



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: 0938)

MAN SANG ANNOUNCES 2008/09 ANNUAL RESULTS

(Hong Kong, 11 June 2009) – **Man Sang International Limited** (“Man Sang” or the “Group”; stock code: 0938) today announced its annual results for the year ended 31 March 2009.

During the year under review, economic conditions deteriorated drastically at the impact of the financial crisis and the Group’s results were inevitably affected. The Group recorded revenue of approximately HK\$359.7 million, a 43.8% decrease against last year. Gross profit was approximately HK\$133.3 million, a decrease of 51.9% as compared with last year. Loss attributable to equity shareholders was HK\$72.3 million (2008: profit attributable to equity shareholders were HK\$232.4 million), reflecting mainly an impairment loss incurred on fair value of investment properties of HK\$181.6 million, provision for doubtful debts of HK\$27.4 million, and net unrealized loss on financial assets (listed equity investments in Hong Kong) of HK\$5.3 million during the review year.

Basic loss per share was HK5.91 cents (2008: basic earnings per share were HK20.22 cents). The Board of Directors did not propose payment of final dividend.

Pearl Operations

Continued threats from the global financial crisis and credit crunch had seriously dampened market demand for pearls and jewelry worldwide, particularly in the United States and Asian countries, including Hong Kong. Net sales attributable to pearl operations decreased by 21.9% to HK\$316.7 million during the year. However, gross profit margin of the segment increased from 30.7% last year to 32.5%, which was owed mainly to effective cost control, acquisition of new machinery that has enhanced production efficiency and a shift in sales focus of the Group to higher value jewelry products.

Property Operations

The property operations, which included sales of properties in the China Pearls and Jewelry Project (“CP&J Project”) and rental income from investment properties, recorded a total revenue of HK\$43.0 million (2008: HK\$235.1 million).

Income from sales of properties amounted to HK\$16.4 million, down by 92.8% against last year. The significant decrease was the result of macroeconomic control policies and austerity measures implemented on real estate sector by the Chinese government, the global economic downturn and credit crunch together discouraging investment in the China property market. Despite all that, the CP&J Project was able to maintain gross profit margin at above 50%.

- more -

As for rental income, it totalled at HK\$26.6 million (2008: HK\$6.8 million) for the year. The increase was primarily attributable to the increased rental income from the CP&J Project and Man Sang Industrial City in the amount of HK\$18.5 million and HK\$1.3 million respectively. The rental income from the CP&J Project was recognized for the full fiscal year of 2008/09 and only for the last quarter in fiscal year 2007/08. Rental of units in the Project began in the last quarter of 2007/08.

Outlook

Given the latest development of the global financial and economic crisis, the Group expects the majority of its markets will continue to be adversely affected in the first half of fiscal year 2009/10. However, the Group will continue to monitor the effects of the financial crisis in its core markets and to adjust its business and financial strategies to ensure that it maintain the flexibility to take advantage of any early signs of recovery in the core markets for its Pearl Operations as well as Real Estate Operations.

Mr. Cheng Chung Hing, Chairman of Man Sang, said, “To overcome the more immediate challenges, we have resorted to more conservative policies since last year, like shortening the credit terms of some customers to ensure adequate liquidity for our pearl operations. We will also continue to exercise prudence in executing business strategies, managing our operations and finance, and implementing the development plan for the CP&J Project. We will closely monitor our markets and adjust business and financial strategies accordingly to ensure we will be able to seize opportunities for our core pearl business and property operations at the first sign of economic recovery.”

– end –

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 Jewelry 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 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.

For Press Enquiries:

Strategic Financial Relations Limited

Veron Ng	Tel: +852 2864 4831	email: veron.ng@sprg.com.hk
Jover Wong	Tel: +852 2114 4955	email: jover.wong@sprg.com.hk
Brenda Liu	Tel: +852 2864 4851	email: brenda.liu@sprg.com.hk
	Fax: +852 2804 2789	