MAN SANG INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 938)

Website: http://www.man-sang.com

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

	For the year ended 31 March		Increase	
	2011	2010		
	HK$'000	*HK$'000* (restated)	*HK$'000*	*Percentage*
Revenue	**401,854**	339,379	62,475	18%
Profit attributable to equity holders of the Company	**54,753**	13,086	41,667	318%
Dividends — Final	—	—		
— Interim	—	36,748		
	—	36,748		
	HK cents per share			
Basic earnings per share	**4.46**	1.07		
Diluted earnings per share	**4.38**	1.05		
Book closing dates:	From Thursday, 11 August 2011 to Monday, 15 August 2011 (both days inclusive)			

RESULTS

The Board of Directors (the "Directors" or the "Board") of Man Sang International Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2011, together with the comparative figures for the previous year, as follows:

Consolidated Income Statement
For the year ended 31 March

	Notes	**2011** **HK$'000**	2010 *HK$'000* (restated)
Revenue	*3*	**401,854**	339,379
Cost of sales	*6*	**(262,448)**	(276,602)
Gross profit		**139,406**	62,777
Other income	*4*	**1,468**	653
Other gains — net	*5*	**36,043**	16,123
Selling expenses	*6*	**(14,834)**	(15,826)
Administrative expenses	*6*	**(92,116)**	(98,248)
Increase/(Decrease) in fair values of investment properties and investment properties under construction		**18,612**	(5,323)
Operating profit/(loss)		**88,579**	(39,844)
Finance income		**5,014**	1,859
Finance costs		**(1,182)**	(1,620)
Finance income — net		**3,832**	239
Share of profit of an associate		**15**	48
Profit/(Loss) before income tax		**92,426**	(39,557)
Income tax (expense)/credit	*7*	**(28,518)**	14,369
Profit/(Loss) for the year		**63,908**	(25,188)
Attributable to:			
Equity holders of the Company		**54,753**	13,086
Non-controlling interests		**9,155**	(38,274)
		63,908	(25,188)
Earnings per share attributable to equity holders of the Company	*9*		
Basic		**4.46 cents**	1.07 cents
Diluted		**4.38 cents**	1.05 cents

Details of dividend to the equity holders of the Company are set out in note 8.

Consolidated Statement of Comprehensive Income
For the year ended 31 March

	2011 *HK$'000*	2010 *HK$'000* (restated)
Profit/(Loss) for the year	**63,908**	(25,188)
Other comprehensive income:		
Exchange difference on translation of foreign operations	**35,070**	(125)
Change in deferred income tax liabilities in relation to increase in fair value of leasehold land and buildings arising from tax rate change	**(199)**	—
Increase in fair value of leasehold land and buildings, net of deferred income tax	**10,711**	22,890
Other comprehensive income for the year	**45,582**	22,765
Total comprehensive income/(loss) for the year, net of tax	**109,490**	(2,423)
Attributable to:		
Equity holders of the Company	**88,317**	35,845
Non-controlling interests	**21,173**	(38,268)
	109,490	(2,423)

Consolidated Balance Sheet
As at 31 March

	Notes	As at 31 March 2011 HK$'000	2010 HK$'000 (restated)	As at 1 April 2009 HK$'000 (restated)
ASSETS AND LIABILITIES				
Non-current assets				
Investment properties		**847,257**	762,865	845,384
Investment properties under construction		**61,741**	133,679	201,328
Property, plant and equipment		**117,736**	110,612	86,338
Prepaid lease payments		**8,024**	8,630	239
Investment in an associate		**121**	100	52
Deferred income tax assets		**1,126**	1,289	—
		1,036,005	1,017,175	1,133,341
Current assets				
Inventories		**52,104**	51,646	41,942
Properties under development		**36,711**	69,431	—
Completed properties held for sale		**206,743**	202,073	179,619
Trade and other receivables	*10*	**134,835**	161,506	226,553
Financial assets at fair value through profit or loss		**30,540**	49,194	18,619
Current income tax recoverable		**4,794**	5,401	3,479
Pledged bank deposits		**—**	17,000	17,000
Cash and cash equivalents		**606,806**	501,541	462,766
		1,072,533	1,057,792	949,978
Current liabilities				
Trade and other payables	*11*	**463,042**	488,775	439,456
Current income tax liabilities		**103,606**	74,253	68,507
Bank borrowings		**23,800**	158,197	90,400
Amount due to an associate		**1,492**	1,530	—
		591,940	722,755	598,363
Net current assets		**480,593**	335,037	351,615
Total assets less current liabilities		**1,516,598**	1,352,212	1,484,956
Non-current liabilities				
Deferred income tax liabilities		**88,183**	85,306	105,269
Bank borrowings		**71,400**	22,600	101,700
		159,583	107,906	206,969
Net assets		**1,357,015**	1,244,306	1,277,987

	Notes	As at 31 March **2011** *HK$'000*	2010 *HK$'000* (restated)	As at 1 April 2009 *HK$'000* (restated)
EQUITY				
Equity attributable to equity holders of the Company				
Share capital		**122,709**	122,494	122,474
Reserves	*12*	**1,102,703**	1,011,387	1,006,820
		1,225,412	1,133,881	1,129,294
Non-controlling interests		**131,603**	110,425	148,693
Total equity		**1,357,015**	1,244,306	1,277,987

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, investment properties, investment properties under construction, leasehold land and buildings, which are stated at fair value as explained in the accounting policies set out in the consolidated financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), which include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong, requirements of the Hong Kong Companies Ordinance and applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) New and amended standards adopted by the Group

The following revised standards and amendments to standards are mandatory for the first time for the accounting periods beginning on 1 April 2010.

- HKFRS 3 (revised), 'Business combinations', and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates', and HKAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

  The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the minority interest in the acquiree either at fair value or at the minority interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

  HKAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. HKAS 27 (revised) has had no impact in the current period, as none of the non-controlling interests have a deficit balance; there have been no transactions whereby an interest in an entity is retained after the loss of control of that entity, and there have been no transactions with non-controlling interests.

- HKAS 17 (Amendment), 'Leases', deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under 'Prepaid lease payments', and amortised over the lease term.

  HKAS 17 (Amendment) has been applied retrospectively for accounting periods beginning on 1 April 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 April 2010 on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance lease and such adjustment has been made retrospectively. Accordingly, leasehold land in Hong Kong is accounted for as 'Property, plant and equipment' and is stated at fair value based on periodic valuations less subsequent depreciation.

The effect of the adoption of this amendment is as below:

	Year ended 31 March 2011 HK$'000	2010 HK$'000
Consolidated income statement		
(Decrease)/Increase in other gain — net	**(473)**	144
Increase in administrative expenses	**1,145**	478
Decrease in income tax expense	**267**	55
Decrease in basic earnings per share (cents per share)	**0.11**	0.02
Decrease in diluted earnings per share (cents per share)	**0.11**	0.02

	As at 31 March 2011 HK$'000	2010 HK$'000	As at 1 April 2009 HK$'000
Consolidated balance sheet			
Increase in property, plant and equipment	**74,600**	66,850	46,180
Decrease in prepaid lease payments	**26,125**	26,831	27,537
Increase in property revaluation reserve	**39,736**	32,281	14,551
Increase in deferred income tax liabilities	**7,998**	6,603	3,077
Increase in retained profits	**741**	1,135	1,015

- HK Interpretation 5, 'Presentation of Financial Statements — Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause', issued on 29 November 2010, immediately effective on that day. The interpretation states that a borrower shall classify the term loan as a current liability in its balance sheet under paragraph 69(d) of HKAS 1 'Presentation of Financial Statements', if the borrower does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(b) New standards, interpretations, amendments and revision to standards and interpretations have been issued but are not effective for the financial year beginning 1 April 2010 and have not been early adopted:

- HKFRS 9, 'Financial instruments' addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is yet to assess potential impact of this standard. The Group will adopt the standard as and when it becomes effective.

- HKAS 24 (Revised) 'Related party disclosures' supersedes HKAS 24 'Related party disclosures' issued in 2003. The revised HKAS 24 is mandatory for periods beginning on or after 1 January 2011. The Group will adopt the revised standard as and when it becomes effective.

- Amendments to HK(IFRIC) — Int 14 'Prepayments of a minimum funding requirement' corrects an unintended consequence of HK(IFRIC) — Int 14 'HKAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset for any surplus arising from the voluntary prepayment of minimum funding contributions in respect of future service. This was not intended when HK(IFRIC) — Int 14 was issued, and the amendments correct this. The amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented. This is not currently applicable to the Group. The Group will adopt the amended interpretation as and when it becomes effective.

- HK(IFRIC) — Int 19, 'Extinguishing financial liabilities with equity instruments' clarifies the requirements of HKFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The interpretation is effective for annual periods beginning on or after 1 July 2010. Earlier application is permitted. The Group will adopt the amended interpretation as and when it becomes effective.

- Third improvements to Hong Kong Financial Reporting Standards (2010) were issued in May 2010 by the HKICPA. All improvements are effective in the financial year of 2011. The Group will adopt the improvements as and when they become effective.

- An amendment to HKFRS 7 'Financial Instruments: Disclosure' was issued in October 2010 which requires additional disclosures for risk exposures arising from transferred financial assets. The amendment will be effective for annual periods beginning on or after 1 July 2011, with earlier application permitted. No disclosures are required for prior periods. The Group will adopt the amended standard as and when it becomes effective.

- An amendment to HKAS 12 'Income Taxes' was issued in December 2010 whereby deferred taxes on as investment property, carried under the fair value model in HKAS 40 'Investment Property', will be measured presuming that an investment property is recovered entirely through sale. The presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The amendment will be effective for annual periods beginning on or after 1 January 2012 with earlier application permitted. The Group will adopt the amended standard as and when it becomes effective.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents (i) the amounts received and receivable from customers in respect of goods sold less returns and allowances; (ii) the proceeds from the sale of properties; and (iii) the amounts received and receivable in respect of leasing of investment properties.

	2011	2010
	HK$'000	*HK$'000*
Sales of pearls and jewellery	**284,160**	261,539
Sales of properties	**86,373**	51,720
Rental income	**31,321**	26,120
	401,854	339,379

The Group determines its operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions.

The Group has two reportable operating segments. The Group's operating businesses are structured and managed separately according to the nature of the operations and the product perspectives. Each of the Group's reportable operating segment represents a strategic business unit that are subject to risks and returns that are different from the other reportable operating segment. Details of the reportable operating segment are as follows:

(i) Pearls and jewellery — Purchasing, processing, assembling, merchandising, wholesale distribution of pearls and jewellery products.

(ii) Property development and investment — Development, sales and leasing of properties.

Segment information about these businesses is presented below:

For the year ended 31 March 2011:

	Pearls and jewellery *HK$'000*	Property development and investment *HK$'000*	Total *HK$'000*
Profit and loss items			
Segment revenue	**284,160**	**118,699**	**402,859**
Inter-segment revenue	**—**	**(1,005)**	**(1,005)**
Revenue from external customers	**284,160**	**117,694**	**401,854**
Segment operating profit	**29,234**	**55,652**	**84,886**
Finance income	**3,106**	**1,906**	**5,012**
Finance costs	**(1,061)**	**(121)**	**(1,182)**
Share of profit of an associate	**—**	**15**	**15**
Segment profit before income tax	**31,279**	**57,452**	**88,731**
Income tax expenses	**(2,318)**	**(25,231)**	**(27,549)**
Segment profit for the year	**28,961**	**32,221**	**61,182**
As at 31 March 2011			
Balance sheet items			
Total segment assets	**612,092**	**1,431,371**	**2,043,463**
Total segment assets include:			
Investment in an associate	**—**	**121**	**121**
Additions to non-current assets (other than deferred income tax assets)	**3,619**	**20,361**	**23,980**
Total segment liabilities	**44,733**	**705,903**	**750,636**
Other information:			
Depreciation	**(7,157)**	**(2,252)**	**(9,409)**
Amortisation	**—**	**(2,318)**	**(2,318)**
Increase in fair values of investment properties and investment properties under construction	**—**	**18,612**	**18,612**
Gain on disposals of investment properties	**—**	**23,830**	**23,830**
(Loss)/Gain on disposals of property, plant and equipment	**(1,167)**	**6**	**(1,161)**
(Provision for)/Reversal of impairment of trade and other receivables	**(5,940)**	**1,725**	**(4,215)**
Reversal of provision for inventory obsolescence	**16,300**	**—**	**16,300**

For the year ended 31 March 2010 (restated):

	Pearls and jewellery *HK$'000*	Property development and investment *HK$'000*	Total *HK$'000*
Profit and loss items			
Segment revenue	261,539	78,679	340,218
Inter-segment revenue	—	(839)	(839)
Revenue from external customers	261,539	77,840	339,379
Segment operating profit/(loss)	32,249	(70,551)	(38,302)
Finance income	1,023	792	1,815
Finance costs	(1,620)	—	(1,620)
Share of profit of an associate	—	48	48
Segment profit/(loss) before income tax	31,652	(69,711)	(38,059)
Income tax (expenses)/credit	(2,597)	17,792	15,195
Segment profit/(loss) for the year	29,055	(51,919)	(22,864)
As at 31 March 2010 (restated)			
Balance sheet items			
Total segment assets	533,734	1,452,932	1,986,666
Total segment assets include:			
Investment in an associate	—	100	100
Additions to non-current assets (other than deferred income tax assets)	5,128	21,504	26,632
Total segment liabilities	90,979	738,501	829,480
Other information:			
Depreciation	(6,955)	(1,931)	(8,886)
Amortisation	—	(450)	(450)
Decrease in fair values of investment properties and investment properties under construction	—	(5,323)	(5,323)
Gain on disposals of investment properties	—	10,799	10,799
Gain on disposals of property, plant and equipment	—	4	4
Loss on impairment of properties under development	—	(591)	(591)
Provision for impairment of trade and other receivables	(4,964)	(5,675)	(10,639)
Reversal of provision for inventory obsolescence	2,370	—	2,370

A reconciliation of the reportable segments' profit/(loss) before income tax to the Group's profit/(loss) before income tax is as follows:

	2011	2010
	HK$'000	*HK$'000*
		(restated)
Total profit/(loss) before income tax for reportable segments	**88,731**	(38,059)
Fair value change in financial assets at fair value through profit or loss	**6,643**	6,166
Dividend income	**1,468**	653
Share options expenses	**(2,360)**	(5,411)
Corporate finance income	**2**	44
Corporate expenses	**(2,058)**	(2,950)
Profit/(Loss) before income tax of the Group	**92,426**	(39,557)

A reconciliation of the reportable segments' assets to the Group's total assets is as follows:

	2011	2010
	HK$'000	*HK$'000*
		(restated)
Total for reportable segments	**2,043,463**	1,986,666
Unallocated:		
Corporate assets	**34,535**	39,107
Financial assets at fair value through profit or loss	**30,540**	49,194
Total assets of the Group	**2,108,538**	2,074,967

A reconciliation of the reportable segments' liabilities to the Group's total liabilities is as follows:

	2011	2010
	HK$'000	*HK$'000*
		(restated)
Total for reportable segments	**750,636**	829,480
Unallocated:		
Corporate liabilities	**353**	354
Current income tax liabilities	**534**	827
Total liabilities of the Group	**751,523**	830,661

The Company is domiciled in Hong Kong. The Group's revenue from external customers derived from Hong Kong and places other than Hong Kong are HK$17,492,000 (2010: HK$13,995,000) and HK$384,362,000 (2010: HK$325,384,000) respectively.

The Group's two operating segments operate in the main geographical areas and of which the revenues are disclosed as follows:

	2011	2010
	HK$'000	*HK$'000*
Europe	**149,987**	156,922
Mainland China (excluding Hong Kong)	**115,669**	76,345
Hong Kong	**17,492**	13,995
North America	**72,697**	47,082
Other Asian countries	**38,415**	33,949
Others	**7,594**	11,086
	401,854	339,379

The total non-current assets excluding investment in an associate and deferred income tax assets located in Hong Kong and places other than Hong Kong are HK$183,159,000 (2010: HK$165,985,000) and HK$851,599,000 (2010: HK$849,801,000) respectively.

Revenues of approximately HK$55,971,000 (2010: HK$58,010,000) are derived from a single external customer. These revenues are attributable to the pearls and jewellery segment.

4. OTHER INCOME

	2011	2010
	HK$'000	*HK$'000*
Dividend income from financial assets at fair value through profit or loss	**1,468**	653

5. OTHER GAINS — NET

	2011	2010
	HK$'000	*HK$'000*
		(restated)
Exchange losses	**(536)**	(1,044)
Fair value change in financial assets at fair value through profit or loss	**6,643**	6,166
Gain on disposals of investment properties	**23,830**	10,799
(Loss)/Gain on disposals of property, plant and equipment	**(1,161)**	4
Loss on impairment of properties under development	**—**	(591)
Others	**7,267**	789
	36,043	16,123

6. EXPENSES BY NATURE

	2011 *HK$'000*	2010 *HK$'000* (restated)
Costs of inventories and completed properties for sales	**238,312**	242,034
Employee benefit expenses (including directors' emoluments)	**74,528**	71,482
Auditor's remuneration		
— Provision for current year	**1,186**	1,420
— Under-provision in prior year	**—**	59
Depreciation of property, plant and equipment	**9,409**	8,886
Amortisation of prepaid lease payments	**2,318**	450
Provision for impairment of trade and other receivables	**4,215**	10,639
Reversal of provision for inventory obsolescence	**(16,300)**	(2,370)
Operating lease rental on rented premises	**10,355**	17,462
Others	**45,375**	40,614
Total cost of sales, selling and administrative expenses	**369,398**	390,676

7. INCOME TAX EXPENSE/(CREDIT)

	2011 *HK$'000*	2010 *HK$'000* (restated)
Current income tax:		
Hong Kong profits tax	**2,606**	1,894
PRC enterprise income tax	**15,908**	10,987
PRC land appreciation tax	**11,844**	—
	30,358	12,881
Over-provision in prior year:		
Hong Kong profits tax	**(297)**	(426)
PRC land appreciation tax	**—**	(526)
	(297)	(952)
Deferred income tax:		
Net credit to current year	**(2,694)**	(26,740)
Attributable to change in tax rate	**1,151**	442
	(1,543)	(26,298)
	28,518	(14,369)

Hong Kong profits tax has been provided at a rate of 16.5% (2010: 16.5%) on the estimated assessable profits for the year.

The PRC enterprise income tax in respect of operations in Mainland China is calculated at the applicable tax rates on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof.

PRC land appreciation tax is levied and provided for in the consolidated financial statements at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property expenditures.

8. DIVIDENDS

	2011	2010
	HK$'000	*HK$'000*
Final dividend — Nil (2010: Nil) per share	**—**	—
Interim dividend — Nil (2010: HK$3.00 cents) per share	**—**	36,748
	—	36,748

The dividend paid during the year ended 31 March 2011 was Nil (2010: HK$36,748,000). The Board does not recommend the payment of a final dividend for the year ended 31 March 2011 (2010: Nil).

9. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the year attributable to equity holders of the Company of approximately HK$54,753,000 (2010 restated: HK$13,086,000) and the weighted average number of 1,226,641,000 (2010: 1,224,825,000) ordinary shares in issue during the year.

The calculation of diluted earnings per share amount for the year is based on the profit for the year attributable to equity holders of the Company of approximately HK$54,753,000 (2010 restated: HK$13,086,000) and 1,250,223,000 (2010: 1,243,306,000) ordinary shares, which represented the weighted average number of 1,226,641,000 (2010: 1,224,825,000) ordinary shares in issue during the year and the weighted average number of 23,582,000 (2010: 18,481,000) ordinary shares deemed to have been issued at no consideration on the deemed exercise of all the outstanding share options during the year.

10. TRADE AND OTHER RECEIVABLES

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**107,598**	116,998
Less: provision for impairment of trade receivables	**(60,002)**	(54,709)
Trade receivables — net	**47,596**	62,289
Deposits, prepayments and other receivables	**87,239**	99,217
	134,835	161,506

The Group grants an average credit period of 60 days to its customers. The carrying amounts of the trade and other receivables approximate their fair values as these financial assets, which are measured at amortised cost, is expected to be paid within a short period of time, such that the impact of the time value of money is not significant.

At each balance sheet date, the recoverability of the Group's trade receivables due from individual customers are assessed based on the credit history of its customers, their financial conditions and current market conditions. Consequently, specific impairment provision is recognised.

The Group has provided fully for all receivables where recovery of the amounts is remote, unless the Group has determined that such balances are not recoverable, in which case the impairment loss is directly written off against the corresponding trade receivables. Based on past experience and the Group's assessment, the management believes that no impairment provision is necessary in respect of the remaining balances as there had not been a significant change in credit quality of such receivables and the balances are considered fully recoverable.

Movements in the provision for impairment of trade receivables are as follows:

	2011	2010
	HK$'000	*HK$'000*
At beginning of the year	**54,709**	44,196
Exchange differences	**1,322**	—
Provision for impairment losses	**4,215**	10,639
Amounts written off as uncollectible	**(244)**	(126)
At end of the year	**60,002**	54,709

Included in trade and other receivables of the Group are trade receivables of HK$107,598,000 (2010: HK$116,998,000) and their ageing analysis is as follows:

	2011	2010
	HK$'000	*HK$'000*
Not past due	**23,122**	21,349
1 to 60 days past due	**20,789**	37,465
61 to 120 days past due	**7,844**	10,008
More than 120 days past due	**55,843**	48,176
	107,598	116,998

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

As of 31 March 2011, trade receivables of HK$31,053,000 (2010: HK$46,704,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. Based on past experience, management believes that no impairment provision is necessary in respect of these balances as there has not been a significant change in credit quality of these receivables and the balances are still considered fully recoverable. The ageing analysis of these trade receivables is as follows:

	2011	2010
	HK$'000	*HK$'000*
1 to 60 days past due	**20,484**	34,590
61 to 120 days past due	**5,872**	2,700
More than 120 days past due	**4,697**	9,414
	31,053	46,704

As of 31 March 2011, trade receivables of HK$60,002,000 (2010: HK$54,709,000) were impaired and provided for. The individually impaired receivables mainly relate to customers which are in unexpectedly difficult economic situations. The ageing analysis of these receivables is as follows:

	2011	2010
	HK$'000	*HK$'000*
Not past due	**6,579**	5,764
1 to 60 days past due	**305**	2,875
61 to 120 days past due	**1,972**	7,308
More than 120 days past due	**51,146**	38,762
	60,002	54,709

11. TRADE AND OTHER PAYABLES

	2011	2010
	HK$'000	*HK$'000*
Trade payables	**91,606**	111,164
Loans from minority shareholders *(Note a)*	**114,696**	114,700
Advance receipts from customers	**79,469**	92,967
Other accruals and other payables	**177,271**	169,944
	463,042	488,775

Note:

(a) The loans from minority shareholders are interest free, unsecured and have no fixed repayment terms.

The ageing analysis of trade payables is as follows:

	2011	2010
	HK$'000	*HK$'000*
0 to 60 days past due	**89,172**	103,923
61 to 120 days past due	**369**	5,748
More than 120 days past due	**2,065**	1,493
	91,606	111,164

12. RESERVE

	Share premium HK$'000	Share option reserve HK$'000	Property revaluation reserve HK$'000	Translation reserve HK$'000	Retained profits (note a) HK$'000	Total HK$'000
Balance at 1 April 2009	321,509	3,946	66,483	36,996	562,320	991,254
Effect of adoption of HKAS 17 (Amendment) *(Note 2(a))*	—	—	14,551	—	1,015	15,566
Balance at 1 April 2009 (restated)	321,509	3,946	81,034	36,996	563,335	1,006,820
Profit for the year (restated)	—	—	—	—	13,086	13,086
Other comprehensive income/(loss):						
Increase in fair value of leasehold land and buildings, net of deferred income tax (restated)	—	—	22,890	—	—	22,890
Exchange difference on translation of foreign operations	—	—	—	(131)	—	(131)
Total comprehensive income/(loss) for the year (restated)	—	—	22,890	(131)	13,086	35,845
Employee share option benefits	—	5,411	—	—	—	5,411
Issue of new shares upon exercise of share options	59	—	—	—	—	59
Dividend paid	—	—	—	—	(36,748)	(36,748)
Transfer to share premium upon exercise of share options	38	(38)	—	—	—	—
Transfer of retained profits upon lapse of share options	—	(96)	—	—	96	—
Release of property revaluation reserve upon depreciation of leasehold land and buildings	—	—	(438)	—	438	—
Transferred to retained profits upon disposals of completed properties held for sale, net of deferred income tax	—	—	(6,034)	—	6,034	—
Balance at 31 March 2010 (restated)	321,606	9,223	97,452	36,865	546,241	1,011,387

	Share premium *HK$'000*	**Share option reserve** *HK$'000*	**Property revaluation reserve** *HK$'000*	**Translation reserve** *HK$'000*	**Retained profits (note a)** *HK$'000*	**Total** *HK$'000*
Balance at 1 April 2010 (restated)	**321,606**	**9,223**	**97,452**	**36,865**	**546,241**	**1,011,387**
Profit for the year	**—**	**—**	**—**	**—**	**54,753**	**54,753**
Other comprehensive income:						
Increase in fair value of leasehold land and buildings, net of deferred income tax	**—**	**—**	**10,711**	**—**	**—**	**10,711**
Change in deferred income tax liabilities in relation to increase in fair value of leasehold land and buildings arising from tax rate change	**—**	**—**	**(199)**	**—**	**—**	**(199)**
Exchange difference on translation of foreign operation	**—**	**—**	**—**	**23,052**	**—**	**23,052**
Total comprehensive income for the year	**—**	**—**	**10,512**	**23,052**	**54,753**	**88,317**
Employee share option benefits	**—**	**2,360**	**—**	**—**	**—**	**2,360**
Issue of new shares upon exercise of share options	**639**	**—**	**—**	**—**	**—**	**639**
Transfer to share premium upon exercise of share options	**414**	**(414)**	**—**	**—**	**—**	**—**
Transfer to retained earnings upon lapse of share options	**—**	**(1,742)**	**—**	**—**	**1,742**	**—**
Release of property revaluation reserve upon depreciation of leasehold land and buildings	**—**	**—**	**(1,201)**	**—**	**1,201**	**—**
Transferred to retained profits upon disposals of completed properties held for sale, net of deferred income tax	**—**	**—**	**(2,121)**	**—**	**2,121**	**—**
Balance at 31 March 2011	**322,659**	**9,427**	**104,642**	**59,917**	**606,058**	**1,102,703**

Note:

(a) The Group's retained profits included an amount of HK$17,530,000 (2010: HK$12,551,000) reserved by the subsidiaries in the People's Republic of China ("PRC") in accordance with the relevant PRC regulations. The PRC laws and regulations require companies registered in the PRC to provide for certain statutory reserves, which are to be appropriated from the net profit (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holder. All statutory reserves are created for specific purposes. PRC company is required to appropriate 10% of statutory net profits to statutory surplus reserves, upon distribution of its post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory surplus reserve is more than 50% of its registered capital. The statutory surplus reserves shall only be used to make up losses of the companies, to expand the companies' production operations, or to increase the capital of the companies. In addition, a company may make further contribution to the discretional surplus reserve using its post-tax profits in accordance with resolutions of the board of directors.

The figures in this preliminary announcement of the Group's results for the year ended 31 March 2011 have been agreed by the Group's auditor, PricewaterhouseCoopers ("PwC HK") to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PwC HK in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC HK for this announcement.

13. COMPARATIVE FIGURES

Certain comparative figures have been restated as a result of the adoption of new HKFRS and to conform with the current year's presentation.

The figures in this preliminary announcement of the Group's result for the year ended 31 March 2011 have been agreed by the Group's auditor, PricewaterhouseCoopers ("PwC HK") to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PwC HK in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC HK for this announcement.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2011 (2010: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 11 August 2011 to Monday, 15 August 2011, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend the annual general meeting of the Company (the "2011 Annual General Meeting"), all instruments of transfer together with the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 10 August 2011.

ANNUAL GENERAL MEETING

The 2011 Annual General Meeting will be held on Monday, 15 August 2011, notice of which will be published on the website of the Company (www.man-sang.com) and the designated issuer website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (www.hkexnews.hk), and dispatched to shareholders of the Company accordingly.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Pearls and Jewellery Operations

In 2010, the world's economy might not have completely emerged from the structural adjustment mode triggered by the global financial tsunami, nevertheless it has been slowly recovering. However, the European sovereign debt crisis did not only affect the Euro zone, it has made and continues to make a long-term impact on the global financial system.

The Asian economy, which has been relatively less affected by the economic crisis and resulting fiscal pressure in Europe, has still enjoyed growth. However, the gradual recovery and a second round of quantitative relaxation of monetary policy in the United States to bolster economic growth has inevitably caused an acceleration of capital flows and exacerbated worsening inflation rates. There was pressure on the increasing cost of processing and production of pearls and jewellery products in the PRC, resulting from the gradual appreciation of the Renminbi against Hong Kong dollars and the increasing in statutory minimum wages in the PRC, the adoption of an effective flexible purchasing strategy to source materials helped control the overall cost of manufactured products and slightly alleviate the pressure of the increasing cost of production.

The Group expects the pearls and jewellery's operating environment of the year ahead will be more severe and challenging. Given the uncertain global economy, we will remain cautious in our approach. We will formulate strategies to enhance the Group's operation efficiency and will closely monitor the cost control to maintain adequate liquidity to fund our operations.

Property Development and Investment Operations

The central government is on high alert, keeping a close watch on rapidly rising property prices to prevent the overheated market from destabilising the overall economy and affecting people's livelihood. Apart from tightening monetary policy to restrict borrowing, it is also using various measures to control the development and sale of property projects.

The tightening of bank lending policies to purchasers of real estates together with high interest rates on property loans have had an adverse effect on the development and property sales of the China Pearls and Jewellery City ("CP&J City"). Some of the investors may not be able to obtain bank finance to complete the purchase of the properties they have contracted for. Some may have difficulty making on time installment repayments on their property loan. Financial year 2012 is a challenging year for CP&J City.

In view of the current adverse environment of the property market in China, we have and will continue to adopt prudent and strict financial disciplines in the execution of the Group's business strategies and development plan on the CP&J City, the management will closely monitor the changes on the China property market with constantly review on the existing business plan and response timely to the rigorous business environment.

Financial Review

The Group has two main business segments. One business segment is engaging in the purchasing, processing, assembling, merchandising and wholesale distribution of pearls and jewellery products (the "Pearls and Jewellery Segment") while another business segment is property development and investment (the "Property Development and Investment Segment").

Revenue and gross profit

Pearls and Jewellery Segment

Net sales attributable to the Pearls and Jewellery Segment increased by HK$22.7 million, or 8.7% from HK$261.5 million for financial year 2010 to HK$284.2 million for financial year 2011. The increase was primarily due to the need to replenish inventory by our customers who conducted an excessively conservative and strict purchasing strategy during the period of global financial crisis.

Gross profit increased by HK$3.0 million, or 2.7% from HK$111.5 million for financial year 2010 to HK$114.5 million for financial year 2011. The gross profit margin decreased by 2.3% from 42.6% for financial year 2010 to 40.3% for financial year 2011. The decrease in gross profit margin was caused by the pressure on the increasing cost of processing and production of pearls and jewellery products in the PRC, resulting from an increase in labour cost and the gradual appreciation of the Renminbi against Hong Kong dollars. The adoption of an effective flexible purchasing strategy to source materials helped control the overall cost of manufactured products and slightly alleviate the pressure of the increasing cost of production.

Property Development and Investment Segment

Revenue for financial year 2011 from Property Development and Investment Segment comprised net sales of properties of HK$86.4 million (2010: HK$51.7 million) and rental income of HK$31.3 million (2010: HK$26.2 million).

Net sales of properties increased by HK$34.7 million, or 67.1% from HK$51.7 million for financial year 2010 to HK$86.4 million for financial year 2011. During the year under review, the sale of completed apartments located in CP&J City was launched. A revenue of HK$61.9 million was contributed from the sale of these apartments.

Rental income increased by HK$5.1 million, or 19.5% from HK$26.2 million for financial year 2010 to HK$31.3 million for financial year 2011. Both the increase in rental value and number of properties leased to outsiders caused the increase in rental income during the year under review.

Gross profit attributable to Property Development and Investment Segment was HK$24.9 million for current financial year against a gross loss of HK$48.7 million for financial year 2010. The Group's promotional sales arrangement commenced in September 2009 selling properties at discount rates to purchasers resulted in the gross loss for financial year 2010.

Selling and administrative expenses (the "S&A expenses")

S&A expenses of HK$106.9 million (2010: HK$114.1 million) consist of selling expenses of HK$14.8 million (2010: HK$15.8 million) and administrative expenses of HK$92.1 million (2010: HK$98.3 million).

S&A expenses decreased by HK$7.2 million, or 6.3% from HK$114.1 million for financial year 2010 to HK$106.9 million for financial year 2011. The decrease was mainly due to reduction of provision for impairment loss on trade and other receivables of HK$6.4 million.

Increase in fair values of investment properties and investment properties under construction

With reference to the valuation reports prepared by independent professional property valuers as at 31 March 2011, an increase of HK$18.6 million (2010: decrease of HK$5.3 million) in fair values of investment properties and investment properties under construction were recognised in the income statement. The increase in fair values was primarily due to an increase in fair values of the investment properties located in Hong Kong.

Profit attributable to equity holders of the Company

Profit attributable to equity holders of the Company increased by HK$41.7 million, or 318.3% from HK$13.1 million for financial year 2010 to HK$54.8 million for financial year 2011.

The increase was mainly contributed from the increase in fair values of investment properties and investment properties under construction of HK$18.6 million (2010: decrease of HK$5.3 million) and gain on disposals of investment properties of HK$23.8 million (2010: HK$10.8 million).

Liquidity and capital resources

As at 31 March 2011, the Group's total equity, including non-controlling interests, was HK$1,357.0 million (2010: HK$1,244.3 million). The increase in total equity was primarily due to profit of HK$63.9 million retained for the year under review and an unrealised exchange gain of HK$35.1 million arising from the translation of foreign operation of the PRC subsidiaries.

As at 31 March 2011, the working capital, representing net current assets, was HK$480.6 million (2010: HK$335.0 million). The increase in working capital was primarily due to a decrease of HK$134.4 million in bank borrowing due within one year as a result of the repayment of the bank borrowing in accordance with the stipulated terms of the loan agreement. The current ratio, representing current assets divided by current liabilities, was 1.8 (2010: 1.5).

As at 31 March 2011, the Group's total bank borrowing was HK$95.2 million (2010: HK$180.8 million), which was obtained to finance the property development in CP&J City. The Group does not currently use any derivatives to manage interest risk. Gearing ratio, representing total bank borrowing divided by total equity, was 0.07 (2010: 0.15).

As at 31 March 2011, the Group had available banking facilities of HK$228.5 million (2010: HK$330.8 million) with various banks, of which HK$95.2 million (2010: HK$180.8 million) has been drawn and HK$133.3 million (2010: HK$150.0 million) remained unused. With the committed unused banking facilities in place and available cash and cash equivalents of HK$606.8 million (2010: HK$501.5 million), the Group has adequate financial resources to meet our anticipated future liquidity requirements.

Major customers and suppliers

For financial year 2011, total sales from the five largest customers accounted for 41% (2010: 41%) of the total revenue of the Group, and total purchases from the five largest suppliers accounted for 47% (2010: 50%) of the total purchases of the Group.

Contingent liabilities

During financial year 2011, the Company issued corporate guarantees to banks in respect of general banking facilities granted to its subsidiaries. No banking facilities with corporate guarantee have been utilised by subsidiaries during financial year 2011 (2010: Nil).

The Group entered into a mortgage collaboration agreement with a bank in Mainland China under which the Group agreed to indemnify the bank for any failure by purchasers of the Group's properties in CP&J City to repay the borrowings or interest to the bank for the period before and up to the bank registering the certificates of real estate ownership as collateral for the borrowings. As at 31 March 2011, the Group has maximum exposure on the guarantees of HK$88.4 million (2010: HK$51.0 million).

Save as disclosed above, the Group had no other significant contingent liabilities as at 31 March 2011 (2010: Nil).

Treasury policy

The Group principally operates in Hong Kong and Mainland China. The Group is exposed to foreign exchange fluctuations from various currencies, such as United States dollars, Hong Kong dollars and Renminbi, in which the Group's transactions were mainly denominated for financial years 2010 and 2011. Since Hong Kong dollars remains pegged to the United States dollars within a defined range, the Group has not been exposed to any significant foreign exchange risk against the United States dollars. The Group has subsidiaries operating in Mainland China, in which most of their transactions, including revenue, expenses and financing, are denominated in Renminbi. The Group has not been exposed to any significant foreign exchange transaction risk and had not entered into any foreign exchange contract as hedging measures.

Human resources

As at 31 March 2011, the Group had a total workforce of 998 (2010: 1,061), of whom 60 (2010: 70) were based in Hong Kong. For financial year 2011, the total staff cost including directors' emoluments, share options expenses, social security cost and mandatory provident fund, was approximately HK$74.5 million (2010: HK$71.5 million). Employees were remunerated on the basis of their performance and experience. Remuneration package, including salary and year-end discretionary bonus, was determined by reference to market conditions and individual performance.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted the Model Code as set out in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange for securities transactions by the Directors. Having made specific enquiries with all the Directors, they have confirmed compliance with the required standard as set out in the Model Code throughout the year ended 31 March 2011.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the Independent Non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Board has assessed the independence of all the Independent Non-executive Directors and is satisfied of their independence.

AUDIT COMMITTEE

The audit committee, which comprises three Independent Non-executive Directors of the Company, has reviewed with the management in conjunction with the Auditors, the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of audited consolidated financial statements of the Group for the year ended 31 March 2011.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2011.

CORPORATE GOVERNANCE

The Group has applied the principles and complied with all the applicable provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31 March 2011 except for deviation from the code provision A.4.1 of the CG Code.

The code provision A.4.1 of the CG Code stipulated that non-executive directors should be appointed for a specific term and subject to re-election. Independent Non-executive Directors of the Company have not been appointed for any specific terms, but they are subject to retirement and re-election at annual general meeting at least once every three years in accordance with the CG Code.

As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

PROSPECTS

As the first year of the "12th Five-Year Program", the growth in consumption and the maintaining of rapid growth of the Chinese economy will definitely bring new opportunities to the Group. China will remain one of the most promising markets around the globe, which serves as a vital part for the Group's sales and leasing properties business development.

BOARD OF DIRECTORS

As at the date hereof, the Executive Directors of the Company are Mr. Cheng Tai Po (Deputy Chairman) and Ms. Yan Sau Man, Amy; the Non-executive Directors of the Company are Mr. Cheng Chung Hing (Chairman) and Mr. Lee Kang Bor, Thomas; and the Independent Non-executive Directors of the Company are Mr. Fung Yat Sang, Mr. Kiu Wai Ming and Mr. Lau Chi Wah, Alex.

By Order of the Board
MAN SANG INTERNATIONAL LIMITED
Pak Wai Keung, Martin
Company Secretary

Hong Kong, 24 June 2011

Remark:

This results announcement is published on the website of the Company at www.man-sang.com and the Stock Exchange's website at www.hkexnews.hk.