MAN SANG JEWELLERY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1466)

Website: http://www.mansangjewellery.com

ANNUAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	For the year ended 31 March		**Increase/(Decrease)**	
	2015	2014		
	HK$'000	*HK$'000*	*HK$'000*	*Percentage*
Revenue	**270,709**	268,473	2,236	+1%
Gross profit	**108,028**	93,646	14,382	+15%
Profit attributable to equity holders of the Company	**10,056**	29,596	(19,540)	-66%

RESULTS

The board of directors (the "Directors" or the "Board") of Man Sang Jewellery Holdings 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 2015, together with the comparative figures for the previous year, as follows:

Consolidated Income Statement
For the year ended 31 March 2015

	Note	**2015** **HK$'000**	2014 *HK$'000*
Revenue	*4*	**270,709**	268,473
Cost of sales	*7*	**(162,681)**	(174,827)
Gross profit		**108,028**	93,646
Other gains — net	*6*	**813**	1,170
Selling expenses	*7*	**(11,095)**	(15,627)
Administrative expenses	*7*	**(81,214)**	(47,580)
Operating profit		**16,532**	31,609
Finance income		**517**	584
Finance costs		**(1,000)**	(169)
Finance (costs)/income — net		**(483)**	415
Profit before income tax		**16,049**	32,024
Income tax expense	*8*	**(5,993)**	(2,428)
Profit for the year attributable to equity holders of the Company		**10,056**	29,596
Earnings per share attributable to equity holders of the Company:			
Basic and diluted	*10*	**3.78 HK cents**	11.11 HK cents

Details of dividend to the equity holders of the Company are set out in note 9 to this announcement.

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2015

	2015	2014
	HK$'000	*HK$'000*
Profit for the year	**10,056**	29,596
Other comprehensive income:		
Item that may be reclassified to profit or loss		
Exchange difference on translation of foreign operations	**–**	(170)
Item that will not be subsequently reclassified to profit or loss		
Increase in fair value of leasehold land and building, net of deferred income tax	**5,574**	4,869
Other comprehensive income for the year, net of tax	**5,574**	4,699
Total comprehensive income for the year, attributable to equity holders of the Company	**15,630**	34,295

Consolidated Balance Sheet
As at 31 March 2015

	Note	2015 HK$'000	2014 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**101,881**	97,004
Prepayments	*11*	**6,810**	–
Deferred income tax assets		**742**	2,929
		109,433	99,933
Current assets			
Inventories		**99,837**	78,282
Amounts due from related companies		**–**	70,841
Trade and other receivables	*11*	**72,738**	74,469
Cash and cash equivalents		**76,486**	168,595
		249,061	392,187
Current liabilities			
Trade and other payables	*12*	**29,386**	32,853
Bank borrowing		**45,200**	47,600
Current income tax liabilities		**4,015**	1,376
		78,601	81,829
Net current assets		**170,460**	310,358
Total assets less current liabilities		**279,893**	410,291

Consolidated Balance Sheet — *Continued*
As at 31 March 2015

	2015	2014
	HK$'000	*HK$'000*
Non-current liabilities		
Deferred income tax liabilities	**12,295**	11,430
Net assets	**267,598**	398,861
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	**2,663**	–
Reserves	**264,935**	398,861
Total equity	**267,598**	398,861

Notes:

1. GENERAL INFORMATION AND REORGANISATION

1.1 General information

Man Sang Jewellery Holdings Limited (the "Company") and its subsidiaries (together, the "Group") are principally engaged in the purchasing, processing, designing, production and wholesale distribution of pearls and jewellery products.

The Company is incorporated in the Cayman Islands (on 13 May 2014) as an exempted company with limited liability under the Companies Law, Cap 22 (Laws 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17 October 2014.

1.2 Reorganisation

Prior to the incorporation of the Company and the completion of the reorganisation (the "Reorganisation") as described below, the pearls and jewellery business (the "Business") was principally conducted through Arcadia Jewellery Limited ("Arcadia HK"), Man Sang Jewellery Company Limited ("Man Sang HK") and Man Hing Industry Development (Shenzhen) Co., Ltd. ("MH SZ"), which are indirectly wholly owned subsidiaries of Man Sang International Limited ("MSIL").

In preparation for listing of the Company's Shares on the Stock Exchange, the Group underwent the Reorganisation to transfer the Business to the Company principally through the following steps:

(i) On 30 April 2014, MSIL transferred the entire issued share capital of Man Sang Innovations Limited to Arcadia Global Holdings Limited ("Arcadia BVI").

(ii) On 30 April 2014, Man Sang HK transferred the entire issued share capital of Arcadia HK to Arcadia Investment Holdings Limited.

(iii) On 30 April 2014, Man Sang HK entered into an agreement pursuant to which Man Sang HK assigned the relevant assets and liabilities of the Business to Man Sang Jewellery (Hong Kong) Limited.

(iv) On 30 April 2014, MH SZ entered into an agreement pursuant to which MH SZ assigned the relevant assets and liabilities of the Business to Hui Bao Feng Jewellery (Shenzhen) Limited ("HBF Jewellery").

(v) On 30 April 2014, Man Sang Development Company Limited, a wholly owned subsidiary of MSIL, transferred the entire issued share capital of Hong Kong Man Sang Investments Limited to Man Sang International Holdings Limited ("MS Holdings").

(vi) On 13 May 2014, the Company was incorporated in the Cayman Islands. A share was allotted and issued at par and subsequently transferred to MSIL, and the Company became a wholly-owned subsidiary of MSIL.

(vii) On 29 May 2014, MH SZ transferred the entire equity interest in Kasiao (Shenzhen) Jewellery Company Limited to HBF Jewellery.

(viii) On 17 June 2014, the Company subscribed the 1,500 issued share capital of MS Holdings and 1,000 issued share capital of Arcadia BVI.

(ix) On 17 June 2014, MS Holdings and Arcadia BVI repurchased the one share each issued to MSIL.

(x) On 10 October 2014, 266,321,063 shares were issued to MSIL by way of capitalising the amounts due from the Group to MSIL of approximately HK$283.1 million (the "Capitalisation Issue"). The Capitalisation Issue was made for the purpose of effecting the MSIL Distribution (as described in (xi) below) to MSIL.

(xi) On 16 October 2014, the Stock Exchange granted the listing of, and permission to deal in, the Company's share on the Main Board of the Stock Exchange. Consequently the condition for the special interim dividend declared by MSIL on 26 September 2014 for the purpose of the Reorganisation was satisfied by the Capitalisation Issue (the "MSIL Distribution") and the MSIL Distribution has accordingly been completed.

(xii) On 17 October 2014, the shares of the Company were listed on the Main Board of the Stock Exchange (the "Listing"). Following the Listing, the Company is no longer a subsidiary of MSIL.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of leasehold land and building, which are carried at fair values.

In accordance with the transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit" as set out in sections 76 to 87 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), the consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

Pursuant to the Reorganisation as described in note 1.2, the Company became the holding company of the Group. Accordingly, the consolidated financial statements of the Group as at 31 March 2014 and for the year ended 31 March 2014 had been prepared as if the Group had always been in existence throughout the period presented, or since the respective dates of incorporation or establishment of the Group companies.

Immediately prior to the Reorganisation, the pearls and jewellery business was held by MSIL and operated mainly through three wholly owned subsidiaries of MSIL and pursuant to the Reorganisation, the pearls and jewellery business was transferred to and held by the Company in June 2014.

Accordingly, the combined financial information of the companies as at 31 March 2014 and for the year ended 31 March 2014 now comprising the Group was presented using the carrying values of the pearls and jewellery business under the Company.

The comparative balance sheet of the Group included assets and liabilities that are directly related and clearly identified to the pearls and jewellery business. The comparative income statement of the Group include all revenues, related costs, expenses and charges directly generated and incurred by the pearls and jewellery business. Certain administrative expenses and employee benefit expenses for which specific identification method was not practicable were allocated to the pearls and jewellery business according to certain ratios determined by the Board.

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

(a) Amendments to existing standards and new interpretations effective for annual periods beginning 1 April 2014, relevant to the Group's operations and adopted by the Group:

Amendment to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment entities
Amendment to HKAS 32	Offsetting financial assets and financial liabilities
Amendment to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendment to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IRIC)-Int 21	Levies

The adoption of the above amendments to existing standards and new interpretations did not have any material impact on the preparation of the Group's financial statements.

(b) New standards and amendments to existing standards which have been issued but are not effective for the financial year beginning on 1 April 2014 and have not been early adopted:

		Effective for annual periods beginning on or after
Amendment to HKAS 19	Defined benefit plans	1 July 2014
Amendment to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle	1 July 2014
Amendment to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle	1 July 2014
Amendment to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle	1 January 2016
HKFRS 9	Financial instruments	1 January 2018
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
Amendment to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
Amendment to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception	1 January 2016
Amendment to HKFRS 11	Accounting for acquisitions of interests in joint operations	1 January 2016
Amendment to HKAS 1	Disclosure initiative	1 January 2016
Amendment to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendment to HKAS 16 and HKAS 41	Agriculture: Bearer plants	1 January 2016
Amendment to HKAS 27	Equity method in separate financial statements	1 January 2016

The Group is assessing the impact of these new standards and amendments to existing standards and does not anticipate that the adoption will result in any material impact on the Group's results of operation and financial position.

The Group intends to adopt the above new standards and amendments to existing standards when they become effective.

4. REVENUE

Revenue represents the amounts received and receivable from customers in respect of goods sold less returns and allowances.

The Group's revenue recognised during the year is as follows:

	2015	2014
	HK\$'000	*HK\$'000*
Sales of pearls and jewellery	**270,709**	268,473

5. SEGMENT INFORMATION

The Group's management reviews the Group's internal reporting in order to assess performance and allocated resources. They have determined the operating segments based on these reports. The Group is principally engaged in purchasing, processing, designing, production and wholesale distribution of pearls and jewellery products. Information reported to the Group's management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated. Accordingly, the Group has identified one operating segment — pearls and jewellery operating segment, and segment disclosures are not presented.

The Group operates its business in Hong Kong and places other than Hong Kong. The Group's revenue by geographical locations (as determined by the area or country in which the customer is located) is analysed as follows:

	2015	2014
	HK\$'000	*HK\$'000*
Europe	**74,841**	91,304
North America	**75,218**	79,801
Asian countries (excluding Hong Kong)	**76,952**	81,776
Hong Kong	**36,264**	9,742
Others	**7,434**	5,850
	270,709	268,473

The following is an analysis of the carrying amounts of the Group's segment assets analysed by geographical location in which the assets are located:

	2015	2014
	HK\$'000	*HK\$'000*
Hong Kong	**317,582**	419,911
The People's Republic of China (the "PRC")	**40,912**	72,209
	358,494	492,120

Revenue from the transactions with two individual customers amounted to HK\$30,321,000 and HK\$28,525,000 were more than 10% of total revenue of the Group for the financial year ended 31 March 2015.

Revenue from the transactions with two individual customers amounted to HK\$30,946,000 and HK\$29,483,000 were more than 10% of total revenue of the Group for the financial year ended 31 March 2014.

6. OTHER GAINS — NET

	2015 *HK$'000*	2014 *HK$'000*
Exchange losses	**(767)**	(640)
(Loss)/gain on disposals of property, plant and equipment	**(198)**	80
Reversal of other payables	**1,161**	1,000
Others	**617**	730
	813	1,170

7. EXPENSES BY NATURE

	2015 *HK$'000*	2014 *HK$'000*
Costs of inventories	**133,822**	134,089
Employee benefit expenses (including directors' emoluments)	**61,560**	64,977
Auditor's remuneration	**1,180**	1,235
Listing expenses	**16,856**	–
Depreciation of property, plant and equipment	**5,998**	5,657
Reversal of provision for impairment of trade receivables *(note 11)*	**(81)**	(6,797)
(Reversal of provision)/Provision for inventory obsolescence	**(4,647)**	1,357
Operating lease rental on rented premises	**10,526**	8,026
Exhibition	**5,668**	6,555
Commission and customers' designated payments	**2,588**	6,255
Others	**21,520**	16,680
Total cost of sales, selling and administrative expenses	**254,990**	238,034

8. INCOME TAX EXPENSE

	2015 *HK$'000*	2014 *HK$'000*
Current income tax:		
Hong Kong profits tax	**3,274**	3,178
PRC corporate income tax	**754**	802
	4,028	3,980
Under/(Over)-provision in prior year:		
Hong Kong profits tax	**15**	600
PRC corporate income tax	**–**	(490)
	15	110
Deferred income tax:		
Net charge/(credit) for current year	**1,950**	(1,662)
	5,993	2,428

Hong Kong profits tax

Hong Kong profits tax has been provided at a rate of 16.5% (2014: 16.5%) on the estimated assessable profits for the year.

PRC corporate income tax

In accordance with the relevant PRC corporate income tax laws, regulations and implementation guidance note, subsidiaries in the PRC are subject to PRC corporate income tax rate at 25% (2014: 25%).

Withholding tax on distributed/undistributed profits

The PRC tax law imposes a withholding tax at 10%, unless reduced by a tax treaty, for dividends distributed by PRC subsidiaries to its immediate holding company outside the PRC for earnings generated beginning on 1 January 2008.

Deferred income tax liabilities has not been recognised for withholding tax that would be payable on the unremitted retained earnings of certain PRC subsidiaries as the Company controls the dividend policies of these subsidiaries and it is not probable that these subsidiaries would distribute earnings in the foreseeable future.

9. DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 March 2015 (2014: Nil).

10. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. The weighted average number of ordinary shares used for such purpose has been retrospectively adjusted for the effects of the issue of shares in connection with the Reorganisation and the Capitalisation Issue.

	2015	2014
Profit attributable to equity holders of the Company *(HK$'000)*	**10,056**	29,596
Weighted average number of shares for the purpose of calculating basic earnings per share *(thousands)*	**266,321**	266,321
Basic earnings per share *(HK cents per share)*	**3.78**	11.11

There is no dilutive potential ordinary shares during the year ended 31 March 2015 (2014: Nil).

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**70,168**	74,309
Less: provision for impairment of trade receivables	**(8,733)**	(13,765)
Trade receivables — net	**61,435**	60,544
Other receivables, deposits and prepayments	**18,113**	13,925
Trade and other receivables, deposits and prepayments	**79,548**	74,469
Less: Non-current portion	**(6,810)**	–
Current portion	**72,738**	74,469

The Group grants a credit period of 30 days to 120 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, are expected to be received within a short period of time, such that the impact of the time value of money impact 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, 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:

	2015	2014
	HK$'000	*HK$'000*
At beginning of the year	**13,765**	20,562
Reversal of provision for impairment losses	**(81)**	(6,797)
Amounts written off as uncollectible	**(4,951)**	–
At end of the year	**8,733**	13,765

Included in trade and other receivables, deposits and prepayments of the Group are trade receivables of HK$70,168,000 (2014: HK$74,309,000) and their ageing analysis based on due date is as follows:

	2015	2014
	HK$'000	*HK$'000*
Not past due	**18,659**	17,344
1 to 60 days past due	**18,387**	31,144
61 to 120 days past due	**8,546**	8,463
More than 120 days past due	**24,576**	17,358
	70,168	74,309

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 2015, trade receivables of HK$42,776,000 (2014: HK$43,200,000) 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:

	2015	2014
	HK$'000	*HK$'000*
1 to 60 days past due	**18,387**	31,144
61 to 120 days past due	**8,107**	7,767
More than 120 days past due	**16,282**	4,289
	42,776	43,200

As of 31 March 2015, trade receivables of HK$8,733,000 (2014: HK$13,765,000) 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:

	2015	2014
	HK$'000	*HK$'000*
61 to 120 days past due	**439**	696
More than 120 days past due	**8,294**	13,069
	8,733	13,765

12. TRADE AND OTHER PAYABLES

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**4,216**	6,028
Accrued payroll and other employee benefits	**12,688**	13,504
Other accruals and other payables	**12,482**	13,321
	29,386	32,853

The ageing analysis of trade payables based on invoice date is as follows:

	2015	2014
	HK$'000	*HK$'000*
0 to 60 days	**4,216**	5,669
61 to 120 days	**–**	50
More than 120 days	**–**	309
	4,216	6,028

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2015 have been agreed by the Company's auditor, PricewaterhouseCoopers ("PwC"), to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PwC 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 HKICPA and consequently no assurance has been expressed by PwC on the preliminary announcement.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 March 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 26 August 2015 to Friday, 28 August 2015 (both days inclusive), for the purpose of determining shareholders' entitlement to attend and vote at the forthcoming annual general meeting, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 25 August 2015.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Friday, 28 August 2015, notice of which will be published on the website of the Company (www.mansangjewellery.com) and the designated issuer website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk), and despatched to shareholders of the Company accordingly.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Overview

The board of directors (the "Board") of Man Sang Jewellery Holdings Limited (the "Company") is pleased to report the results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2015 ("FY15"). During FY15, the consolidated profit attributable to equity holders of the Company was HK$10.1 million (year ended 31 March 2014 ("FY14"): HK$29.6 million), representing a decrease of 66% as compared with that in FY14. Basic earnings per share was 3.78 HK cents (FY14: 11.11 HK cents), representing a decrease of 66% as compared with that in FY14.

Business Review

On 17 June 2014, the Group has completed a series of reorganisation and the Company has become the holding company of the Group. On 17 October 2014 (the "Listing Date"), the shares of the Company were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company was no longer a subsidiary of Man Sang International Limited. This major milestone has set up a platform to enable the management team of the Group to focus on the development of the pearls and jewellery business.

During the year, the global economy is challenging. Weakening Euro and Japanese Yen has reduced the price competitiveness of our pearl and jewellery products to customers in Europe and Japan. Notwithstanding this, the decrease in revenue in our Europe and Japan market has been recovered by the increase in revenue in Asia region (including Hong Kong).

The Group has established a prestigious showroom (the "VIP showroom") in our headquarters in Hong Kong to showcase and to demonstrate our fine jewellery to target high-end boutique retailers and wealthy individuals in or visiting Hong Kong through connections established via major trade shows and exhibitions and personal connections of our sales and management team. Since setting up of the VIP showroom, the Group has achieved revenue of HK$21.2 million from this sales and marketing channel. The Group has a strategy to build up a stronger market reputation associated with high quality, new and fashionable products and performs internet sales through certain E-commerce platforms.

With our continued effort on cost control measures, we managed to improve our profit margin and maintain the competitiveness in the market despite the continuous surge in the operating expenses in the People's Republic of China (the "PRC") including but not limited to wages and material costs. As part of the reorganisation in April 2014, the operations of two of the factories have been transferred to a wholly-owned subsidiary of the Group in the PRC. Subsequent to the financial year end, the Group is in the progress to transfer the operation of the remaining one factory to that wholly-owned subsidiary.

Financial Review

The Group currently is principally engaged in purchasing, processing, designing, production and wholesale distribution of pearls and jewellery products.

Revenue and Gross Profit

Revenue remained stable during the year (FY15: HK$270.7 million; FY14: HK$268.5 million). With the increasing marketing competition and challenging macroeconomic conditions, especially in Europe and Japan, the Group has recorded a decline in sales in Europe, North America and Asian countries (excluding Hong Kong). Nevertheless, the revenue of the Group remained stable because of the increase of revenue in Hong Kong (FY15: HK$36.3 million; FY14: HK$9.7 million), thanks to the establishment of the VIP showroom in April 2014 at our Hong Kong headquarters which contributed a revenue of HK$21.2 million during the year.

Gross profit increased by HK$14.4 million or 15% to HK$108.0 million (FY14: 93.6 million). The increase was mainly due to an increase in gross profit margin by 5 percentage points during FY15 (FY15: 39.9%; FY14: 34.9%). The increase in gross profit margin was mainly attributable to the improved production efficiency and the retail sales from the VIP showroom during the year.

Selling and Administrative Expenses (the "S&A expenses")

S&A expenses mainly comprised selling expenses of HK$11.1 million (FY14: HK$15.6 million) and administrative expenses of HK$81.2 million (FY14: HK$47.6 million). S&A expenses increased by HK$29.1 million or 46% to HK$92.3 million (FY14: HK$63.2 million) in FY15, as a result of the one-off and non-recurring listing expenses and the increase in the rental expenses of the Group's headquarters in Hong Kong during the year.

Profit Attributable to Equity Holders of the Company

The profit attributable to equity holders of the Company decreased by HK$19.5 million or 66% to HK$10.1 million (FY14: HK$29.6 million) in FY15.

Liquidity and Capital Resources

As at 31 March 2015, the Group's total equity was HK$267.6 million (2014: HK$398.9 million), representing a decrease of 33% from last year as a result of the MSIL Distribution and Capitalisation Issue.

As at 31 March 2015, the Group had cash and bank balances of HK$76.5 million (2014: HK$168.6 million). Cash and bank balances were mainly denominated in United States dollars, Hong Kong dollars and Chinese Renminbi. The Group's working capital or net current assets were HK$170.5 million (2014: HK$310.4 million). The current ratio, represented by the current assets divided by the current liabilities, was 3.2 (2014: 4.8).

As at 31 March 2015, the Group's total borrowing, which was denominated in Hong Kong dollars, was HK$45.2 million (2014: HK$47.6 million) and is interest-bearing. The Group does not currently use any derivatives to manage interest rate risk.

As at 31 March 2015, the Group had available banking facilities of HK$125.2 million (2014: HK$47.6 million) with a bank, of which the unused banking facilities amounted to HK$80.0 million (2014: Nil). With the committed unused banking facilities in place and available cash and cash equivalents, the Group has adequate financial resources to meet the anticipated future liquidity requirements and capital expenditure commitment.

The Group's borrowing and banking facilities were secured by certain leasehold land and building with an aggregate carrying amount of HK$95.0 million (2014: HK$91.0 million).

Treasury Policy

The Group principally operates its businesses in Hong Kong and Mainland China. The Group is exposed to foreign exchange fluctuations from various currencies, such as United States dollars and Chinese Renminbi, which were the major foreign currencies transacted by the Group during FY14 and FY15.

Since Hong Kong dollars remain pegged to the United States dollars within a defined range, the Group is not 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 other financing activities, are denominated in Chinese Renminbi.

The Group manages its foreign currency risk against other currencies by closely monitoring the movement of the foreign currency rates and may use hedging derivative, such as foreign currency forward contract, to manage its foreign currency risk as appropriate.

Human Resources

As at 31 March 2015, the Group had a total workforce of 521 (2014: 539), of whom 53 (2014: 49) were based in Hong Kong. The total staff cost, including directors' emoluments and mandatory provident fund, was approximately HK$61.6 million (2014: HK$65.0 million). Employees were remunerated on the basis of their performance and experience. Remuneration packages, including salary and year-end discretionary bonus, were determined by reference to market conditions and individual performance.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange as the code of conduct for dealing in securities of the Company by the directors of the Company (the "Directors"). All Directors have confirmed, upon specific enquiries made by the Company, that they have complied with the required standard set out in the Model Code during the period from the Listing Date to 31 March 2015. To ensure Directors' dealings in the securities of the Company (the "Securities") are conducted in accordance with the Model Code and securities code of the Company, a Director is required to notify the Chairman in writing and obtain a written acknowledgement from the Chairman prior to any dealings in the Securities.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company has received confirmation of independence from all three Independent Non-Executive Directors, namely Mr. Fung Yat Sang, Mr. Look Andrew and Mr. Tsui Francis King Chung in accordance with Rule 3.13 of the Listing Rules.

The Board has reviewed the independence of all Independent Non-Executive Directors and concluded that all of them are independent within the definition of the Listing Rules. Furthermore, the Board is not aware of the occurrence of any events which would cause it to believe that the independence of any of the Independent Non-Executive Directors has been impaired up to the date of this announcement.

AUDIT COMMITTEE

The audit committee, which comprises all three Independent Non-Executive Directors of the Company, has reviewed with the management in conjunction with the auditor, the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the draft consolidated financial statements of the Group for the year ended 31 March 2015.

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 2015.

CORPORATE GOVERNANCE CODE

The Group recognises the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders, and the Board is fully committed to doing so. The Board believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, achieve high standard of accountability and protect stakeholders' interests.

The Group has adopted a corporate governance statement of policy which provides guidance on the application of the corporate governance principles on the Group, with reference to the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules.

In the opinion of the Directors, the Company has complied with all code provisions as set out in the CG Code throughout the period from the Listing Date to 31 March 2015 and, where appropriate, the applicable recommended best practices of the CG Code.

PROSPECTS

We continue our focus on the established pearls and jewellery business. We have actively participated in a number of leading trade shows over the world and succeeded in diversifying our clientele. To reinforce our ODM business, we have further strengthened our design and engineering capability which will significantly improve efficiency in technical planning and production processes.

BOARD OF DIRECTORS

As at the date of this announcement, the executive directors are Ms. Yan Sau Man, Amy (CEO) and Mr. Chen Zhi Wei; the non-executive director is Mr. Cheng Chung Hing (Chairman); and the independent non-executive directors are Mr. Fung Yat Sang, Mr. Look Andrew and Mr. Tsui Francis King Chung.

By Order of the Board
MAN SANG JEWELLERY HOLDINGS LIMITED
Tse Chi Keung
Company Secretary

Hong Kong, 24 June 2015

Remark:

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