attributable to CP&J City and HK\$5.5 million attributable to Man Sang Industrial City for fiscal year 2008 to HK\$26.6 million, consisting of HK\$19.8 million attributable to CP&J City and HK\$6.8 million attributable to Man Sang Industrial City for fiscal year 2009. As of March 31, 2009, the occupancy rates, representing the percentage of leasable gross floor area leased, of CP&J City and Man Sang Industrial City were approximately 18% (2008: 20%) and 72% (2008: 72%), respectively. The increase in rental income was primarily due to the recognition of rental income for CP&J City for the full fiscal year 2009 as compared to one month for fiscal year 2008.

### **Future Trends**

Recent disruptions in global financial markets and banking systems due to the financial crisis have also made credit and capital markets more difficult for companies to access. Continuing volatility in the credit and capital markets could potentially impair our and our customers' ability to access these markets and increase associated costs. In addition, the recent turmoil in the financial markets may have an adverse effect on customer spending patterns. A recessionary economic cycle, higher levels of unemployment, higher consumer debt levels, or other economic factors could adversely affect consumer demand for the products we sell and properties we sell and lease, which could adversely affect our results of operations.

We believe that the majority of markets where we operate will be negatively affected by the financial crisis through the first half of fiscal year 2010. We will continue to monitor the effects of the financial crisis in the markets where we operate and to adopt the appropriate business and financial management policies to ensure that we are able to further develop our market share in our core markets.

Complete filing can be found on the SEC website at:

<http://www.sec.gov/cgi-bin/browse-idea?company=Man+Sang+Holdings&match=&CIK=&filenum=&State=&Country=&SIC=&owner=exclude&Find=Find+Companies&action=getcompany>

### **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 Group had two main business segments during the year. One business segment is engaged in the purchase, processing, assembling, merchandising and wholesale distribution of pearls and jewellery products ("Pearl Operations") and the other is engaged in real estate development and real estate leasing ("Real Estate Operations").

The Pearl Operations include jewellery purchasing, processing, assembling, design, export, merchandising and wholesale distribution of pearls and jewellery products, including Chinese cultured pearls, Chinese freshwater pearls, Japanese cultured pearls, Tahitian and South Sea pearls, as well as pearls and jewellery products. The Group operates its own pearl processing facilities in Shenzhen, the PRC.

The Real Estate Operations include the development and management of the China Pearls and Jewellery City ("CP&J City") in Zhuji of Zhejiang Province, the PRC. It is the single largest shareholder of the project. CP&J City will be the pearl and jewellery trading platform covering processing, manufacturing, research and development and trading of jewellery products and also provision of related services including logistics, electronic commerce, exhibition and convention, accommodation, catering and entertainment.

- *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 "may," "believes," "will," "expect," "project," "estimate," "intend," "anticipate," "plan," "continue" 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.

The discussion of our 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 release and Form 10-K and with the Company's quarterly report on Form 10-Q, both of which can be obtained on the Company's website on [www.man-san.com](http://www.man-san.com). 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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