



MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

UNAUDITED FINANCIAL RESULTS

FOR THE QUARTER AND NINE-MONTHS PERIOD ENDED DECEMBER 31, 2001

In view of the fact that Man Sang Holdings, Inc., the holding company of Man Sang International Limited (the "Company"), is quoted on the National Association of Securities Dealers, Inc. Electronic Bulletin Board, the quarterly and annual results of the Company and its holding company are required to be simultaneously disseminated in Hong Kong and the United States.

The Board of Directors of the Company is pleased to announce the unaudited financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the quarter and nine months ended December 31, 2001. The results have been reviewed by the Company's audit committee.

CONSOLIDATED INCOME STATEMENT

	For the three months ended December 31, 2001		For the nine months ended December 31, 2001	
	2001	2000	2001	2000
Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	57,127	66,102	203,066	243,143
Cost of sales	(38,188)	(72,105)	(139,813)	(198,619)
Gross profit (loss)	18,939	(6,003)	63,253	44,524
Other revenue	2,208	1,742	6,941	5,686
Selling expenses	(703)	(916)	(3,854)	(4,108)
Administrative expenses	(14,557)	(18,224)	(44,752)	(51,638)
Impairment loss on goodwill arising on acquisition of subsidiaries	-	-	(1,353)	-
Profit (Loss) from operations	5,887	(23,401)	20,235	(5,536)
Investment income	2,636	641	1,119	4,205
Finance costs	(922)	(1,662)	(4,325)	(5,090)
Profit (Loss) before taxation	7,601	(24,422)	17,029	(6,421)
Taxation	(984)	2,386	(4,347)	(2,145)
Profit (Loss) before minority interests	6,617	(22,036)	12,682	(8,566)
Minority interests	60	114	3	1,310
Profit (Loss) attributable to shareholders	6,677	(21,922)	12,685	(7,256)
Earnings (Loss) per share	4			
Basic			1.95 cents	(1.15 cents)
Diluted			N/A	N/A

Notes:

1. Principal Accounting Policies

The condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties and investments in securities.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended March 31, 2001, except for Goodwill as described below.

In the current period, the Group has adopted SSAP 30 "Business combinations" and has elected not to restate goodwill previously eliminated against reserves. Accordingly, goodwill arising on acquisitions prior to April 1, 2001 was held in reserves and the directors have reviewed the recoverability of the amount of goodwill arising on acquisitions prior to April 1, 2001 and an impairment loss amounting to HK\$1,353,000 has been recognized in full in the previous quarter of current period.

Goodwill arising on acquisitions after April 1, 2001 will be capitalized and amortized over its estimated useful life.

Certain comparative figures have also been reclassified to conform with the current period's presentation.

2. Segment Information Revenue

	For the three months ended December 31, 2001		For the nine months ended December 31, 2001	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Geographical Segments				
Hong Kong	16,209	20,964	51,161	58,033
Asian countries excluding Hong Kong	19,144	17,816	57,545	72,909
North America	11,866	14,987	50,896	60,600
Europe	11,013	11,137	42,997	48,770
Others	1,103	2,940	7,408	8,517
	59,335	67,844	210,007	248,829
Business Segments				
Pearl Business	57,127	66,102	203,066	243,143
Property letting	1,889	1,338	5,700	3,968
Others	319	404	1,241	1,718
	59,335	67,844	210,007	248,829

Contribution

	For the three months ended December 31, 2001		For the nine months ended December 31, 2001	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Geographical Segments				
Hong Kong	2,757	(4,389)	7,453	(460)
Asian countries excluding Hong Kong	1,296	(6,738)	4,586	(1,268)
North America	966	(6,450)	4,221	(2,124)
Europe	815	(5,024)	3,382	(1,391)
Others	53	(800)	593	(293)
	5,887	(23,401)	20,235	(5,536)
Business Segments				
Pearl Business	3,811	(24,252)	16,282	(7,685)
Property letting	1,757	447	2,712	431
Others	319	404	1,241	1,718
	5,887	(23,401)	20,235	(5,536)

3. Taxation

	For the three months ended December 31, 2001		For the nine months ended December 31, 2001	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	250	(902)	2,467	1,535
People's Republic of China ("PRC")	734	(1,484)	1,880	610
	984	(2,386)	4,347	2,145

Hong Kong Profits Tax for the nine months ended December 31, 2001 has been provided for at the rate of 16.0% (2000: 16.0%) on the estimated assessable profits arising in Hong Kong. Income Tax in the PRC has been provided for at rates ranging from 7.5% to 15% of the income of the PRC subsidiaries.

4. Earnings per share ("EPS")/Loss per share ("LPS")

The calculation of basic EPS/LPS is based on the following data:

	For the nine months ended December 31, 2001	
	2001	2000
	HK\$'000	HK\$'000
Earnings (Loss) for the purpose of calculating basic EPS/LPS	12,685	(7,256)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic EPS/LPS	651,943,657	631,127,657

No diluted EPS amounts have been presented for the nine months ended December 31, 2001 as the exercise prices of the Company's outstanding share options were higher than the fair value per share.

No amount has been presented for the diluted LPS for the nine months ended December 31, 2000 as the assumed exercise of the Company's outstanding share options would result in a decrease in LPS for that period.

THE THIRD INTERIM DIVIDEND

The Board of Directors resolved not to declare any third interim dividend in respect of the nine months ended December 31, 2001 (2000: Nil).

BUSINESS REVIEW AND PROSPECTS

During the period under review, the Group continued to consolidate its core business and streamline its operations.

During the period under review, the governments in the U.S. as well as in many European countries actively implemented strategies to stimulate the economies, including the multiple reductions in interest rates. Yet, the low consumer sentiment continued, buyers were highly cautious in placing orders especially after the attack in New York on September 11, 2001. The sustained unfavorable economic environment affected the Group's sales. Its turnover for the nine months decreased by 16.5% to approximately HK\$203.1 million as compared to the same period in last year. Nevertheless, the Group contained these adverse effects by virtue of its flexible marketing strategies and stringent cost controls. As a result of these efforts, the Group managed to record a profit attributable to shareholders of approximately HK\$12.7 million for the nine months ended December 31, 2001; against the loss of approximately HK\$7.3 million (including a write-down of inventories of approximately HK\$17 million) for the same period in last year.

The management expects the global economy to progressively recover and the Group has full confidence in its future business.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the nine months ended December 31, 2001, neither the Company nor any of its holding companies or subsidiaries purchased, sold or redeemed any listed securities of the Company.

On behalf of the Board
Cheng Chung Hing
Chairman

Hong Kong February 8, 2002