



STRATEGIC FINANCIAL RELATIONS LIMITED  
縱橫財經公關顧問有限公司

[For Immediate Release]



**MAN SANG INTERNATIONAL LIMITED**

民生國際有限公司

(Stock Code: 938)

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## **MAN SANG ANNOUNCES 2008/09 INTERIM RESULTS**

(Hong Kong, 13 November 2008) – **Man Sang International Limited** (“Man Sang” or the “Group”) today announced its results for the six months ended 30 September 2008.

### **Overall Results**

During the review period, the Group recorded revenue of approximately HK\$211.9 million, a 0.4% decrease against the same period last year. Gross profit was approximately HK\$89.0 million, representing an increase of 17.3% as compared with the last corresponding period. Loss attributable to equity shareholders was HK\$21.7 million (1H 2007/08: profit attributable to shareholders of HK\$38.0 million).

The loss attributable to shareholders reflected mainly (a) an impairment loss of approximately HK\$48.2 million (after deduction of minority interests) incurred on the fair values of investment properties; (b) an increase in selling, general and administrative expenses of HK\$10.4 million comprising the write-back of allowance for doubtful debts of HK\$5.0 million for the last corresponding period, spending on advertisement and promotion, fees to relevant professional marketing personnel and expenses on other marketing promotion activities in line with the launch of sales and leasing businesses in China Pearls and Jewelry Project (“CP&J Project”); and (c) a net unrealized loss on financial assets (listed equity securities investment in Hong Kong) of HK\$5.2 million.

Basic loss per share were HK1.77 cents (1H 2007/08 Basic earnings per share: HK3.52 cents). The Board of Directors did not recommend payment of an interim dividend (1H 2007/08: nil).

### **Pearl Operations**

Net sales attributable to pearl operations decreased by 9.3% to HK\$190.4 million due to the deterioration of the United States economy and the occurrence of the global financial turmoil. However, the gross profit margin of the segment increased from 34.8% in the last corresponding period to 37.6%, which were primarily due to effective cost control measures, continued enhancement of production efficiency and a shift in sales focus to higher value jewelry products.

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### **Property Operations**

The Group acquired an additional 6% of the total issued share capital of China Pearls and Jewellery City Holdings Limited (“CP&J City”) in April 2007, which increased its equity interest in the project to 55%. The results of CP&J City have been consolidated in that of the Group starting April 2007.

For the six months ended September 30, 2008, the property operations, which included sales of properties in the CP&J project and rental income from investment properties, recorded a total revenue of HK\$21.5 million (1H 2007/08: HK\$2.6 million). Sale of properties in CP&J Project was approximately HK\$9.1 million with gross margin maintained at above 50%. Sales of properties of CP&J Project had not commenced during the previous six months ended September 30, 2007.

The increase in rental income of investment properties was primarily attributable to an increase of HK\$8.6 million in rental income from CP&J Project and an increase in rental income of HK\$1.2 million from leased units in Man Sang Industrial City which were originally held for self-use by the Group. Rental income attributable to the CP&J Project has been consolidated in the Group’s results starting March 2008.

### **Outlook**

Looking forward, **Mr. Cheng Chung Hing, Chairman of Man Sang**, said, “The outlook of the global economy remains uncertain as the ripple effects of the global financial turmoil continues. We see slower growth for our core pearl product markets in Europe and the U.S. in the second half of the financial year. Facing unprecedented, fast-changing times and credit tightening period, we will continue to adopt prudent business and financial management policies to maintain our market share in the pearl products market and cautiously expanding new clientele so as to mitigate the slow down noted in the economy of our core markets. As for the property operations, the Group will closely monitor the development of the macroeconomic austerity measures in China and adjust our sales, marketing and development plans for the CP&J Project, so as to preserve our ability to rebound when the PRC government adjusts and uplifts these austerity measures.”

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### **About Man Sang International Limited**

Man Sang was listed on the Hong Kong Stock Exchange in 1997, being the first pearl company listed in Hong Kong. The Group has two main business segments. One of the business segments is the Pearl and Jewellery business including the purchase, processing, assembling, merchandising and wholesale distribution of pearls and jewelry products including Chinese cultured pearls, Chinese freshwater pearls, Japanese cultured pearls, Tahitian and South Sea pearls, as well as pearls and jewelry products. The Group operates its own pearl processing facilities in Shenzhen, the PRC.

Another core business is engaging in property development and investment. The Group also participates in the development and management of the China Pearls and Jewelry Project (“CP&J Project”) in Zhuji of Zhejiang Province, the PRC. Man Sang is the controlling shareholder of the project holding a 55% interest therein. CP&J Project is designed to be the world’s largest pearl and jewelry trading platform covering processing, manufacturing, research and development and trading of jewelry products and also to provide related services including logistics, electronic commerce, exhibition and convention, accommodation, catering and entertainment.

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