



MAN SANG HOLDINGS, INC.

FOR IMMEDIATE RELEASE

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

NEW YORK--(MARKETWIRE) — August 14, 2008 -- Man Sang Holdings, Inc. (the "Company") (AMEX: MHJ) announced today the following, with regards to its 10Q filing which was filed with the SEC this morning:

Business Review

The Group had two primary business segments during the three months ended June 30, 2008. One business segment is engaged in the purchase, processing, assembling, merchandising and wholesale distribution of pearls and jewelry products ("Pearl Operations") and the other is engaged in real estate development and real estate leasing ("Real Estate Operations"). Net sales for the three months ended June 30, 2008 decreased by HK\$11.3 million to HK\$89.4 million, consisting of HK\$81.9 million attributable to Pearl operations and HK\$7.5 million attributable to Real Estate Operations

Gross Profit

Gross profit increased by HK\$1.5 million, or 4.3%, from HK\$35.1 million for the three months ended June 30, 2007 to HK\$36.6 million for the three months ended June 30, 2008, consisting of HK\$32.0 million attributable to our Pearl Operations and HK\$4.6 million attributable to our Real Estate Operations.

Net income decreased by HK\$4.7 million, or 52.8%, from HK\$8.9 million for the three months ended June 30, 2007 to HK\$4.2 million for the three months ended June 30, 2008.

Pearl Operations

Net sales attributable to our Pearl Operations decreased by HK\$18.8 million, or 18.7%, from HK\$100.7 million for the three months ended June 30, 2007 to HK\$81.9 million for the three months ended June 30, 2008. Decreases in net sales attributable to our Pearl Operations were primarily due to a decrease in market demand in the United States due to the relative weakness of the United States economy. Net sales to the United States market decreased by HK\$15.8 million, or 46.4%, from HK\$34.1 million for the three months ended June 30, 2007 to HK\$18.3 million for the three months ended June 30, 2008. Net sales to the Europe market increased by HK\$5.6 million, or 18.4%, from HK\$30.5 million for the three months ended June 30, 2007 to HK\$36.1 million for the three months ended June 30, 2008.

Gross profit attributable to our Pearl Operations decreased by HK\$3.1 million, or 8.8%, from HK\$35.1 million for the three months ended June 30, 2007 to HK\$32.0 million for the three months ended June 30, 2008. Gross profit margin increased from 34.8% for the three months ended June 30, 2007 to 39.1% for the three months ended June 30, 2008. The increase in gross profit margin was primarily due to the implementation of effective cost controls and the enhancement of production efficiency.

Real Estate Operations

Net sales attributable to our Real Estate Operations was HK\$7.5 million for the three months ended June 30, 2008. Gross profit attributable to our real estate sales was HK\$4.6 million for the three months ended June 30, 2008. Gross profit margin attributable to our real estate sales was 61.1% for the three months ended June 30, 2008. We had not yet commenced real estate sales during the corresponding three months ended June 30, 2007.

Gross rental income increased by HK\$4.7 million, or 387.5% from HK\$1.2 million for the three months ended June 30, 2007 to HK\$5.9 million for the three months ended June 30, 2008. The increase was primarily attributable to an increase of HK\$4.2 million in rental income attributable to CP&J City and an increase in rental income of HK\$0.5 million from Man Sang Industrial City as additional units which had been held for self-use were leased to customers.

Future Trends

Emerging weaknesses relating to recent developments in the subprime lending market in the United States and the impact of such developments on the United States economy may threaten market conditions in the United States and globally. Despite negative developments in the subprime lending market, we expect to be able to meet our growth estimates for the three months ended September 30, 2008.

Nevertheless, we have altered our sales strategy and continue to increase our focus on the European market. Stronger market conditions in Europe have mitigated the effects of weak market conditions in the United States. We expect sales attributable to our Pearl Operations in Europe to continue to grow in the three months ended September 30, 2008.

Our Pearl Operations are geographically diverse and we believe we are well-positioned to react to fluctuating global market conditions. We therefore expect to maintain steady growth in our Pearl Operations.

In response to concerns about China's high growth rate in certain economic sectors, the PRC government has introduced a number of macroeconomic measures to tighten monetary control and slow economic growth to a more manageable level. These measures are designed to slow the rapid economic growth of the PRC's economy in certain sectors to a more sustainable level by, among other things, curbing such sectors, including the property market.

Despite the introduction of these measures, we expect our Real Estate Operations to remain one of our core businesses and to continue to contribute to our sustainable growth. Further, we do not believe the introduction of these measures will adversely impact the operations of CP&J City as this project involves the integration of numerous business sectors outside of real estate developments, including trading, exhibition, manufacturing and processing, business services and supporting facilities. Construction of the phase one market center of the CP&J City was completed in March 2008. Despite the measures and restrictions implemented by the PRC government to control direct foreign investments in the real estate sector, the property sector remained active due to generally strong economic growth, an increase in the rate of urbanization, the introduction of housing reforms by the PRC government, the emergence of a mortgage lending market, appreciation of the Renminbi and improving results of foreign investment enterprises in the PRC.

We believe these factors will have a favorable impact on the development of CP&J City. During 2008, we have commenced construction of the second phase of CP&J City, which has a planned gross floor area of approximately 100,000 square meters, including manufacturing and processing areas, residential areas and multi-complex buildings. We believe we have benefited from our research into local market conditions and the implementation of our project management expertise and extensive cost control measures to provide our target customers at CP&J City with high quality properties that offer a comprehensive range of services.

Complete 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, 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. This press release should be read in conjunction with the financial statements and the notes thereto included elsewhere in this release and Form 10-Q and with the Company's annual report on Form 10-K for the year ended March 31, 2008, both of which can be obtained on the Company's website on www.man-sang.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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