



**MAN SANG HOLDINGS, INC.**

FOR IMMEDIATE RELEASE

**MAN SANG HOLDINGS, INC.  
Third Quarter Announcement**

NEW YORK--(MARKETWIRE) — February 12, 2009 -- Man Sang Holdings, Inc. (the "Company") (NYSE Alternext US LLC: MHJ) announced today the following, with regard to its 10Q filing which was filed with the SEC this morning:

**Business Review**

The Group had two primary business segments during the nine months ended December 31, 2008.

Our first business segment is engaged in the purchase, processing, assembling, merchandising and wholesale distribution of pearls and jewelry products ("Pearl Operations"). We are one of the world's largest purchasers and processors of saltwater cultured and freshwater cultured pearls. Our second business segment, which we commenced in April 2007, is engaged in real estate development and real estate leasing ("Real Estate Operations").

Net sales for the nine months ended December 31, 2008 decreased by HK\$40.9 million, or 12.8%, from HK\$318.7 million for the nine months ended December 31, 2007, which was wholly attributable to our Pearl Operations, to HK\$277.8 million for the nine months ended December 31, 2008, consisting of HK\$266.8 million attributable to our Pearl Operations and HK\$11.0 million attributable to our Real Estate Operations.

**Gross Profit**

Gross profit decreased by HK\$3.3 million, or 3.1%, from HK\$107.2 million for the nine months ended December 31, 2007 to HK\$103.9 million for the nine months ended December 31, 2008, consisting of HK\$97.5 million attributable to our Pearl Operations and HK\$6.4 million attributable to our Real Estate Operations.

Net income decreased by HK\$11.0 million, or 65.6%, from HK\$16.8 million for the nine months ended December 31, 2007 to HK\$5.8 million for the nine months December 31, 2008.

***Pearl Operations***

Net sales attributable to our Pearl Operations decreased by HK\$51.9 million, or 16.3%, from HK\$318.7 million for the nine months ended December 31, 2007 to HK\$266.8 million for the nine months ended December 31, 2008. Decreases in net sales attributable to our Pearl Operations were primarily due to a decrease in market demand in the United States and Asian countries, including Hong Kong, due to the relative weakness of the United States economy and the continued global financial crisis.

Net sales to the United States market decreased by HK\$25.7 million, or 29.3%, from HK\$87.7 million for the nine months ended December 31, 2007 to HK\$62.0 million for the nine months ended December 31, 2008. Net sales to the Asia market decreased by HK\$38.6 million, or 42.4%, from HK\$91.0 million for the nine months ended December 31, 2007 to HK\$52.4 million for the nine months ended December 31, 2008. Net sales to the Europe market increased by HK\$9.1 million, or 7.5%, from HK\$119.8 million for the nine months ended December 31, 2007 to HK\$128.9 million for the nine months ended December 31, 2008.

Gross profit attributable to our Pearl Operations decreased by HK\$9.7 million, or 9.1%, from HK\$107.2 million for the nine months ended December 31, 2007 to HK\$97.5 million for the nine months ended December 31, 2008.

Gross profit margin attributable to our Pearl Operations increased from 33.6% for the nine months ended December 31, 2007 to 36.5% for the nine months ended December 31, 2008. The increase in gross profit margin was primarily due to our continued (a) implementation of effective cost controls, (b) enhancement of production efficiency due to the acquisition of new machinery and (c) shift in our focus to sales of higher value jewelry products.

### ***Real Estate Operations***

Net sales attributable to our Real Estate Operations was HK\$11.0 million for the nine months ended December 31, 2008. Gross profit attributable to real estate sales in our Real Estate Operations was HK\$6.4 million for the nine months ended December 31, 2008. Gross profit margin attributable to real estate sales in our Real Estate Operations was 58.4% for the nine months ended December 31, 2008. We had not yet commenced real estate sales during the corresponding nine months ended December 31, 2007.

Gross rental income increased by HK\$14.4 million, or 346.7%, from HK\$4.2 million for the nine months ended December 31, 2007 to HK\$18.6 million for the nine months ended December 31, 2008. The increase was primarily attributable to an increase of HK\$13.0 million in rental income attributable to CP&J City. We did not have any rental income attributable to CP&J City for the nine months ended December 31, 2007. In addition, we had additional rental income of HK\$2.0 million from our operations at Man Sang Industrial City as additional units which had been held for self-use were leased to customers.

**Man Sang Holdings Inc. will be conducting their earnings conference call/webcast on February 13, 2009 at 9:30 a.m. ET, in which we will discuss future trends in the industry as well as our planned measures moving forward. To participate in the call/webcast, visitors would log into <http://www.investorcalendar.com/ClientPage.asp?ID=140962> or dial (Toll Free): 877-407-0782 / (International): 201-689-8567. The teleconference replay will remain available until: 02/13/2010/ for those that cannot participate during the actual time.**

Our complete earnings filing can be found on the SEC website at:

<http://www.sec.gov/cgi-bin/browse-edgar?company=man+sang+holdings&CIK=&type=&owner=include&count=40&action=getcurrent>

### **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. Man Sang is the controlling 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, other than statements of historical fact, including statements regarding industry prospects and future results of operations or financial position, made in this Form 10-Q 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: our future performance, our expansion efforts, demand for our products; the state of economic conditions and our markets; currency and exchange rate fluctuations; and our ability to meet our liquidity requirements. These forward-looking statements are based on assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe to be appropriate in particular circumstances. However, whether actual results and developments will meet our 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 our 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, our ability to achieve our objectives and expectations are derived at least in part from assumptions regarding economic conditions, consumer tastes, and developments in our competitive environment. The following assumptions, among others, could materially affect the likelihood that we will achieve our 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 further 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 we will continue to obtain a stable supply of pearls in the quantities, of the quality and on terms we require; (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 a substantial increase in the tax burdens of our subsidiaries operating in the PRC; (vii) that there will not be a substantial change in climate and environmental conditions in the regions where we source pearls that could have a material adverse effect on the supply and pricing of pearls; and (viii) that there will not be a substantial adverse change in the condition of the real estate market 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 Form 10-Q and with our annual report on Form 10-K for the year ended March 31, 2008, which contains a further description of risks and uncertainties related to forward-looking statements, as well as other aspects of our business. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. We 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 we file from time to time with the Securities and Exchange Commission.

**CONTACTS:**

Man Sang Holdings, Inc. - Mr. Martin Pak

011 (852) 2317 9369 – E-mail: martinp@man-sang.com

The Altman Group – Patricia Baronowski

[Pbaronowski@altmangroup.com](mailto:Pbaronowski@altmangroup.com)