



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)

**MAN SANG ANNOUNCES FY2010/11 INTERIM RESULTS
NET PROFIT REACHES HK\$15.1 MILLION**

(Hong Kong, 28 October 2010) – **Man Sang International Limited** (“Man Sang” or the “Group”) today announced its interim results for the six months ended 30 September 2010.

During the period, the impacts of the global financial crisis still lingered and the Chinese Government’s tightening measures to stabilize home prices continued. The Group recorded revenue of approximately HK\$225.8 million (FY2009/10 Interim: HK\$148.6 million) and profit attributable to shareholders of HK\$15.1 million (FY2009/10 Interim: HK\$20.0 million).

Basic earnings per share were HK1.23 cents. The Board of Directors does not recommend the payment of an interim dividend.

The Group maintained a strong financial position for the first half of the financial year. As at 30 September 2010, the Group had cash and cash equivalents of HK\$534.3 million and its gearing ratio, representing the total bank borrowings divided by total equity, was 0.09.

Pearl and Jewelry Operations

During the review period, net sales attributable to pearl and jewelry operations increased by 24.7% to HK\$144.8 million as a result of inventory replenishment by customers who were too conservative in purchasing during the early stage of the global financial crisis. Although gradual appreciation of Renminbi continued to cast pressure on the processing and production cost of pearls and jewelry products in China, the Group has adopted effective flexible purchasing strategy to source materials to control costs of manufactured products and thus slightly alleviated the pressure. As a result, the gross profit margin of the business increased to 39.3% from 39.1% in the first half of FY2010/11

Property Operations

The property operations, which include sales of properties in the China Pearls and Jewellery City (“CP&J City”) and rental income from investment properties, recorded net sales of HK\$65.2 million (FY2009/10: HK\$20.1 million) and rental income of HK\$15.8 million (FY2009/10: HK\$12.4 million). The increase was mainly attributed to the Group’s launch of completed apartments located in China Pearls and Jewellery City, which contributed recognized revenue of HK\$48.8 million to this segment. However, as the Group sold properties at discount rates to purchasers to promote sales since September 2009, gross profit margin decreased to 10.8% during the review period.

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Rental income also increased by 27.5% to HK\$15.8 million for the first half of FY2010/11. The increase in rental income was primarily due to an increase in properties leased in China Pearls and Jewellery City and Man Sang Industrial City.

Outlook

In US and Europe, where major customers of the Group's Pearls and Jewelry operations are located, the effects of post global economic crisis still dominate. Moreover, as the Central Government of China continues to control home prices so as to narrow the widening wealth gap and improve the livelihood of its masses, the Group expects that business environment for both of its pearls and property operations will remain challenging for the second half of the financial year.

Looking forward, **Mr. Cheng Chung Hing, Chairman of Man Sang**, said, "To overcome the short term challenges, we will continue to exercise tight cost control and strict financial disciplines, in order to maintain adequate liquidity to capture the business opportunities from any early signs of business and economic recovery. The Group will also closely monitor the world consumer market for luxurious goods to strive for business growth for its pearl and jewelry operations."

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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 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 City ("CP&J City") in Zhuji of Zhejiang Province, the PRC. Man Sang is the controlling shareholder of the project holding a 55% interest therein. CP&J City 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
Sadie Lam	Tel: +852 2864 4861	Email: sadie.lam@sprg.com.hk
Fax: +852 2527 1196		