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MANWAH

MAN AH 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 2025
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 2025 ("**1HFY2026**" or the "**Review Period**"). These interim results have been reviewed by the Company's audit committee ("**Audit Committee**").

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2025

	Notes	Six months ended 30 September 2025 **$'** **(Unaudited)**	2024 *HK$'000* (Unaudited)
Revenue and other income		**8,240,757**	8,471,446
REVENUE	3	**8,044,781**	8,305,373
Cost of goods sold		**(4,794,620)**	(5,024,724)
Gross profit		**3,250,161**	3,280,649
Other income		**195,976**	166,073
Other losses, net		**(33,475)**	(109,203)
Selling and distribution expenses		**(1,539,021)**	(1,513,891)
Administrative and other expenses		**(364,089)**	(311,617)
Finance costs		**(40,184)**	(73,114)
Share of (losses)/profits of a joint venture		**(1,258)**	454
PROFIT BEFORE INCOME TAX		**1,468,110**	1,439,351
Income tax expense	4	**(261,776)**	(244,796)
PROFIT FOR THE PERIOD		**1,206,334**	1,194,555
Profit for the period attributable to:			
Owners of the Company		**1,145,578**	1,138,925
Non-controlling interests		**60,756**	55,630
		1,206,334	1,194,555
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic *(HK cents per share)*	5	**29.54**	29.37
Diluted *(HK cents per share)*	5	**29.54**	29.37

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2025

	Six months ended 30 September	
	2025	2024
	$'	*HK$'000*
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**1,206,334**	1,194,555
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Currency translation differences	**264,891**	147,124
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1,471,225**	1,341,679
Total comprehensive income for the period attributable to:		
Owners of the Company	**1,399,952**	1,271,343
Non-controlling interests	**71,273**	70,336
	1,471,225	1,341,679

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

	Notes	**30 September 2025** *$'* **(Unaudited)**	31 March 2025 *HK$'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**7,491,855**	6,958,963
Investment properties		**992,691**	1,010,308
Right-of-use assets		**2,694,421**	2,724,829
Goodwill		**668,354**	658,861
Other intangible assets		**103,384**	117,649
Investment in a joint venture		**21,723**	22,563
Financial assets at fair value through profit or loss		**1,746**	1,714
Deferred tax assets		**9,332**	8,648
Deposits paid for a land lease	7	**–**	139,307
Prepayment and deposits paid for acquisition of property, plant and equipment	7	**58,639**	48,147
Total non-current assets		**12,042,145**	11,690,989
CURRENT ASSETS			
Inventories		**1,532,468**	1,450,445
Properties held for sale		**124,879**	123,039
Properties under development		**850,291**	157,433
Trade and bills receivables	7	**1,765,594**	1,811,427
Prepayment and other receivables	7	**722,953**	705,544
Tax recoverable		**2,599**	4,655
Financial assets at fair value through profit or loss		**5,018**	73,564
Restricted bank balances		**301**	182
Cash and bank balances		**3,946,805**	4,006,314
Total current assets		**8,950,908**	8,332,603

	Notes	**30 September 2025** **$'** **(Unaudited)**	31 March 2025 *HK$'000* (Audited)
CURRENT LIABILITIES			
Trade payables	8	**732,976**	653,240
Other payables and accruals	8	**730,893**	701,823
Interest-bearing bank borrowings	9	**3,991,929**	4,213,483
Lease liabilities		**40,215**	51,822
Contract liabilities		**322,651**	246,468
Tax payable		**293,202**	247,204
Total current liabilities		**6,111,866**	6,114,040
NET CURRENT ASSETS		**2,839,042**	2,218,563
TOTAL ASSETS LESS CURRENT LIABILITIES		**14,881,187**	13,909,552
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	9	**549**	1,066
Lease liabilities		**83,121**	121,067
Deferred tax liabilities		**135,236**	136,805
Other non-current liabilities		**1,280**	1,448
Total non-current liabilities		**220,186**	260,386
Net assets		**14,661,001**	13,649,166
Equity			
Equity attributable to owners of the Company			
Share capital		**1,551,233**	1,551,233
Reserves		**12,095,769**	11,159,423
		13,647,002	12,710,656
Non-controlling interests		**1,013,999**	938,510
Total equity		**14,661,001**	13,649,166

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 September 2025 has been prepared in accordance with International Accounting Standards ("**IAS**") 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 March 2025.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2025, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information:

Amendments to IAS 21	*Lack of Exchangeability*

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING 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 profits/(losses) of a joint venture, net exchange gains/(losses), finance costs, fair value losses on investment properties, fair value gains/(losses) of financial assets at fair value through profit or loss, provision for impairment of intangible assets and unallocated expenses.

For the six months ended 30 September 2025 (Unaudited)

	Sofas and ancillary products *$'*	Bedding and ancillary products *$'*	Other products *$'*	Other business *$'*	Home Group business *$'*	Total *$'*
Revenue						
External sales	**5,550,229**	**1,119,060**	**930,789**	**65,038**	**379,665**	**8,044,781**
Segment results	**1,082,825**	**260,581**	**101,094**	**23,388**	**11,667**	**1,479,555**
Other income						**195,976**
Share of losses of a joint venture						**(1,258)**
Finance costs						**(40,184)**
Exchange gains, net						**5,203**
Fair value losses on investment properties						**(38,536)**
Fair value gains on financial assets at fair value through profit or loss						**4,034**
Unallocated expenses						**(136,680)**
Profit before income tax						**1,468,110**

For the six months ended 30 September 2024 (Unaudited)

	Sofas and ancillary products *HK$'000*	Bedding and ancillary products *HK$'000*	Other products *HK$'000*	Other business *HK$'000*	Home Group business *HK$'000*	Total *HK$'000*
Revenue						
External sales	5,816,974	1,208,846	835,902	72,338	371,313	8,305,373
Segment results	1,187,298	252,847	75,705	23,166	10,773	1,549,789
Other income						166,073
Share of profits of a joint venture						454
Finance costs						(73,114)
Exchange losses, net						(3,728)
Fair value losses on financial assets at fair value through profit or loss						(24,948)
Impairment of other intangible assets						(12,812)
Unallocated expenses						(162,363)
Profit before income tax						1,439,351

Geographical information

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	Six months ended 30 September	
	2025 *$'* **(Unaudited)**	2024 *HK$'000* (Unaudited)
People's Republic of China (the "**PRC**") (including Hong Kong and Macau)	**4,739,974**	5,047,547
North America	**2,160,622**	2,153,816
Europe	**723,856**	761,361
Others *(Note)*	**420,329**	342,649
	8,044,781	8,305,373

Note: Others mainly include Indonesia, India, Australia and Korea. 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.

Information about major customers

There was no single external customer of the Group that individually accounted for 10% or more of the Group's total revenue during the period (30 September 2024: Nil).

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 September 2025 (Unaudited)

Segments	Sofas and ancillary products *$'*	Bedding and ancillary products *$'*	Other products *$'*	Other business *$'*	Home Group business *$'*	Total *$'*
Types of goods or service						
Sofas and ancillary products	**5,550,229**	**–**	**–**	**–**	**379,665**	**5,929,894**
Bedding and ancillary products	**–**	**1,119,060**	**–**	**–**	**–**	**1,119,060**
Customization and chair	**–**	**–**	**64,644**	**–**	**–**	**64,644**
Metal frame and smart furniture spare parts	**–**	**–**	**866,145**	**–**	**–**	**866,145**
Residential properties	**–**	**–**	**–**	**3,204**	**–**	**3,204**
Service income	**–**	**–**	**–**	**61,834**	**–**	**61,834**
Total	**5,550,229**	**1,119,060**	**930,789**	**65,038**	**379,665**	**8,044,781**
Geographical markets						
PRC (including Hong Kong and Macau)	**3,083,855**	**1,119,060**	**472,021**	**65,038**	**–**	**4,739,974**
North America	**1,990,317**	**–**	**170,305**	**–**	**–**	**2,160,622**
Europe	**228,216**	**–**	**115,975**	**–**	**379,665**	**723,856**
Others	**247,841**	**–**	**172,488**	**–**	**–**	**420,329**
Total	**5,550,229**	**1,119,060**	**930,789**	**65,038**	**379,665**	**8,044,781**
Timing of revenue recognition						
Goods transferred at a point in time	**5,550,229**	**1,119,060**	**930,789**	**3,204**	**379,665**	**7,982,947**
Services transferred over time	**–**	**–**	**–**	**61,834**	**–**	**61,834**
Total	**5,550,229**	**1,119,060**	**930,789**	**65,038**	**379,665**	**8,044,781**

For the six months ended 30 September 2024 (Unaudited)

Segments	Sofas and ancillary products *HK$'000*	Bedding and ancillary products *HK$'000*	Other products *HK$'000*	Other business *HK$'000*	Home Group business *HK$'000*	Total *HK$'000*
Types of goods or service						
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
Service income	–	–	–	60,093	–	60,093
Total	5,816,974	1,208,846	835,902	72,338	371,313	8,305,373
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	–	154,311	–	371,313	761,361
Others	274,340	–	68,309	–	–	342,649
Total	5,816,974	1,208,846	835,902	72,338	371,313	8,305,373
Timing of revenue recognition						
Goods transferred at a point in time	5,816,974	1,208,846	835,902	12,245	371,313	8,245,280
Services transferred over time	–	–	–	60,093	–	60,093
Total	5,816,974	1,208,846	835,902	72,338	371,313	8,305,373

4 INCOME TAX

	Six months ended 30 September	
	2025	2024
	$'	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax:		
PRC Corporate Income Tax	**149,341**	131,484
PRC Withholding Income Tax	**35,269**	36,474
PRC Land Appreciation Tax	**24**	425
U.S. Federal and State Corporate Income Taxes	**1,065**	1,286
Macau Complementary Tax	**–**	23,283
Hong Kong Profits Tax	**59,285**	41,152
Others	**18,625**	12,320
Under provision in prior years	**831**	50
	264,440	246,474
Deferred tax credit	**(2,664)**	(1,678)
	261,776	244,796

5 EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding as adjusted to reflect the treasury shares during the period ended 30 September 2025 and 2024.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to owners of the Company and the total of (i) the weighted average number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and (ii) the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

	Six months ended 30 September	
	2025	2024
	$'	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings:		
Profit for the period attributable to owners of the Company	**1,145,578**	1,138,925

	Number of shares Six months ended 30 September	
	2025	2024
	'	*'000*
	(Unaudited)	(Unaudited)
Shares:		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	**3,878,083**	3,877,644
Effect of dilution – weighted average number of ordinary shares:		
Share options	**–**	345
Share awards	**71**	–
	3,878,154	3,877,989

6 DIVIDENDS

	Six months ended 30 September	
	2025	2024
	$'	*HK$'000*
	(Unaudited)	(Unaudited)
Final dividend declared and paid – HK$0.12 (2024: HK$0.15) per ordinary share	**465,370**	581,662

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 2025 of HK$0.15 per share (30 September 2024: 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 Thursday, 4 December 2025. The interim dividend has not been recognised as a liability at the end of the reporting period.

7 TRADE AND BILLS RECEIVABLES AND PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES

	30 September 2025	31 March 2025
	$'	*HK$'000*
	(Unaudited)	(Audited)
Trade and bills receivables		
Trade receivables	**1,727,088**	1,824,616
Bills receivables*	**107,414**	37,564
	1,834,502	1,862,180
Impairment allowance	**(68,908)**	(50,753)
	1,765,594	1,811,427
Prepayment, deposits and other receivables		
Deposits paid for a land lease	**–**	139,307
Prepayment and deposits paid for acquisition of property, plant and equipment	**58,639**	48,147
Valued added taxes recoverable	**298,555**	270,652
Prepayments to suppliers	**268,225**	198,600
Loan receivables	**35,264**	141,236
Sundry receivables	**153,894**	130,377
Other deposits	**24,215**	21,259
	838,792	949,578
Impairment allowance	**(57,200)**	(56,580)
	781,592	892,998
Non-current portion	**(58,639)**	(187,454)
Current portion	**722,953**	705,544

* All bills receivables 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. An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 September 2025	31 March 2025
	$'	*HK$'000*
	(Unaudited)	(Audited)
0 – 90 days	**1,523,655**	1,588,046
91 – 180 days	**189,037**	175,258
Over 180 days	**52,902**	48,123
	1,765,594	1,811,427

8 TRADE PAYABLES AND OTHER PAYABLES AND ACCRUALS

	30 September 2025 $' (Unaudited)	31 March 2025 *HK$'000* (Audited)
Trade payables	**732,976**	653,240
Other payables and accruals		
Accruals	**524,355**	513,869
Payables for acquisition of property, plant and equipment	**37,048**	54,554
Other payables	**169,490**	133,400
	730,893	701,823

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 September 2025 $' (Unaudited)	31 March 2025 *HK$'000* (Audited)
0 – 90 days	**728,191**	647,935
91 – 180 days	**3,365**	4,061
Over 180 days	**1,420**	1,244
	732,976	653,240

9 INTEREST-BEARING BANK BORROWINGS

	30 September 2025 $' (Unaudited)	31 March 2025 *HK$'000* (Audited)
Unsecured bank borrowings	**3,694,911**	4,006,566
Unsecured supplier financing arrangements	**297,567**	207,983
	3,992,478	4,214,549

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

	30 September 2025	31 March 2025
	$'	*HK$'000*
	(Unaudited)	(Audited)
Analysed into:		
Bank loans repayable:		
Within one year	**3,991,929**	4,213,483
In the second year	**549**	1,066
	3,992,478	4,214,549

The Group's bank borrowings are denominated in HK$ and RMB, and carry interest at fixed and variable rates. The fixed rates range from 0.67% to 1.38% (31 March 2025: 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 1.7% to 3.6% (31 March 2025: 4.01% to 4.98%), 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 4.01% to 7.58% (31 March 2025: 4.01% to 7.58%). The weighted average effective interest rates of the above variable-rate and fixed-rate bank borrowings were 2.83% and 0.99%, respectively (31 March 2025: 4.01% and 1.60%, respectively) per annum.

10 COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	30 September 2025	31 March 2025
	$'	*HK$'000*
	(Unaudited)	(Audited)
Contracted, but not provided for		
– Property, plant and equipment	**784,642**	899,625
– Right-of-use assets	**–**	513,293
	784,642	1,412,918

As at 30 September 2025, the capital expenditure contracted but not provided for in the interim condensed consolidated statement of financial position in respect of property, plant and equipment was HK$784,642,000 (31 March 2025: HK$899,625,000), of which HK$72,110,000 (31 March 2025: HK$97,119,000) is related to a building located in Qianhai in Shenzhen.

MARKET REVIEW AND BUSINESS REVIEW

During the Review Period, the global economic environment continued to face various challenges such as growth pressure, geopolitical risks and rising trade protectionism, causing pressure across the sectors. Nonetheless, leveraging its flexible operation strategy and sound financial management, the Group achieved robust performance in both domestic and overseas markets. During the Review Period, the Group recorded a revenue of approximately HK$8,044,781,000, representing a year-on-year decrease of approximately 3.1%. However, benefitting from its stringent cost control and excellent operation efficiency, the gross profit margin increased by 0.9 percentage point year-on-year to 40.4%, and the net profit margin also increased by 0.5 percentage point to 14.2%, which reached the leading level in the industry. Despite the slight decrease in revenue, the profit attributable to equity owners of the Company recorded a modest increase of 0.6% year-on-year to approximately HK$1,145,578,000, realizing a steady and positive development momentum which highlighted the outstanding operation capability of the management.

PRC market

While the PRC macro-economic environment continued to face various challenges such as the slow pace of recovery in the consumer market, the domestic sales business of the Group has shown noticeable improvement, with the decrease in sales revenue substantially narrowed as compared to the corresponding period of last year. The management holds the opinion that the sofa retail market in China may have bottomed out. The Group will continue to optimize its product mix to improve cost-performance ratio, and will strengthen collaboration with the distributors. Meanwhile, the management optimized store strategy to facilitate refined store operation management, in an effort to improve sales performance.

In addition, as the management perceives there is still room for improvement in the online retail market, we are devoting more resources to online sales platforms and expanding e-commerce channels and social media promotion, so as to improve brand exposure and sale conversion efficiency and further solidify our competitive edge in the PRC market. In doing so, we have achieved a breakthrough in online sales, thus offsetting the negative impact of a sluggish retail market on some offline stores.

During the Review Period, the sofa sales volume of the Group in the PRC market remained the same, with a slight decrease in the average sales price, which was mainly attributable to the increase of online sales as a percentage of sales volume. In the first half of the financial year, revenue from the PRC market decreased by 6% year-on-year to approximately HK$4,674,936,000 (excluding revenue from real estate, shopping mall property and other business), representing an improvement over that of the previous half year, which was attributable to increasing investments to facilitate online sales and strengthen promotion campaigns. During the Review Period, the Group adjusted its store layout strategy, in an effort to increase customer traffic, turnover rate and sales revenue of its stores. As of 30 September 2025, the total number of stores for sales of the Group's products amounted to 7,040 (excluding Style (格調) and Suning (蘇寧) stores), representing a net decrease of 327 stores as compared to 31 March 2025.

Overseas markets

The Group has been committed to research, development and innovation, especially for overseas markets with the United States as the primary market, and has launched additional variety of products and functions, receiving high recognition from our customers. During the Review Period, although the overall industry was faced with higher international trade barrier and uncertainties brought by frequent changes in the U.S. tariff policy, the overseas business of the Group continued to demonstrate strong resilience, highlighting the strong competitive strength of the Group's products in the global market. During the Review Period, revenue from the North America market amounted to approximately HK$2,160,622,000, representing a slight year-on-year increase of 0.3%; revenue from the European and other overseas markets amounted to approximately HK$764,520,000, representing a year-on-year increase of approximately 4.3%; and revenue from Home Group also increased by 2.2% to approximately HK$379,665,000. The Group continued to optimize supply chain layout, and established manufacturing bases in various regions across the globe, which helped to mitigate the impact of differentiated tariff policy and improve product competitiveness and delivery capacity, so as to consolidate its global market share.

FINANCIAL REVIEW

Revenue, other income and gross profit margin

	Revenue and other income (		$'	As a percentage of revenue and other income		Gross profit margin	
	1HFY2026	1HFY2025	**Change**	**1HFY2026**	1HFY2025	**1HFY2026**	1HFY2025
Sofas and ancillary products	**5,550,229**	5,816,974	-4.6%	**67.3%**	68.7%	**41.7%**	40.7%
Bedding and ancillary products	**1,119,060**	1,208,846	-7.4%	**13.6%**	14.3%	**43.7%**	43.0%
Other products	**930,789**	835,902	11.4%	**11.3%**	9.9%	**28.4%**	25.9%
Home Group business	**379,665**	371,313	2.2%	**4.6%**	4.4%	**31.6%**	31.3%
Other businesses	**65,038**	72,338	-10.1%	**0.8%**	0.9%	**95.7%**	88.0%
Revenue	**8,044,781**	8,305,373	-3.1%	**97.6%**	98.2%	**40.4%**	39.5%
Other income	**195,976**	166,073	18.0%	**2.4%**	1.8%	**–**	–
Revenue and other income	**8,240,757**	8,471,446	-2.7%	**100.0%**	100.0%		

For the Review Period, revenue and other income decreased by approximately 2.7% to approximately HK$'8,240,757,000 (for the six months ended 30 September 2024 ("**1HFY2025**"): approximately HK$'8,471,446,000). The overall gross profit margin was approximately 40.4% (approximately 39.5% for the corresponding period of last year).

During the Review Period, excluding Home Group business, the Group sold approximately 902,000 sets of sofas products (1HFY2025: approximately 908,000 sets), representing a decrease of approximately 0.7% (one set equals six seats, in calculating sofa sets, excluding chairs and other products which were sold to commercial clients), among which sets of sofa products for sales in China increased by approximately 0.1% and sets of sofas products for sales for export decreased by approximately 1.5%.

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During the Review Period, revenue from the sofas and ancillary products business was approximately HK$'5,550,229,000, representing a decrease of approximately 4.6% as compared with approximately HK$'5,816,974,000 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 6.1% from approximately HK$'3,285,505,000 in the last corresponding period to approximately HK$'3,083,855,000, and the decrease of revenue from overseas markets by approximately 2.6% from approximately HK$'2,531,469,000 in the last corresponding period to approximately HK$'2,466,374,000.

During the Review Period, revenue from bedding and ancillary products business was approximately HK$1,119,060,000, representing a decrease of approximately 7.4% as compared to approximately HK$1,208,846,000 in the last corresponding period, which was mainly attributable to the notable consumption downgrade in the PRC market.

During the Review Period, the Group's revenue from other products reached approximately HK$930,789,000, representing an increase of approximately 11.4% as compared with approximately HK$835,902,000 in the last corresponding period, which was mainly attributable to the increase in sales of metal frames and smart furniture in the overseas markets.

During the Review Period, the Group's revenue from Home Group was approximately HK$379,665,000, up by approximately 2.2% as compared with approximately HK$371,313,000 in the last corresponding period, which was mainly attributable to the increased demand in the European market.

During the Review Period, the Group's revenue from real estate, hotel, and lease of furniture mall and other properties was approximately HK$65,038,000, down by approximately 10.1% as compared with approximately HK$72,338,000 in the last corresponding period, which was mainly attributable to the decrease in revenue from real estate.

During the Review Period, the Group's other income (as detailed under the paragraph headed "Other Income" below) amounted to approximately HK$195,976,000, representing an increase of approximately 18.0% from approximately HK$166,073,000 in the last corresponding period.

Cost of goods sold

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	1HFY2026 *$'*	1HFY2025 *HK$'000*	**Change**
Cost of raw materials	**3,549,069**	3,792,202	-6.4%
Labour costs	**940,791**	947,013	-0.7%
Manufacturing overhead	**304,760**	285,509	6.7%
Total	**4,794,620**	5,024,724	-4.6%

Cost of raw materials is a 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	-10.4%
Steel products	-6.8%
Wood	2.4%
Fabric	-2.6%
Chemicals	-9.8%
Packaging paper	-0.3%

Other income

During the 1HFY2026, the Group's other income increased by approximately 18.0% from approximately HK$166,073,000 in the corresponding period last year to approximately HK$195,976,000. The increase was mainly due to the increase of government subsidies and interest income.

	1HFY2026 *$'*	1HFY2025 *HK$'000*	**Change**
Income from sales of scrap*	**22,300**	20,788	7.3%
Government subsidies**	**100,921**	80,391	25.5%
Interest income***	**70,059**	63,299	10.7%
Others	**2,696**	1,595	69.1%
Total	**195,976**	166,073	18.0%

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 1HFY2026.

** 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 temporarily unutilized funds by the Group to invest in time deposit of major commercial banks in China.

Other losses, net

During the 1HFY2026, the net other losses of the Group amounted to approximately HK$'33,475,000, as compared with net other losses of approximately HK$'109,203,000 in the last corresponding period. The aforesaid losses in the Review Period were mainly attributable to the fair value losses on investment properties.

Selling and distribution expenses

Selling and distribution expenses increased by approximately 1.7% from approximately HK$'1,513,891,000 in the 1HFY2025 to approximately HK$'1,539,021,000 in the 1HFY2026. Selling and distribution expenses as a percentage of revenue increased from approximately 18.2% in the 1HFY2025 to approximately 19.1% in the 1HFY2026, including:

(a) Offshore transportation and port charges decreased by approximately 3.7% from approximately HK$'342,559,000 to approximately HK$'329,872,000, and their percentage to revenue was approximately 4.1%, which was the same as that recorded in 1HFY2025. Domestic transportation expenses increased by approximately 14.5% from approximately HK$'199,126,000 to approximately HK$'228,005,000. Domestic transportation expenses as a percentage of revenue increased from approximately 2.4% in the 1HFY2025 to approximately 2.8% in the 1HFY2026, which was mainly attributable to the increase in transportation expenses as a result of increase in e-commerce sales;

(b) Advertising, promotion and brand building expenses increased by approximately 11.1% from approximately HK$'206,422,000 to approximately HK$'229,273,000. Advertising, promotion and brand building expenses as a percentage of revenue increased from approximately 2.5% in the 1HFY2025 to approximately 2.8% in the 1HFY2026, which was mainly attributable to the increase in promotion for the e-commerce platform;

(c) Salaries and welfare of sales staff decreased by approximately 14.4% from approximately HK$'387,479,000 to approximately HK$'331,684,000. Salaries and welfare of sales staff as a percentage of revenue decreased from approximately 4.7% in the 1HFY2025 to approximately 4.1% in the 1HFY2026;

(d) Tariffs on goods exported to the United States increased by approximately 1,085.2% from approximately HK$'6,651,000 to approximately HK$'78,826,000. Tariffs on goods exported to the United States as a percentage of revenue increased from approximately 0.1% in the 1HFY2025 to approximately 1.0% in the 1HFY2026, which was mainly attributable to tariffs imposed on Vietnam by the United States during the Review Period.

Administrative and other expenses

Administrative and other expenses increased by approximately 16.8% from approximately HK$'311,617,000 in the 1HFY2025 to approximately HK$'364,089,000 in the 1HFY2026. Administrative expenses as a percentage to revenue increased from approximately 3.8% in the 1HFY2025 to approximately 4.5% in the 1HFY2026, which was mainly attributable to the out-of-court settlement of the litigation with a former supplier, the compensation paid and the reversal of over-provision for the legal case in 1HFY2025.

Share of results of a joint venture

During the Review Period, share of losses of a joint venture was approximately HK$'1,258,000 (1HFY2025: share of profits of a joint venture of approximately HK$'454,000).

Finance costs

Finance costs decreased by approximately 45.0% from approximately HK$'73,114,000 in the 1HFY2025 to approximately HK$'40,184,000 in the 1HFY2026. Such costs were mainly interest expenses of loans.

Income tax expense

Income tax expense increased by approximately 6.9% from approximately HK$'244,796,000 in the 1HFY2025 to approximately HK$'261,776,000 in the 1HFY2026. Income tax as a percentage of profit before tax increased from approximately 17.0% in the 1HFY2025 to approximately 17.8% in the 1HFY2026.

Profit attributable to equity owners of the Company and net profit margin

The profit attributable to equity owners of the Company increased by approximately 0.6% from approximately HK$'1,138,925,000 in the 1HFY2025 to approximately HK$'1,145,578,000 in the 1HFY2026. The net profit margin of the Group was approximately 14.2% during the Review Period (approximately 13.7% in the 1HFY2025).

Working capital

As at 30 September 2025, the Group's cash and bank balances (excluding restricted bank balances) were approximately HK$3,946,805,000. 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 2025, the Group's short-term bank borrowings amounted to approximately HK$3,991,929,000 and long-term borrowings amounted to approximately HK$549,000. The Group's bank borrowings are denominated in HK$ and RMB, and carry interest at fixed and variable rates. The fixed rates range from 0.67% to 1.38% (for the year ended 31 March 2025: 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 1.70% to 3.60% (for the year ended 31 March 2025: 4.01% to 4.98%), 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 4.01% to 7.58% (for the year ended 31 March 2025: 4.01% to 7.58%). The weighted average effective interest rates of the above variable-rate and fixed-rate bank borrowings were 2.83% and 0.99%, respectively (for the year ended 31 March 2025: 4.01% and 1.60%, respectively) per annum.

The Group's primary source of working capital is cash flow from operating activities and bank deposits. As at 30 September 2025, the Group's current ratio was approximately 1.5 (31 March 2025: approximately 1.4). As at 30 September 2025, the Group's gearing ratio was approximately 29.3% (31 March 2025: approximately 33.2%), which is the total borrowings divided by total equity attributable to equity owners of the Group.

Pledge of assets

As at 30 September 2025, except for the restricted bank balance of approximately HK$301,000, the Group did not have any pledged assets.

Capital commitments and contingent liabilities

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

As at 30 September 2025, the Group did not have any material contingent liabilities.

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 1HFY2026. The Group continues to seek opportunities to acquire furniture companies to accelerate the development of the Group.

HUMAN RESOURCES

As at 30 September 2025, the Group had 25,880 employees (31 March 2025: 26,134 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 1HFY2026, the total staff cost for the Group amounted to approximately HK$1,426,114,000 (1HFY2025: approximately HK$1,490,404,000), of which approximately HK$10,309,000 (1HFY2025: approximately HK$9,615,000) 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

Looking ahead, the Group will continue to push forward the "smart furniture" strategy, deepen product innovation and brand building, so as to consolidate the leadership position of "First Class CHEERS" in the global market. In terms of the PRC market, the Group will further promote thematic marketing campaigns such as "Upgrade Your Home" to enhance market penetration. Meanwhile, the Group will devote more resources to its online business to boost overall sales capability, and deepen product innovation and brand building, thus consolidating the leadership position of "First Class CHEERS" in the global market. On the other hand, the Group will continue to optimize the layout of stores in China to improve operation efficiency.

In terms of overseas markets, although the U.S. tariff policies cast a shadow over the global trade, the Group has secured first-mover advantage by establishing manufacturing facilities in countries across the globe to optimize supply chain management. In addition, the reintroduction of interest rate cuts by the U.S. Federal Reserve has brought positive impact to the local retail market. The Group will continue to participate in large-scale exhibition events around the world and strengthen close connection with each customer, so as to master an understanding of changes in local demands. During the period, we will also closely monitor the international trade conditions to ensure steady supply of high-quality and value-for-money products for clients. Meanwhile, the Group is seeking potential acquisition targets overseas to address the opportunities and challenges arising from changes in the international trade environment, in the hope of further expanding our global market presence and share, and achieving sustainable development of our business.

As disclosed in the announcement of the Company dated 31 October 2025 (the "**Announcement**"), the Group's subsidiary, Remacro Technology Co., Ltd.* (銳邁科技股份有限公司) ("**RMT**"), submitted an application to the National Equities Exchange and Quotations Co., Ltd. (全國中小企業股份轉讓系統有限責任公司) ("**NEEQ Co., Ltd.**") on 31 October 2025 for a separate quotation of RMT on the National Equities Exchange and Quotations (the "**NEEQ Quotation**"). Pursuant to Practice Note 15 to the Listing Rules, the Company has submitted an application to The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in respect of the proposed spin-off of RMT by way of the NEEQ Quotation. The Stock Exchange has confirmed that the Company may proceed with the spin-off. RMT is principally engaged in the design, manufacturing and sale of high-quality multifunctional smart furniture components including recliner mechanisms, smart iron frames, motors and other furniture hardware. The Group believes the NEEQ Quotation will release the potential value of RMT, enhance capital operation efficiency and generate long-term benefits for the Group. The NEEQ Quotation remains subject to approval from the NEEQ Co., Ltd. and the Company will keep shareholders and potential investors informed of any material developments in relation to the NEEQ Quotation in accordance with the Listing Rules. For further details, please refer to the Announcement.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK15.0 cents per share (six months ended 30 September 2024: an interim dividend of HK15.0 cents per share) payable to those shareholders of the Company whose names appear on the Company's register of members on Thursday, 4 December 2025.

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.

As at 30 September 2025 and the date of this announcement, there were no treasury shares (as defined in the Listing Rules) held by the Company.

AUDIT COMMITTEE

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

The Company has engaged Messrs. Ernst & Young, 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 2025. The interim financial information of the Group for the six months ended 30 September 2025 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 2025 has also been reviewed by the Audit Committee.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in the section headed "Future Plans", 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 Thursday, 4 December 2025, will be eligible for the interim dividend. The transfer books and the register of members of the Company will be closed from Wednesday, 3 December 2025 to Thursday, 4 December 2025, both days inclusive, during which period no transfer of shares will be registered. The record date for determining shareholders' entitlement to the proposed interim dividend will be Thursday, 4 December 2025. 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 Tuesday, 2 December 2025. The interim dividend is expected to be payable on or before Wednesday, 17 December 2025 to the shareholders whose names appear on the register of members of the Company on Thursday, 4 December 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 September 2025, 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 following deviations. The Company periodically reviews its corporate governance practices to ensure that they continue to meet the requirements of the CG Code.

Pursuant to 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.

Pursuant to code provision B.3.5 of the CG Code, issuers should appoint at least one director of a different gender to the nomination committee. As at 30 September 2025, the nomination committee of the Board (the "**Nomination Committee**") was comprised of directors of a single gender. In compliance with code provision B.3.5, Ms. Wong Ying Ying has been appointed as a member of the Nomination Committee with effect from 14 November 2025.

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 2025.

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

Hong Kong, 14 November 2025

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. Ding Yuan, Mr. Yang Siu Shun and Mr. Lam Yin Shing, Donald.

* *For identification purpose only*