

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



MANWAH

MAN WAH HOLDINGS LIMITED

敏華控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 01999)

**INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024
AND
CLOSURE OF REGISTER OF MEMBERS**

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Man Wah Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**” or “**Man Wah**”) for the six months ended 30 September 2024 (“**1HFY2025**” or the “**Review Period**”). These interim results have been reviewed by the Company’s audit committee (“**Audit Committee**”).

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2024

		Six months ended	
		30 September	
		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue and other income		8,471,446	9,151,563
Revenue	3	8,305,373	8,937,569
Cost of goods sold		(5,024,724)	(5,445,649)
Gross profit		3,280,649	3,491,920
Other income		166,073	213,994
Other losses, net		(109,203)	(142,290)
Selling and distribution expenses		(1,513,891)	(1,604,156)
Administrative and other expenses		(311,617)	(450,051)
Operating profit		1,512,011	1,509,417
Finance costs		(73,114)	(98,266)
Share of results of joint ventures		454	3,144
Profit before income tax		1,439,351	1,414,295
Income tax expense	4	(244,796)	(229,716)
Profit for the period		1,194,555	1,184,579
Other comprehensive income/(loss):			
<i>Item that may be reclassified to profit or loss</i>			
Currency translation differences		147,124	(765,704)
Other comprehensive income/(loss) for the period		147,124	(765,704)
Total comprehensive income for the period		1,341,679	418,875

		Six months ended	
		30 September	
		2024	2023
<i>Note</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Profit for the period attributable to:			
	Owners of the Company	1,138,925	1,136,042
	Non-controlling interests	55,630	48,537
		<u>1,194,555</u>	<u>1,184,579</u>
Total comprehensive income for the period attributable to:			
	Owners of the Company	1,271,343	417,020
	Non-controlling interests	70,336	1,855
		<u>1,341,679</u>	<u>418,875</u>
Earnings per share attributable to owners of the Company			
	– Basic (<i>HK cents per share</i>)	5 29.37	29.05
	– Diluted (<i>HK cents per share</i>)	5 29.37	29.04
		<u>5 29.37</u>	<u>29.04</u>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	30 September	31 March
	2024	2024
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	7,423,079	7,227,927
Investment properties	784,268	442,044
Right-of-use assets	2,743,763	2,548,190
Goodwill	783,975	767,394
Other intangible assets	143,572	171,517
Interests in joint ventures	23,818	22,695
Financial assets at fair value through profit or loss	1,775	1,725
Deferred tax assets	7,366	8,132
Deposit paid for a land lease	–	310,868
Prepayments and deposits paid for acquisition of property, plant and equipment	205,081	202,417
	12,116,697	11,702,909
Total non-current assets	12,116,697	11,702,909
Current assets		
Inventories	1,471,799	1,553,474
Properties held for sale	133,507	135,907
Properties under development	163,045	158,443
Trade receivables and bills receivable	7 1,896,227	1,746,892
Other receivables and prepayments	7 856,298	981,488
Financial assets at fair value through profit or loss	107,746	246,430
Tax recoverable	1,780	4,361
Restricted bank balances	3,290	3,786
Cash and bank balances	4,283,927	3,273,830
	8,917,619	8,104,611
Total current assets	8,917,619	8,104,611
Total assets	21,034,316	19,807,520

		30 September	31 March
		2024	2024
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital		1,551,098	1,551,015
Reserves		11,226,856	10,532,371
		12,777,954	12,083,386
Non-controlling interests		994,790	992,283
		13,772,744	13,075,669
LIABILITIES			
Non-current liabilities			
Lease liabilities		134,943	158,666
Bank borrowings, non-current portion	9	917	1,015
Deferred tax liabilities		141,765	143,267
Other non-current liabilities		1,271	1,268
		278,896	304,216
Current liabilities			
Trade payables and bills payable	8	811,624	710,214
Other payables and accruals	8	876,631	1,090,960
Lease liabilities		50,694	52,520
Contract liabilities		375,201	274,813
Bank borrowings, current portion	9	4,614,287	4,113,203
Tax payable		254,239	185,925
		6,982,676	6,427,635
Total current liabilities		7,261,572	6,731,851
Total liabilities		7,261,572	6,731,851
Total equity and liabilities		21,034,316	19,807,520

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 September 2024 has been prepared in accordance with International Accounting Standard (“IAS”) 34, ‘Interim financial reporting’. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2024, which have been prepared in accordance with IFRS Accounting Standards.

2 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2024, as described in those annual financial statements.

(a) Adoption of amendments to standards

The Group has adopted the following amendments to standards which are relevant to the Group’s operations and are mandatory for the financial year beginning on 1 April 2024.

IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
IAS 1 (Amendments)	Non-current Liabilities with Covenants
IFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
IAS 7 and IFRS 7 (Amendments)	Supplier Finance Arrangements

The adoption of the above amendments to standards did not have any significant financial impact on this condensed consolidated interim financial information.

(b) New standards and amendments to standards which are not yet effective

The following are new standards and amendments to standards that have been published and are mandatory for the Group’s accounting periods beginning on or after 1 April 2025 or later periods, but have not been early adopted by the Group.

IAS 21 (Amendments)	Lack of Exchangeability ⁽¹⁾
Annual improvements project	Annual Improvements to IFRS Accounting Standards ⁽¹⁾
IFRS 9 and IFRS 7 (Amendments)	Classification and Measurement of Financial Instruments ⁽²⁾
IFRS 18	Presentation and Disclosure in Financial Statements ⁽³⁾
IFRS 19	Subsidiaries without Public Accountability: Disclosures ⁽³⁾
IFRS 10 and IAS 28 (Amendments)	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽⁴⁾

⁽¹⁾ Effective for the accounting period beginning on 1 April 2025

⁽²⁾ Effective for the accounting period beginning on 1 April 2026

⁽³⁾ Effective for the accounting period beginning on 1 April 2027

⁽⁴⁾ Effective date to be determined

The Group will apply the above new standards, amendments to standards and annual improvements when they become effective. The Group is in the process of making an assessment of the impact of the above new standards, amendments to standards and annual improvements and does not expect that the adoption of these new standards, amendments to standards and annual improvements will result in any material impact on the Group’s results and financial position.

3 SEGMENT INFORMATION

The Group's operating and reportable segments, based on information reported to the Company's executive directors, being the chief operating decision makers of the Group, in respect of the Group's performance regarding different products and different markets, are as follows:

- | | | |
|--------------------------------|---|---|
| Sofas and ancillary products | – | manufacture and distribution of sofas and ancillary products through wholesale and distributors other than those by Home Group Ltd and its subsidiaries (“ Home Group ”) |
| Bedding and ancillary products | – | manufacture and distribution of bedding and ancillary products |
| Home Group business | – | manufacture and distribution of sofas and ancillary products by Home Group |
| Other products | – | manufacture and distribution of chairs and other products to commercial clients, smart furniture spare parts and metal frame for recliners, income from sales of scrap metal etc. |
| Other business | – | sales of residential properties, hotel operation, furniture mall business and lease of properties |

The sofas and ancillary products segment includes a number of sales operation in various locations, each of which is considered as a separate operating segment by the executive directors. For segment reporting, these individual operating segments have been aggregated into a single reportable segment in order to present a more systematic and structured segment information on the performance of different type of products.

The Company's executive directors make decisions based on the operating results of each segment and review reports on the aging analysis of trade receivables and bills receivable and expected usage of inventories of the Group as a whole. No information of segment assets and liabilities is reviewed by the Company's executive directors for the assessment of performance of operating segments. Therefore, only the segment revenue and segment results are presented.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit before income tax earned by each segment without allocation of other income, share of results of joint ventures, net exchange gain/losses, finance costs, losses from changes in fair value of financial assets at FVPL, provision for impairment of goodwill, provision for impairment of intangible assets and unallocated expenses.

Segment revenues and results

The information of segment revenue and segment results are as follows:

For the six months ended 30 September 2024 (Unaudited)

	Sofas and ancillary products <i>HK\$'000</i>	Bedding and ancillary products <i>HK\$'000</i>	Home Group business <i>HK\$'000</i>	Other products <i>HK\$'000</i>	Other business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue						
External sales	<u>5,816,974</u>	<u>1,208,846</u>	<u>371,313</u>	<u>835,902</u>	<u>72,338</u>	<u>8,305,373</u>
Results						
Segment results	<u>1,187,298</u>	<u>252,847</u>	<u>10,773</u>	<u>75,705</u>	<u>23,166</u>	1,549,789
Other income						166,073
Share of results of joint ventures						454
Exchange losses, net						(3,728)
Finance costs						(73,114)
Loss from change in fair value of financial assets at FVPL						(24,948)
Provision for impairment of intangible assets						(12,812)
Unallocated expenses						<u>(162,363)</u>
Profit before income tax						<u>1,439,351</u>

For the six months ended 30 September 2023 (Unaudited)

	Sofas and ancillary products <i>HK\$'000</i>	Bedding and ancillary products <i>HK\$'000</i>	Home Group business <i>HK\$'000</i>	Other products <i>HK\$'000</i>	Other business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue						
External sales	<u>6,176,703</u>	<u>1,491,422</u>	<u>298,214</u>	<u>906,688</u>	<u>64,542</u>	<u>8,937,569</u>
Results						
Segment results	<u>1,154,220</u>	<u>373,919</u>	<u>1,090</u>	<u>67,855</u>	<u>18,601</u>	1,615,685
Other income						213,994
Share of results of joint ventures						3,144
Exchange gains, net						9,471
Finance costs						(98,266)
Loss from change in fair value of financial assets at FVPL						(97,998)
Provision for impairment of goodwill						(12,217)
Unallocated expenses						<u>(219,518)</u>
Profit before income tax						<u>1,414,295</u>

Geographical information

Revenue from external customers by geographical location of customers are as follows:

	Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
PRC (including Hong Kong and Macau)	5,047,547	6,069,863
North America	2,153,816	2,037,448
Europe	761,361	548,199
Others (<i>Note</i>)	342,649	282,059
	<u>8,305,373</u>	<u>8,937,569</u>

Note: Others mainly include Australia, India, Israel and Indonesia. Home Group's business is included in Europe. No further analysis by countries of this category is presented because the revenue from each individual country is insignificant to the total revenue.

During the period, none of the Group's customers individually contributed more than 10% of the Group's revenue (for the period ended 30 September 2023: none).

Disaggregation of revenue from contracts with customers

For the six months ended 30 September 2024 (Unaudited)

Segments	Sofas and ancillary products <i>HK\$'000</i>	Bedding and ancillary products <i>HK\$'000</i>	Home Group business <i>HK\$'000</i>	Other products <i>HK\$'000</i>	Other business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Types of goods or service						
Manufacture and distribution of goods recognised at a point in time						
Sofas and ancillary products	5,816,974	–	371,313	–	–	6,188,287
Bedding and ancillary products	–	1,208,846	–	–	–	1,208,846
Customization and chair	–	–	–	32,049	–	32,049
Metal frame and smart furniture spare parts	–	–	–	803,853	–	803,853
Residential properties	–	–	–	–	12,245	12,245
	<u>5,816,974</u>	<u>1,208,846</u>	<u>371,313</u>	<u>835,902</u>	<u>12,245</u>	<u>8,245,280</u>
Service income – recognised over time	–	–	–	–	60,093	60,093
Total	<u>5,816,974</u>	<u>1,208,846</u>	<u>371,313</u>	<u>835,902</u>	<u>72,338</u>	<u>8,305,373</u>
Geographical markets						
PRC (including Hong Kong and Macau)	3,285,505	1,208,846	–	480,858	72,338	5,047,547
North America	2,021,392	–	–	132,424	–	2,153,816
Europe	235,737	–	371,313	154,311	–	761,361
Others	274,340	–	–	68,309	–	342,649
Total	<u>5,816,974</u>	<u>1,208,846</u>	<u>371,313</u>	<u>835,902</u>	<u>72,338</u>	<u>8,305,373</u>

For the six months ended 30 September 2023 (Unaudited)

Segments	Sofas and ancillary products <i>HK\$'000</i>	Bedding and ancillary products <i>HK\$'000</i>	Home Group business <i>HK\$'000</i>	Other products <i>HK\$'000</i>	Other business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Types of goods or service						
Manufacture and distribution of goods recognised at a point in time						
Sofas and ancillary products	6,176,703	–	298,214	–	–	6,474,917
Bedding and ancillary products	–	1,491,422	–	–	–	1,491,422
Customization and chair	–	–	–	31,881	–	31,881
Metal frame and smart furniture spare parts	–	–	–	874,807	–	874,807
Residential properties	–	–	–	–	15,417	15,417
	<u>6,176,703</u>	<u>1,491,422</u>	<u>298,214</u>	<u>906,688</u>	<u>15,417</u>	<u>8,888,444</u>
Service income – recognised over time	–	–	–	–	49,125	49,125
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>49,125</u>	<u>49,125</u>
Total	<u>6,176,703</u>	<u>1,491,422</u>	<u>298,214</u>	<u>906,688</u>	<u>64,542</u>	<u>8,937,569</u>
Geographical markets						
PRC (including Hong Kong and Macau)	3,891,414	1,491,422	–	622,485	64,542	6,069,863
North America	1,908,322	–	–	129,126	–	2,037,448
Europe	154,809	–	298,214	95,176	–	548,199
Others	222,158	–	–	59,901	–	282,059
	<u>6,176,703</u>	<u>1,491,422</u>	<u>298,214</u>	<u>906,688</u>	<u>64,542</u>	<u>8,937,569</u>
Total	<u>6,176,703</u>	<u>1,491,422</u>	<u>298,214</u>	<u>906,688</u>	<u>64,542</u>	<u>8,937,569</u>

4 INCOME TAX EXPENSE

	Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current income tax:		
PRC Corporate Income Tax (“ PRC CIT ”)	131,484	146,153
PRC Withholding Income Tax	36,474	43,868
PRC Land Appreciation Tax (“ PRC LAT ”)	425	485
U.S. Federal and State Corporate Income Taxes (“ U.S. CIT ”)	1,286	799
Macau Complementary Tax	23,283	19,525
Hong Kong Profits Tax	41,152	2,004
Others	12,320	6,714
Deferred tax (credit)/expense	(1,678)	12,077
Under/(over) provision in prior years	50	(1,909)
	244,796	229,716

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods, except for a PRC subsidiary of the Company, carrying out business in the western region of the PRC, which is eligible for preferential tax rate of 15% (six months ended 30 September 2023: 15%) and a PRC subsidiary of the Company, carrying out business in Xinjiang in PRC, which is eligible for preferential tax rate of 0%.

The EIT Law imposes withholding tax upon the distribution of the profits earned by the Company’s PRC subsidiaries on or after 1 January 2008 to their non-resident shareholders.

The U.S. CIT charge comprises federal calculated at 21% (six months ended 30 September 2023: 21%) and state calculated from 0% to 9% (six months ended 30 September 2023: 0% to 9%) on the estimated assessable profits of the subsidiary of the Company which was incorporated in the U.S..

The Group’s Macau subsidiaries are subject to Macau Complementary Tax at a rate of 12% (six months ended 30 September 2023: 12%) on the assessable income.

The Group’s Hong Kong subsidiaries are subject to Hong Kong Profits Tax at a rate of 16.5% (six months ended 30 September 2023: 16.5%) on the assessable income.

The Group is within the scope of the Organisation for Economic Co-operation and Development (“**OECD**”) Pillar Two model rules which will come into effect from 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Due to the complexities in applying the legislation and calculating Global Anti-Base Erosion income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. The Group is currently engaged with tax specialists to assist them with applying the legislation.

5 EARNINGS PER SHARE

Earnings per share is computed as follows:

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
Basic		
Profit attributable to owners of the Company for the period (HK\$'000)	<u>1,138,925</u>	<u>1,136,042</u>
Weighted average outstanding ordinary shares, <i>in thousands</i>	<u>3,877,644</u>	<u>3,910,524</u>
Basic earnings per share for the period, <i>in HK cents</i>	<u>29.37</u>	<u>29.05</u>
Diluted		
Profit attributable to owners of the Company for the period (HK\$'000)	<u>1,138,925</u>	<u>1,136,042</u>
Weighted average outstanding ordinary shares, <i>in thousands</i>	<u>3,877,644</u>	<u>3,910,524</u>
Effect of dilutive potential ordinary shares on exercise of share options	<u>345</u>	<u>578</u>
Weighted average outstanding ordinary shares after assuming dilution, <i>in thousands</i>	<u>3,877,989</u>	<u>3,911,102</u>
Diluted earnings per share for the period, <i>in HK cents</i>	<u>29.37</u>	<u>29.04</u>

6 DIVIDENDS

During the period, the Company recognised and paid the following dividends as distribution:

	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Final dividend for the year ended 31 March 2024 of HK\$0.15 (2023: HK\$0.10 final dividend for the year ended 31 March 2023) per share	<u>581,662</u>	<u>390,669</u>

Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend for the six months ended 30 September 2024 of HK\$0.15 per share (the six months ended 30 September 2023: an interim dividend of HK\$0.15 per share) will be paid to the shareholders of the Company whose names appear in the Company's register of members on Friday, 13 December 2024.

7 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 September 2024	31 March 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Trade receivables and bills receivable	1,924,958	1,754,171
Less: provision for credit loss for trade receivables and bills receivable	(28,731)	(7,279)
	<u>1,896,227</u>	<u>1,746,892</u>
Other receivables and prepayments		
Deposit paid for a land lease	–	310,868
Prepayments and deposits paid for acquisition of property, plant and equipment	205,081	202,417
Valued added taxes recoverable	259,825	305,944
Prepayments to suppliers	209,243	269,538
Loan receivables	262,448	254,584
Sundry receivables	161,527	151,318
Other deposits	25,475	30,228
Less: provision for impairment of other receivables	(62,220)	(30,124)
	<u>1,061,379</u>	<u>1,494,773</u>

As at 30 September 2024, total bills receivable amounted to HK\$37,000,000 (31 March 2024: HK\$38,564,000). All bills receivable by the Group are with a maturity period of less than six months.

The Group generally allows a credit period of 30 to 90 days for customers. The aging analysis of the Group's trade receivables and bills receivable (net of provision for credit loss for trade receivables and bills receivable) presented based on the invoice date at the end of the reporting period is as follows:

	30 September 2024	31 March 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
0 – 90 days	1,715,737	1,653,251
91 – 180 days	137,026	73,783
Over 180 days	43,464	19,858
	<u>1,896,227</u>	<u>1,746,892</u>

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits based on results from investigation of historical credit records of these customers.

8 TRADE AND OTHER PAYABLES AND ACCRUALS

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Trade payables and bills payable	811,624	710,214
Other payables and accruals		
Accruals	581,044	537,578
Payables for acquisition of property, plant and equipment	121,550	77,702
Provision for legal claim (<i>Note i</i>)	–	148,246
Other payables	174,037	327,434
	876,631	1,090,960

Note:

- (i) As at 31 March 2024, the Group had provision for legal claims (including attorneys' fees) of US\$18,943,000 (equivalent to HK\$148,246,000) classified as current liabilities related to litigations filed by a former supplier against the Group. The recognised provision reflected the management's best estimate based on a court judgement dated 11 May 2023, against which the Group will lodge an appeal, and after consultation with the legal counsel on the possible outcome and liability of the Group.

Subsequently, on 6 May 2024, the Group reached an out-of-court settlement with the former supplier. Under the settlement agreement, the Group paid a compensation of US\$8,250,000 (equivalent to HK\$64,420,000) and accordingly reversed a provision of US\$10,693,000 (equivalent to HK\$83,826,000). The legal claim was fully resolved, and as of 30 September 2024, no provision for legal claims remained.

Movements of provision for legal claim are as follows:

	30 September 2024 HK\$'000 (Unaudited)	30 September 2023 HK\$'000 (Unaudited)
Opening amount at 31 March	148,246	84,528
(Reversal of)/provision for legal claim	(83,826)	64,083
Payment	(64,420)	–
Exchange losses	–	(344)
Closing amount at 30 September	–	148,267

The credit period on purchases of goods generally ranges from 30 to 60 days.

The aging analysis of the Group's trade payables and bills payable presented based on the invoice date at the end of the reporting period is as follows:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
0 – 90 days	806,359	709,155
91 – 180 days	3,544	708
Over 180 days	1,721	351
	811,624	710,214

9 BANK BORROWINGS

	30 September 2024	31 March 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Secured	–	1,895
Unsecured	4,615,204	4,112,323
	4,615,204	4,114,218

The scheduled principal repayment dates of the Group with reference to the loan agreements are as follows:

	30 September 2024	31 March 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
The carrying amounts of the above borrowings are repayable:		
Within one year	4,614,287	4,113,203
Within a period of more than one year but not exceeding two years	917	1,015
	4,615,204	4,114,218
Less: amounts due within one year shown under current liabilities	(4,614,287)	(4,113,203)
Amounts shown under non-current liabilities	917	1,015

The Group's bank borrowings are denominated in HK\$ and RMB, and carry interest at fixed and variable rates. The fixed rates range from 0.64% to 3.50% (for the year ended 31 March 2024: 0.64% to 3.50%). The variable rates are subject to either (i) the higher of Hong Kong Interbank Offered Rate plus a spread, ranging from 4.60% to 5.57% (for the year ended 31 March 2024: 5.60% to 5.94%), and best lending rate quoted by the Hongkong and Shanghai Banking Corporation Limited plus 1%; or (ii) Euro Interbank Offered Rate plus a spread, ranging from 2.80% to 7.58% (for the year ended 31 March 2024: 2.80% to 7.58%). The weighted average effective interest rates of the above variable-rate and fixed-rate bank borrowings were 5.07% and 2.46%, respectively (for the year ended 31 March 2024: 5.78% and 2.56%, respectively) per annum.

10 CAPITAL COMMITMENTS

	30 September 2024	31 March 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Capital expenditure contracted but not provided for in respect of		
– Property, plant and equipment (<i>Note</i>)	803,631	422,558

Note: As at 30 September 2024, the capital expenditure contracted but not provided for in the consolidated financial statements in respect of property, plant and equipment was HK\$803,631,000 (31 March 2024: HK\$422,558,000), of which HK\$141,795,000 (31 March 2024: HK\$155,986,000) is related to a building located in Qianhai in Shenzhen.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW AND BUSINESS REVIEW

Over the years, we have stayed committed to our vision amidst the ever-changing market environment. We have remained dedicated to selling our smart furniture to the global market throughout the years, while facing domestic sales and export market environments that vary widely from year to year. In the first half of the year, as the Chinese consumer market continued to struggle, we adhered to prudent operation and developed our businesses by riding on the market trend. In view of the pressure on domestic sales, we endeavored to expand revenue sources and reduce expenses during the first half of the year. We conducted a comprehensive review on our operation processes to further enhance efficiency and effectively strengthened internal management to achieve better control over costs and expenses. These efforts led to a decrease in costs and expenses, and in turn a growth in both gross profit margin and net profit margin during the Review Period. Meanwhile, we proactively explored the overseas markets and secured a rapid growth in overseas shipment. The Group recorded a revenue of approximately HK\$8,305,373,000 for the Review Period, representing a year-on-year decrease of approximately 7.1%. The profit attributable to owners of the Company was approximately HK\$1,138,925,000, representing an increase of approximately 0.3% year-on-year. During the Review Period, the gross profit margin was approximately 39.5%, which grew by approximately 0.4% as compared with the corresponding period of last year, and the net profit margin was approximately 13.7%, representing an increase of approximately 1% year-on-year. Yesterday's waves have already rolled away, but new challenges lie ahead in the future. The evolving market is always the best training ground for enterprises to strive for excellence. We will develop Man Wah into a more robust and stable vessel, and navigate through the storm to a greater future.

PRC market

The Review Period marked the toughest six months for the PRC market in the past few years, with consumer confidence tumbling further as compared to last year and the market becoming sluggish. We encountered obstacles in implementing many of our sales strategies, and it was difficult to fundamentally improve consumers' purchasing sentiment from both the price and product sides. During the Review Period, the Company recorded a sales revenue of approximately HK\$4,975,209,000 from the PRC market (excluding revenue from real estate, shopping mall property and other business), representing a decrease of approximately 17.2% from approximately HK\$6,005,321,000 for the corresponding period of last year, and a decrease of approximately 16.8% in RMB terms. During the Review Period, as the government gradually stepped up policy support, enhanced its commitment to stimulating consumption and introduced enforceable and intensive subsidy policies for the furniture industry for the first time, we believe that the demand in the furniture market will gradually pick up and recover, while the e-commerce business of the Company also demonstrated a trend of recovery and growth. It was anticipated that the domestic market would come to a turning point.

We focused on the management of same-store growth in stores this year, making store operation more refined and healthier. Based on our nationwide city store layout and the economic and consumer market situation in the current year, we focused on expanding stores in lower-tier markets and adding value-for-money series in first- and second-tier cities. As at 30 September 2024, the Group had a total of 7,516 brand specialty stores in China (excluding Style (格調) and Suning stores). During the Review Period, the Group achieved a net increase of 280 specialty store outlets.

Overseas markets

During the Review Period, we proactively took part in exhibitions and trade fairs to explore new channels and new customers, reshaped talent cultivation mode for our sales team, and stepped up our efforts in research, development and upgrading of new products for exports. Over the past six months, we witnessed a relatively notable recovery in demand and orders from overseas markets. The sales volume in North America increased by approximately 18% during the Review Period. However, as the orders for fabric sofas increased, coupled with structural changes such as certain customers shifting from the sales model of “cost, insurance and freight” to “free-on-board”, the average selling price in North America has dropped by approximately 10.2%, without affecting gross profit margin due to the decrease in cost of goods sold. The Group’s sales revenue from the North America market amounted to approximately HK\$2,153,816,000, representing a year-on-year increase of approximately 5.7% from approximately HK\$2,037,448,000 for the last corresponding period. At the same time, our Europe and other overseas markets developed at a faster pace. During the Review Period, Europe and other overseas markets (excluding Home Group) recorded a revenue of approximately HK\$732,697,000, representing a year-on-year growth of approximately 37.7% from approximately HK\$532,044,000 for the last corresponding period. During the Review Period, the revenue of Home Group also increased by approximately 24.5% year-on-year to approximately HK\$371,313,000, which was benefited from the increase in orders from the Europe market. The Group’s production facilities in Ukraine have not been materially disrupted during the Review Period, but the management continues to monitor the situation in Ukraine following the outbreak of the war between Russia and Ukraine.

FINANCIAL REVIEW

Revenue, other income and gross profit margin

	Revenue and other income (HK\$'000)			As a percentage of revenue and other income		Gross profit margin	
	1HFY2025	1HFY2024	Change	1HFY2025	1HFY2024	1HFY2025	1HFY2024
Sofas and ancillary products	5,816,974	6,176,703	-5.8%	68.7%	67.5%	40.7%	40.0%
Bedding and ancillary products	1,208,846	1,491,422	-18.9%	14.3%	16.3%	43.0%	45.2%
Other products	835,902	906,688	-7.8%	9.9%	9.9%	25.9%	23.2%
Home Group business	371,313	298,214	24.5%	4.4%	3.3%	31.3%	28.8%
Other businesses	72,338	64,542	12.1%	0.9%	0.7%	88.0%	83.1%
Revenue	8,305,373	8,937,569	-7.1%	98.2%	97.7%	39.5%	39.1%
Other income	166,073	213,994	-22.4%	1.8%	2.3%	-	-
Revenue and other income	8,471,446	9,151,563	-7.4%	100.0%	100.0%		

For the Review Period, revenue and other income decreased by approximately 7.4% to approximately HK\$8,471,446,000 (for the six months ended 30 September 2023 (“**1HFY2024**”): approximately HK\$9,151,563,000). The overall gross profit margin was approximately 39.5% (approximately 39.1% for the corresponding period of last year).

During the Review Period, excluding Home Group business, the Group sold approximately 908,000 sets of sofas products (1HFY2024: approximately 882,000 sets), representing an increase of approximately 3.0% (one set equals to six seats, in calculating sofas sets, excluding chairs and other products which were sold to commercial clients), among which sets of sofas products for sales in China decreased by approximately 9.9% and sets of sofas products for sales for export increased by approximately 22.8%.

1 Sofas and ancillary products

During the Review Period, revenue from the sofas and ancillary products business was approximately HK\$5,816,974,000, representing a decrease of approximately 5.8% as compared with approximately HK\$6,176,703,000 recorded in the last corresponding period, which was attributable to the combined effect of, among others, the decrease of revenue from the PRC market by approximately 15.6% from approximately HK\$3,891,414,000 in the last corresponding period to approximately HK\$3,285,505,000, and the increase of revenue from overseas markets by approximately 10.8% from approximately HK\$2,285,289,000 in the last corresponding period to approximately HK\$2,531,469,000.

2 *Bedding and ancillary products*

During the Review Period, revenue from bedding and ancillary products business was approximately HK\$1,208,846,000, representing a decrease of approximately 18.9% as compared to approximately HK\$1,491,422,000 in the last corresponding period, which was mainly attributable to the notable consumption downgrade in the PRC market.

3 *Other products*

During the Review Period, the Group's revenue from other products reached approximately HK\$835,902,000, representing a decrease of approximately 7.8% as compared with approximately HK\$906,688,000 in the last corresponding period, which was mainly attributable to the decrease in sales of metal frames and smart furniture in the PRC market.

4 *Home Group business*

During the Review Period, the Group's revenue from Home Group was approximately HK\$371,313,000, which is up by approximately 24.5% compared with approximately HK\$298,214,000 in the last corresponding period, which was mainly attributable to the increased demand in the European market.

5 *Other businesses*

During the Review Period, the Group's revenue from real estate, hotel, and lease of furniture mall and other properties was approximately HK\$72,338,000, up by approximately 12.1% compared with approximately HK\$64,542,000 in the last corresponding period, which was mainly attributable to the increase in revenue from leasing of properties.

6 *Other income*

During the Review Period, the Group's other income (as detailed under the paragraph headed "Other Income" below) amounted to approximately HK\$166,073,000, representing a decrease of approximately 22.4% from approximately HK\$213,994,000 in the last corresponding period.

Cost of goods sold

Breakdown of cost of goods sold

	1HFY2025 HK\$'000	1HFY2024 HK\$'000	Change
Cost of raw materials	3,792,202	4,177,167	-9.2%
Labour costs	947,013	949,353	-0.2%
Manufacturing overhead	285,509	319,129	-10.5%
Total	<u>5,024,724</u>	<u>5,445,649</u>	<u>-7.7%</u>

Cost of raw materials is the component of cost of goods sold and the year-on-year decrease percentage was larger than that of revenue mainly due to the decrease of unit cost, which is presented as follows:

Major raw materials	Average unit cost year-on- year change
Leather	-5.3%
Steel products	-8.3%
Wood	3.9%
Fabric	-1.1%
Chemicals	-11.5%
Packaging paper	-9.4%

Other income

During the 1HFY2025, the Group's other income decreased by approximately 22.4% from approximately HK\$213,994,000 in the corresponding period last year to approximately HK\$166,073,000. The decrease was mainly due to the decrease of government subsidies and interest income.

	1HFY2025 HK\$'000	1HFY2024 HK\$'000	Change
Income from sales of scrap*	20,788	21,191	-1.9%
Government subsidies**	80,391	105,414	-23.7%
Interest income***	63,299	83,344	-24.1%
Others	1,595	4,045	-60.6%
Total	<u>166,073</u>	<u>213,994</u>	<u>-22.4%</u>

Notes:

- * Income from sales of scrap is revenue from the sales of leather scrap, cotton, wood and others generated in the normal production process of the Company's sofas and bedding products in 1HFY2025.
- ** Government subsidies mainly consist of financial subsidies from local governments to subsidiaries which are responsible for the sales of products and providing services in the PRC market.
- *** Interest income originates from the use of unutilized funds by the Group to invest in time deposit of major commercial banks in mainland China.

Other losses, net

During the 1HFY2025, the net of other losses of the Group amounted to approximately HK\$109,203,000, compared with losses of approximately HK\$142,290,000 in the last corresponding period. The aforesaid losses in the Review Period were mainly attributable to the provision for credit loss for other receivables.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately 5.6% from approximately HK\$1,604,156,000 in the 1HFY2024 to approximately HK\$1,513,891,000 in the 1HFY2025. Selling and distribution expenses as a percentage of revenue increased from approximately 17.9% in the 1HFY2024 to approximately 18.2% in the 1HFY2025, including:

- (a) Offshore transportation and port charges increased by approximately 20.1% from approximately HK\$285,179,000 to approximately HK\$342,559,000. Offshore transportation and port charges as a percentage of revenue increased from approximately 3.2% to approximately 4.1%, which was mainly attributable to the increase in the relevant expenses as a result of the increasing sea freight. Domestic transportation expenses decreased by approximately 10.7% from approximately HK\$222,955,000 to approximately HK\$199,126,000. Domestic transportation expenses as a percentage of revenue decreased from approximately 2.5% in the 1HFY2024 to approximately 2.4% in the 1HFY2025;
- (b) Advertising, promotion and brand building expenses decreased by approximately 33.1% from approximately HK\$308,418,000 to approximately HK\$206,422,000. Advertising, promotion and brand building expenses as a percentage of revenue decreased from approximately 3.5% in the 1HFY2024 to approximately 2.5% in the 1HFY2025, which was mainly attributable to the decline in consumption in the PRC market, as a result of which the Group has reduced the product promotion expenses accordingly;
- (c) Salaries and welfare of sales staff increased by approximately 4.0% from approximately HK\$372,751,000 to approximately HK\$387,479,000. Salaries and welfare of sales staff as a percentage of revenue increased from approximately 4.2% in the 1HFY2024 to approximately 4.7% in the 1HFY2025;

- (d) Tariffs on goods exported to the United States decreased by approximately 82.6% from approximately HK\$38,222,000 to approximately HK\$6,651,000. Tariffs on goods exported to the United States as a percentage of revenue decreased from approximately 0.4% in the 1HFY2024 to approximately 0.1% in the 1HFY2025, which was mainly attributable to the gradual decrease in orders for exports from China to the U.S. and the fact that currently exports to the U.S. market mainly came from the factories in Vietnam.

Administrative and other expenses

Administrative and other expenses decreased by approximately 30.8% from approximately HK\$450,051,000 in the 1HFY2024 to approximately HK\$311,617,000 in the 1HFY2025, and their percentage to revenue decreased from approximately 5.0% in the 1HFY2024 to approximately 3.8% in the 1HFY2025, which was mainly attributable to the out of court settlement of the litigation with a former supplier, the compensation paid in the current period and the reversal of over-provision for provision of legal case.

Share of results of joint ventures

During the Review Period, share of profit of joint ventures was approximately HK\$454,000 (1HFY2024: approximately HK\$3,144,000).

Finance costs

Finance costs decreased by approximately 25.6% from approximately HK\$98,266,000 in the 1HFY2024 to approximately HK\$73,114,000 in the 1HFY2025. Such costs were mainly interest expenses of loans.

Income tax expense

Income tax expense increased by approximately 6.6% from approximately HK\$229,716,000 in the 1HFY2024 to approximately HK\$244,796,000 in the 1HFY2025. Income tax as a percentage of profit before tax increased from approximately 16.2% in the 1HFY2024 to approximately 17.0% in the 1HFY2025.

Profit attributable to owners of the Company and net profit margin

The profit attributable to owners of the Company increased by approximately 0.3% from approximately HK\$1,136,042,000 in the 1HFY2024 to approximately HK\$1,138,925,000 in the 1HFY2025. The net profit margin of the Group was approximately 13.7% during the Review Period (approximately 12.7% in the 1HFY2024).

Working capital

As at 30 September 2024, the Group's cash and bank balances (excluding restricted bank balances) were approximately HK\$4,283,927,000. During the Review Period, turnover of the Group's working capital was good and account receivable and inventory turnover days had been kept at a relatively low level. The Group seeks to effectively manage its cash flow and capital commitments to ensure that it has sufficient funds to meet its existing and future cash requirements. The Group has not experienced and does not expect any difficulties in fulfilling the cash requirement for its operation in the absence of any unforeseen circumstances.

Liquidity and capital resources

As at 30 September 2024 the Group's short-term bank borrowings amounted to approximately HK\$4,614,287,000 and long-term borrowings amounted to approximately HK\$917,000. The Group's bank borrowings are denominated in HK\$ and RMB, and carry interest at fixed and variable rates. The fixed rates range from 0.64% to 3.50% (for the year ended 31 March 2024: 0.64% to 3.50%). The variable rates are subject to either: (i) the higher of Hong Kong Interbank Offered Rate plus a spread, ranging from 4.60% to 5.57% (for the year ended 31 March 2024: 5.60% to 5.94%), and best lending rate quoted by the Hong Kong and Shanghai Banking Corporation Limited plus 1%; or (ii) Euro Interbank Offered Rate plus a spread, ranging from 2.80% to 7.58% (for the year ended 31 March 2024: 2.80% to 7.58%). The weighted average effective interest rates of the above variable-rate and fixed-rate bank borrowings were 5.07% and 2.46%, respectively (for the year ended 31 March 2024: 5.78% and 2.56%, respectively) per annum.

The Group's primary source of working capital is cash flow from operating activities and bank deposits. As at 30 September 2024, the Group's current ratio was approximately 1.3 (31 March 2024: approximately 1.3). As at 30 September 2024, the Group's gearing ratio was approximately 36.1% (31 March 2024: approximately 34.0%), which is the total borrowings divided by total equity attributable to owners of the Group.

Pledge of assets

As at 30 September 2024, except for the restricted bank balances of approximately HK\$3,290,000, the Group did not have any pledged assets.

Capital commitments, contingent liabilities and provisions

Save as disclosed in Note 10 to the condensed consolidated interim financial information, the Group did not have any material capital commitments.

As at 30 September 2024, the Group did not have any material contingent liabilities.

As at 31 March 2024, the Group had provision for legal claims (including attorneys' fees) of US\$18,943,000 (equivalent to HK\$148,246,000) classified as current liabilities related to litigations filed by a former supplier against the Group. The recognised provision reflected the management's best estimate based on a court judgement dated 11 May 2023, against which the Group will lodge an appeal, and after consultation with the legal counsel on the possible outcome and liability of the Group.

Subsequently, on 6 May 2024, the Group reached an out-of-court settlement with the former supplier. Under the settlement agreement, the Group paid a compensation of US\$8,250,000 (equivalent to HK\$64,420,000) and accordingly reversed a provision of US\$10,693,000 (equivalent to HK\$83,826,000). The legal claim was fully resolved, and as of 30 September 2024, no provision for legal claims remained.

Foreign currency risks

The Group's exposure to currency risks is mainly attributable to trade and other receivables, bank balances, trade and other payables and bank borrowings, which are denominated in currencies other than the functional currency of respective entities of the Group. Except for the business of Home Group, most of the Group's sales in overseas markets are settled in USD, which effectively ameliorates the exchange rate fluctuation risk of settlement in other currencies. The Group's sales in mainland China and Hong Kong markets are settled in RMB and Hong Kong Dollar ("HK\$") respectively. Except for the business of Home Group, the Group's costs are mainly settled in USD, RMB and HK\$. The revenue of Home Group's current business in Europe is settled mainly in Euro, while the cost is settled mainly in Euro, Ukrainian Hryvnia and Polish Zloty. The Group conducts its sales in overseas markets and mainland China, and also procures raw materials from both the PRC market and overseas markets, which helps to reduce the Group's exposure to the foreign exchange risk.

Significant investments and material acquisitions and disposals

The Group did not have any significant investments or material acquisitions or disposals of subsidiaries, associates or joint ventures during the 1HFY2025. The Group continues to seek opportunities to acquire furniture companies to accelerate the development of the Group.

HUMAN RESOURCES

As at 30 September 2024, the Group had 27,246 employees (31 March 2024: 29,837 employees).

The Group firmly believes that staff is its most important resource, and provides its staff with sound working and living conditions at the main manufacturing bases to help them work with ease. Meanwhile, the Group has developed a comprehensive staff training and development system to enable staff to grow together with the Group. After years of effort, the Group has also developed a relatively sophisticated performance evaluation system for staff at all levels, as a foundation for motivating staff.

During the 1HFY2025, the total staff cost for the Group amounted to approximately HK\$1,490,404,000 (1HFY2024: approximately HK\$1,479,784,000), of which approximately HK\$9,615,000 (1HFY2024: approximately HK\$7,853,000) was directors' emoluments. The Group endeavours to keep the remuneration packages of its employees competitive and reward employees on a performance and merit basis with reference to the profitability of the Group and prevailing market conditions. As part of the Group's remuneration system and policy, we have adopted a share award scheme to reward employees and incentivise them to perform better.

FUTURE PLANS

As the largest smart furniture enterprise globally, we continue to step up efforts in research and development of new products and technical innovation of core components. The Group has become the first company in the world to create recliner products which feature "close alignment with the wall and zero gravity feeling". We continue to create comfortable and trendy smart furniture products by upgrading the "close alignment with the wall" technology in 2024. As the old saying goes "it takes ten years to grow trees, but a hundred to cultivate people", it has taken us thirty years to build up a well-known national brand. We will continue to strengthen the influence and reputation of CHEERS, First Class CHEERS and other brands among consumers in China, so as to gain greater brand recognition for their function, quality and price, making CHEERS and First Class CHEERS the first choice for more consumers when replacing furniture. According to the survey result by Euromonitor International, the Group ranked first globally in terms of recliner sales volume for six consecutive years.

The Group's global presence will provide us with a more robust advantage in the midst of future uncertainties. The North America market remains the major consumption market for recliners with good market demand currently, and the Company's ongoing advantage in order growth is notable. In addition, there is still more room for development in Europe and other export markets. The Group proactively enhances efforts to expand market channels and seizes opportunities emerging in the China-to-Global wave by leveraging its advantages in global production capacity, excellent product quality and cost, with an aim to further expand its export market shares.

As compared with 2023, the penetration rate of recliner in the PRC market increased rapidly from 7.2% last year to 9.7% in the current year, and was forecasted to exceed 13% within five years according to Euromonitor International. In terms of the real estate market, with new and second-hand property transactions gradually returning to normal residential purpose, the soft furniture industry is gradually shifting to a new pattern with the existing market as core growth driver, and the smart home will become the mainstream of the market in the future. As such, the core competitive strength of enterprises is gradually shifting from a focus on marketing channels to competition of products and brands. We expect that if the domestic sales market can gradually recover from the freezing point of consumption of this year to normal consumption channel, in our persistent pursuit for quality lifestyle, the percentage of large-sum expenditures on purchasing properties will decrease while spending power of the consumers on home products to create greater sense of happiness will be enhanced. When

replacing furniture, the consumers will place greater emphasis on the combination of brand, quality and price, thus functional furniture will become increasingly favoured by consumers due to the intelligent and convenient user experience. The Group's core competitiveness in terms of product strength, coupled with its strengths in branding and channels, is gradually gaining prominence. Currently, China's recliner and smart furniture industry is still in a development stage of low penetration rate and high growth potential. As the largest smart furniture enterprise in terms of business scale globally, the Group will leverage its advantages in product quality, brand recognition and marketing channels that it has gained over the years to first achieve a gradual recovery in the domestic sales market, and then foster continuous market share growth in the future in terms of the large-scale inventory market in China.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK\$15.0 cents per share (six months ended 30 September 2023: an interim dividend of HK\$15.0 cents per share) payable to those shareholders of the Company (the “**Shareholders**”) whose names appear on the Company's register of members on Friday, 13 December 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption by the Company or any of its subsidiaries of its listed securities (including sale of treasury shares, if any) during the Review Period.

AUDIT COMMITTEE

The Audit Committee currently comprises all four independent non-executive Directors, namely Mr. Chau Shing Yim, David (Chairman), Mr. Ding Yuan, Mr. Kan Chung Nin, Tony and Mr. Yang Siu Shun.

The Company has engaged Messrs. PricewaterhouseCoopers, the auditor of the Company (“**Auditor**”) to assist the Audit Committee to review the interim financial information of the Group for the six months ended 30 September 2024. The interim financial information of the Group for the six months ended 30 September 2024 has been reviewed by the Auditor in accordance with International Standard on Review Engagement 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. The interim financial information of the Group for the six months ended 30 September 2024 has also been reviewed by the Audit Committee.

EVENTS AFTER THE REPORTING PERIOD

The Group has no material events after the Review Period to be disclosed.

CLOSURE OF REGISTER OF MEMBERS

Shareholders whose names appear on the Company's register of members on Friday, 13 December 2024, will be eligible for the interim dividend. The transfer books and the register of members of the Company will be closed from Thursday, 12 December 2024 to Friday, 13 December 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 11 December 2024. The interim dividend is expected to be payable on or before Wednesday, 8 January 2025 to the Shareholders whose names appear on the register of members of the Company on Friday, 13 December 2024.

CHANGE IN DIRECTORS' INFORMATION

Mr. Chau Shing Yim, David resigned as an independent non-executive director of China Evergrande Group, a company listed on the Main Board of the Stock Exchange (Stock Code: 3333), in May 2024, and resigned as an independent non-executive director of China Evergrande New Energy Vehicle Group Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 708) in October 2024.

Mr. Kan Chung Nin, Tony resigned as a vice chairman of the board of directors of DBG Technology Co. Ltd, a company listed on the Shenzhen Stock Exchange (Stock Code: 300735) in April 2024.

Mr. Yang Siu Shun ceased to act as an independent non-executive director of Industrial and Commercial Bank of China Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1398), upon expiration of his term of office in August 2024, and ceased to act as an independent non-executive director of Xinyi Glass Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 868), upon expiration of his term of office in May 2024.

Saved as disclosed above, there is no other information required to be disclosed under Rule 13.51B(1) of the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 September 2024, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules, save for the deviation from Code Provision C.2.1 which is explained below. The Company periodically reviews its corporate governance practices to ensure that they continue to meet the requirements of the CG Code.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Currently, Mr. Wong Man Li is the chief executive officer of the Company. Mr. Wong Man Li, who also acts as the Chairman and Managing Director of the Company, has been responsible for overseeing the general operations of the Group. The Board meets regularly to consider major matters concerning the operations of the Group. The Board considers that this structure had not impaired the balance of power and authority between the Board and the management of the Company as all major decisions have been made in consultation with the Board and appropriate Board committees, as well as management. The roles of the respective executive directors and senior management who are in charge of different functions complement the role of the chairman and chief executive officer. In addition, there are four independent non-executive Directors on the Board offering their experience, expertise, independent advice and views from different perspectives. The Board is therefore of the view that there were adequate balance of power and safeguards in place. The Board believes that this structure had allowed the Group to operate efficiently. The Board will continue to review the current structure from time to time and shall make necessary changes when appropriate and inform the shareholders accordingly.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as a code of conduct of the Company for directors' securities transactions. Having made specific enquiry of all directors, the directors have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions throughout the six months ended 30 September 2024.

By order of the Board
Man Wah Holdings Limited
Wong Man Li
Chairman

Hong Kong, 22 November 2024

As at the date of this announcement, the executive Directors are Mr. Wong Man Li, Ms. Hui Wai Hing, Mr. Alan Marnie, Mr. Dai Quanfa and Ms. Wong Ying Ying; and the independent non-executive Directors are Mr. Chau Shing Yim, David, Mr. Kan Chung Nin, Tony, Mr. Ding Yuan and Mr. Yang Siu Shun.