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MANWAH

MAN WAH HOLDINGS LIMITED

華控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 01999)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026 AND CLOSURE OF REGISTER OF MEMBERS

The board (the "Board") of directors (the "Directors") of Man Wah Holdings Limited (the "Company") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2026 ("FY2026", the "Review Period" or the "Reporting Period") together with the comparative figures for the previous financial year ended 31 March 2025 ("FY2025" or "Last Corresponding Period").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2026

	Notes	**2026**	2025
			HK$'000
Revenue and other income		**16,751,212**	17,249,385
Revenue	4	**16,429,240**	16,902,634
Cost of goods sold		**(9,950,889)**	(10,058,472)
Gross profit		**6,478,351**	6,844,162
Other income		**321,972**	346,751
Other losses, net		**(210,403)**	(541,062)
Selling and distribution expenses		**(3,344,033)**	(3,075,090)
Administrative and other expenses		**(800,868)**	(750,373)
Operating profit	6	**2,445,019**	2,824,388
Finance costs		**(91,184)**	(147,817)
Share of results of joint ventures		**(1,323)**	13
Profit before income tax		**2,352,512**	2,676,584
Income tax expense	5	**(448,937)**	(521,776)
Profit for the year		**1,903,575**	2,154,808
Profit for the year attributable to:			
Owners of the Company		**1,812,423**	2,062,617
Non-controlling interests		**91,152**	92,191
		1,903,575	2,154,808
Earnings per share attributable to owners of the Company			
– Basic *(HK cents per share)*	7	**46.74**	53.19
– Diluted *(HK cents per share)*	7	**46.72**	53.19

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	2026	2025
		HK$'000
Profit for the year	**1,903,575**	2,154,808
Other comprehensive income/(loss):		
Item that may be subsequently reclassified to profit or loss		
Currency translation differences	**712,754**	(296,890)
Other comprehensive income/(loss) for the year	**712,754**	(296,890)
Total comprehensive income for the year	**2,616,329**	1,857,918
Total comprehensive income for the year attributable to:		
Owners of the Company	**2,511,140**	1,789,129
Non-controlling interests	**105,189**	68,789
	2,616,329	1,857,918

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Note	**2026**	2025
			HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**8,052,413**	6,958,963
Investment properties		**1,268,603**	1,010,308
Right-of-use assets		**3,028,451**	2,724,829
Goodwill		**771,461**	658,861
Other intangible assets		**252,311**	117,649
Interests in a joint venture		**22,525**	22,563
Financial assets at fair value through profit or loss		**1,815**	1,714
Deferred tax assets		**54,178**	8,648
Deposit paid for a land lease		**17,393**	139,307
Prepayments and deposits paid for acquisition of property, plant and equipment		**93,714**	48,147
		13,562,864	11,690,989
Current assets			
Inventories		**1,733,136**	1,450,445
Properties held for sale		**129,771**	123,039
Properties under development		**951,133**	157,433
Trade receivables and bills receivable	9	**1,947,812**	1,811,427
Other receivables and prepayments		**735,926**	705,544
Financial assets at fair value through profit or loss		**2,963**	73,564
Tax recoverable		**13,492**	4,655
Restricted bank balances		**8,319**	182
Cash and bank balances		**3,318,700**	4,006,314
		8,841,252	8,332,603
Total assets		**22,404,116**	20,023,592

	Note	2026	2025
			HK$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital		**1,551,233**	1,551,233
Reserves		**12,630,834**	11,159,423
		14,182,067	12,710,656
Non-controlling interests		**1,017,641**	938,510
Total equity		**15,199,708**	13,649,166
LIABILITIES			
Non-current liabilities			
Bank and other borrowings – non-current portion		**473**	1,066
Lease liabilities		**525,538**	121,067
Deferred tax liabilities		**190,441**	136,805
Other non-current liabilities		**1,655**	1,448
		718,107	260,386
Current liabilities			
Trade payables and bills payable	10	**714,315**	653,240
Other payables and accruals		**893,494**	701,823
Contract liabilities		**272,867**	246,468
Bank and other borrowings – current portion		**4,239,821**	4,213,483
Lease liabilities		**74,299**	51,822
Tax payable		**291,505**	247,204
		6,486,301	6,114,040
Total liabilities		**7,204,408**	6,374,426
Total equity and liabilities		**22,404,116**	20,023,592

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in Bermuda under the Companies Act 1981 of Bermuda (as amended). Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") with effect from 9 April 2010. The Company's immediate and ultimate holding company is Man Wah Investments Limited, which is owned by Mr. Wong Man Li and Ms. Hui Wai Hing, directors of the Company.

The Company acts as an investment holding company.

The consolidated financial statements of the Company are presented in thousands of units of Hong Kong dollars ("HK$'000"), unless otherwise stated, for the convenience of the shareholders as the Company is listed in Hong Kong.

2. BASIS OF PREPARATION

The consolidated financial statements of Man Wah Holdings Limited have been prepared in accordance with all applicable IFRS Accounting Standards and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- financial assets at fair value through profit or loss ("FVPL") – measured at fair value; and
- investment properties – measured at fair value.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements and the principal accounting policies applied in the preparation of these consolidated financial statements are included in the 2026 Annual Report.

3. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

(i) New and amended standards adopted by the Group

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

(ii) New standards, amendments to standards and interpretations not yet adopted

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[(2)]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[(2)]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[(1)]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[(1)]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures*[(3)]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[(2)]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[(1)]

(1) Effective for the accounting period beginning on or after 1 January 2026

(2) Effective for the accounting period beginning on or after 1 January 2027

(3) No mandatory effective date yet determined but available for adoption

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing IFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

4. 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")
Home Group business	–	manufacture and distribution of sofas and ancillary products by Home Group
Bedding and ancillary products	–	manufacture and distribution of bedding and ancillary products
Other products	–	manufacture and distribution of chairs and other products to commercial clients, smart furniture spare parts and metal mechanism for recliners, income from sales of scrap metal etc.
Other business	–	turnkey fit-out services for commercial residences, sales of residential properties, hotel operation and lease of furniture mall and other properties

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 sales 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 a joint venture, exchange gains or losses, net, fair value losses on investment properties, gains or losses from changes in fair value of financial assets at FVPL, finance costs, provision for impairment of goodwill, provision for impairment of intangible assets, provision for impairment of property, plant and equipment and unallocated expenses.

(a) Segment revenues and results

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

For the year ended 31 March 2026

	Sofas and ancillary products	Bedding and ancillary products	Other products	Other business	Home Group business	Total
Revenue						
External sales	**11,254,244**	**2,199,070**	**1,837,257**	**339,059**	**799,610**	**16,429,240**
Results						
Segment results	**1,678,464**	**444,318**	**167,486**	**187,934**	**22,827**	**2,501,029**
Other income						**321,972**
Share of results of a joint venture						**(1,323)**
Exchange losses, net						**(39,932)**
Fair value losses on investment properties						**(69,291)**
Gains from changes in fair value of financial assets at FVPL						**3,653**
Finance costs						**(91,184)**
Unallocated expenses						**(272,412)**
Profit before income tax						**2,352,512**

For the year ended 31 March 2025

	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	11,742,512	2,408,061	1,665,873	308,800	777,388	16,902,634
Results						
Segment results	2,268,828	501,402	244,034	214,813	29,982	3,259,059
Other income						346,751
Share of results of a joint venture						13
Exchange gains, net						5,300
Fair value losses on investment properties						(71,244)
Losses from changes in fair value of financial assets at FVPL						(147,515)
Finance costs						(147,817)
Provision for impairment of goodwill						(104,310)
Provision for impairment of property, plant and equipment						(96,419)
Provision for impairment of intangible asset						(12,795)
Unallocated expenses						(354,439)
Profit before income tax						2,676,584

Disaggregation of revenue from contracts with customers

For the year ended 31 March 2026

Segments	Sofas and ancillary products	Bedding and ancillary products	Other products	Other business	Home Group business	Total
Types of goods or service						
Manufacture and distribution of goods recognised at a point in time						
Sofas and ancillary products	**11,254,244**	**–**	**–**	**–**	**799,610**	**12,053,854**
Bedding and ancillary products	**–**	**2,199,070**	**–**	**–**	**–**	**2,199,070**
Customization and chair	**–**	**–**	**91,269**	**–**	**–**	**91,269**
Metal frame and smart furniture spare parts	**–**	**–**	**1,745,988**	**–**	**–**	**1,745,988**
Residential properties	**–**	**–**	**–**	**5,159**	**–**	**5,159**
	11,254,244	**2,199,070**	**1,837,257**	**5,159**	**799,610**	**16,095,340**
Service income – recognised over time	**–**	**–**	**–**	**333,900**	**–**	**333,900**
Total	**11,254,244**	**2,199,070**	**1,837,257**	**339,059**	**799,610**	**16,429,240**

For the year ended 31 March 2025

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						
Manufacture and distribution of goods recognised at a point in time						
Sofas and ancillary products	11,742,512	–	–	–	777,388	12,519,900
Bedding and ancillary products	–	2,408,061	–	–	–	2,408,061
Customization and chair	–	–	60,253	–	–	60,253
Metal frame and smart furniture spare parts	–	–	1,605,620	–	–	1,605,620
Residential properties	–	–	–	19,317	–	19,317
	11,742,512	2,408,061	1,665,873	19,317	777,388	16,613,151
Service income – recognised over time	–	–	–	289,483	–	289,483
Total	11,742,512	2,408,061	1,665,873	308,800	777,388	16,902,634

(b) Other information

Amounts included in the measure of segment result:

For the year ended 31 March 2026

	Sofas and ancillary products	**Bedding and ancillary products**	**Other products**	**Other business**	**Home Group business**	**Total**
Cost of inventories	**3,888,136**	**759,739**	**1,543,501**	**–**	**324,163**	**6,515,539**
Employee benefit expenses (including directors' emoluments)	**2,191,288**	**254,485**	**349,530**	**34,506**	**212,798**	**3,042,607**
Losses/(gains) on disposal of property, plant and equipment	**(7,161)**	**(1,100)**	**1,310**	**(2)**	**(277)**	**(7,230)**
Depreciation and amortisation	**478,261**	**72,781**	**60,956**	**20,951**	**18,889**	**651,838**
Provision for/(reversal of) impairment of trade receivables and bills receivable	**36,569**	**5,023**	**56,319**	**276**	**(48)**	**98,139**
Provision for/(reversal of) impairment of inventories	**5,032**	**983**	**8,729**	**–**	**(687)**	**14,057**

For the year ended 31 March 2025

	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*
Cost of inventories	4,365,414	1,596,637	1,498,143	–	343,976	7,804,170
Employee benefit expenses (including directors' emoluments)	1,957,905	546,813	334,103	22,836	193,421	3,055,078
Loss/(gain) on disposal of property, plant and equipment	5,580	1,095	1,277	–	(137)	7,815
Depreciation and amortisation	337,895	105,993	57,899	17,210	16,700	535,697
Provision for impairment of trade receivables and bills receivable	35,575	13,011	2,212	–	31	50,829
(Reversal of)/provision for impairment of inventories	(11,320)	(4,151)	–	–	1,513	(13,958)

(c) Geographical information

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

	2026	2025
		HK$'000
PRC (including Hong Kong and Macau)	**9,588,267**	10,236,290
North America *(Note 1)*	**4,535,432**	4,420,102
Europe *(Note 2)*	**1,646,864**	1,580,235
Others *(Note 2)*	**658,677**	666,007
	16,429,240	16,902,634

Notes:

1. The revenue generating from external customers in North America mainly included HK$3,863,517,000 (2025: HK$3,882,551,000) from United States and HK$631,104,000 (2025: HK$499,937,000) from Canada.

2. Europe mainly included England, Ireland and Spain. Others mainly included Indonesia, Australia, India and Korea. Home Group business is included in Europe. No further analysis by countries of these categories are presented because the revenue from each individual country is insignificant to the total revenue.

Information about the Group's non-current assets (excluding deferred tax assets and financial assets at fair value through profit or loss) is presented based on the location of the assets:

	2026	2025
		HK$'000
PRC (including Hong Kong and Macau)	[redacted]	9,525,167
Europe		334,669
Vietnam		1,117,749
Mexico		702,904
Others		138
		11,680,627

During the year, none of the Group's customers individually contributed more than 10% of the Group's revenue (2025: none).

5. INCOME TAX EXPENSE

	2026	2025
		HK$'000
Current income tax:		
PRC Corporate Income Tax ("PRC CIT")		308,168
PRC Withholding Income Tax		61,411
PRC Land Appreciation Tax ("PRC LAT")		639
Macau Complementary Tax		23,604
U.S. Federal and State Corporate Income Taxes ("U.S. CIT")		2,184
Hong Kong Profits Tax		81,807
Vietnam corporate income tax		36,696
Others		10,308
Under-provision in prior years		387
Pillar Two income tax*		–
	454,169	525,204
Deferred income tax charge	**(5,232)**	(3,428)
	448,937	521,776

* mainly related to Hong Kong

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 years, except for a PRC subsidiary of the Company, carrying out business in the western region of the PRC, which qualifies for the preferential tax rate of 15% (2025: 15%).

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 Group's Macau subsidiary has been subject to Macau Complementary Tax at a rate of 12% (2025: 12%) on the assessable income.

The U.S. CIT charge comprises federal income tax calculated at 21% (2025: 21%) and state income tax calculated from 0% to 9% (2025: 0% to 9%) on the estimated assessable profits of the subsidiary of the Company which was incorporated in the U.S..

The Group's Hong Kong subsidiaries are subject to Hong Kong Profits Tax at a rate of 16.5% (2025: 16.5%) on the assessable income. The Group's Vietnam subsidiaries are subject to Profits Tax at a rate of 20% (2025: 20%) on the assessable income.

6. OPERATING PROFIT

Profit from operation is arrived at after charging/(crediting) the following:

	2026	2025
		HK$'000
Cost of inventories	**6,515,539**	7,804,170
Auditor's remuneration		
– audit services	**1,929**	1,950
– non-audit services	**2,500**	768
Amortisation of intangible assets	**41,704**	43,038
Depreciation of property, plant and equipment	**519,929**	422,989
Depreciation of right-of-use assets	**90,205**	69,670
Employee benefit expenses (including directors' emoluments)	**3,042,607**	3,055,078
Short-term lease payment	**44,756**	40,303
Provision for/(reversal of) impairment of inventories	**14,057**	(13,958)
Reversal of provision for legal claim	**–**	(83,826)
Legal and professional fee	**58,149**	43,776

7. EARNINGS PER SHARE

Earnings per share is computed as follows:

	2026	2025
Basic		
Profit attributable to equity owners of the Company for the year *(HK$'000)*	**1,812,423**	2,062,617
Weighted average outstanding ordinary share, in thousands	**3,878,083**	3,877,780
Basic earnings per share for the year in HK cents	**46.74**	53.19
Diluted		
Profit attributable to equity owners of the Company for the year *(HK$'000)*	**1,812,423**	2,062,617
Weighted average outstanding ordinary share, in thousands	**3,878,083**	3,877,780
Effect of dilutive potential ordinary shares on exercise of share options	**972**	126
Weighted average outstanding ordinary shares after assuming dilution, in thousands	**3,879,055**	3,877,906
Diluted earnings per share for the year in HK cents	**46.72**	53.19

8. DIVIDENDS

During the year, the Company recognised the following dividends as distribution:

	2026	2025
		HK$'000
Final dividend for the year ended 31 March 2025 of HK$0.12 (2025: HK$0.15 final dividend for the year ended 31 March 2024) per share	**465,370**	581,662
Interim dividend for the period ended 30 September 2025 of HK$0.15 (2025: HK$0.15 interim dividend for the period ended 30 September 2024) per share	**581,712**	581,669
	1,047,082	1,163,331

A final dividend of HK$0.09 per share in respect of the year ended 31 March 2026, amounting to approximately HK$349,027,000 to be paid to the shareholders of the Company, whose names appear on the Company's register of members on Monday, 13 July 2026 has been proposed by the board of directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

9. TRADE RECEIVABLES AND BILLS RECEIVABLE

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 impairment of trade receivables and bills receivable) presented based on the invoice date at the end of the reporting period is as follows:

	2026	2025
		HK$'000
0–90 days	**1,627,248**	1,588,046
91–180 days	**206,174**	175,258
Over 180 days	**114,390**	48,123
	1,947,812	1,811,427

10. TRADE PAYABLES AND BILLS PAYABLE

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:

	2026	2025
		HK$'000
0–90 days	**667,987**	647,935
91–180 days	**45,486**	4,061
Over 180 days	**842**	1,244
	714,315	653,240

11. CAPITAL COMMITMENTS

	2026	2025
		HK$'000
Capital expenditure contracted but not provided for in the consolidated financial statements in respect of		
– Property, plant and equipment and right of use assets *(Note)*	**674,681**	1,412,918
Total	**674,681**	1,412,918

Note: As at 31 March 2026, the capital expenditure contracted but not provided for in the consolidated financial statements in respect of property, plant and equipment and right-of-use assets was HK$674,681,000 (2025: HK$1,412,948,000), of which HK$50,546,000 (2025: HK$97,119,000) is related to a building located in Qianhai in Shenzhen and HK$nil (2025: HK$513,293,000) is related to a land in Xi'an.

12. ACQUISITION OF BUSINESS

Gainline Recline Intermediate Corp., a Delaware limited liability company and its subsidiaries ("Gainline Group") primarily operates through two brand names, Southern Motion which was founded in 1996 focusing on manufacturing of reclining furniture, and Fusion Furniture which was founded in 2009 focusing on manufacturing of stationary furniture, which based in northern Mississippi. The acquisition was made as there will be synergies between Gainline Group and the Group's existing business from the cross-selling opportunities through Gainline Group's distribution network, as well as the cost saving opportunities from the procurement of raw materials and enhanced manufacturing efficiency; and the Group's manufacturing footprint would be expanded to the United States to address the opportunities and challenges arising from changes in the international trade environment.

On 18 December 2025, Man Wah USA Manufacturing Limited, a wholly-owned subsidiary acquired a 100% interest in Gainline Group at consideration in the form of cash, with US$32,000,000. At the same date, the Group granted an interest-free Loan to Gainline Group in the principal amount of US$26,670,000, for repayment in full of all obligations of Gainline Group's banking facilities. The aggregate consideration was US$58,670,000 (equivalent to HK$457,628,000). For further details, please refer to the Company's announcements dated 18 December 2025 and 24 December 2025.

MARKET AND BUSINESS REVIEW

The operating environment in FY2026 remained complex as the previous year, and global demand constantly fluctuated amid uncertainties over interest rate trends and the rise of de-globalisation. The recovery of domestic demand in China was slower than expected, with no signs of a turnaround in the real estate sector. The home furnishing consumer market remained at a consolidation phase, characterized by intensified industry competition and persistent pricing pressure. Overseas, the United States updated its tariff arrangements under Section 232 of the Trade Expansion Act of 1962 during the year, re-imposing tariffs on certain furniture products and metal components, which posed new challenges to cross-border costs and supply chain arrangements for recliner sofa-related products. As at the end of the year, escalating geopolitical tensions and increasing volatility in energy prices also added further uncertainties to raw material costs.

Amidst such background, the Group recorded a revenue of approximately HK$16,429,240,000, representing a year-on-year decrease of 2.8%. Gross profit margin for the year was 39.4%, down by 1.1 percentage points from the corresponding period of last year. The profit attributable to owners of the Company amounted to approximately HK$1,812,423,000, representing a year-on-year decrease of 12.1%, which was mainly attributable to a decrease in revenue, a decrease in gross profit margin as well as an increase in selling and distribution expenses. Despite the volatile external environment, the Group maintained relative resilience in its overall operation performance through continuous improvements in production efficiency, adjustments to its product mix and enhancement of channel management. Once again, the Group ranked first globally in terms of recliner sales volume in the calendar year of 2025 according to the survey result by a third-party research institute (Source: Euromonitor International (Shanghai) Ltd., measured in terms of retail sales volume of recliner sofas in the world in 2025; recliner sofa is an armchair of sofa that reclines when the occupant lowers the chair's back and raises its front, including both electric and non-electric reclining sofa. Research was completed in April 2026).

PRC Market

During the year, consumer sentiment in the PRC market remained subdued, and the recovery pace of store retail showed divergence trends, with consumers adopting a more cautious attitude towards large-ticket home furnishing expenditures. As the issue of overcapacity of the industry has not yet been fully resolved, price competition persisted, which exerted certain pressure on the average sales price of our products. During the Review Year, the Group refined its store layout, and the number of stores was reduced to 6,357 stores (excluding Style (格調)) with a net decrease of 1,010 stores, aiming to consolidate resources to improve store efficiency and set up new stores at locations with higher foot traffic and stronger consumer spending potential. Meanwhile, as the Group believes that there is still room for improvement in both price and volume of online sales, we devoted more resources to online sales channels. By strengthening content marketing, enhancing platform operational efficiency and optimizing product portfolio, the Group maintained sustained growth in online sales, thereby partially offsetting the sales pressure faced by offline stores.

During the Review Period, the Group recorded a sales revenue of approximately HK$9,249,208,000 from the PRC market (excluding revenue from real estate, shopping mall property and other business), representing a year-on-year decrease of 6.8%, and accounting for 56.3% of the Group's total revenue, which is a decline from 58.7% of last year. The average sales price experienced slight adjustment, primarily reflecting a shift in product mix towards more cost-effective series. The Group will continue to promote online and offline integration, improve store operational efficiency and strengthen brand promotion to enhance market penetration. During the Review Year, the Group's sofa product sales in the domestic market reached 959,000 sets, representing a year-on-year decrease of 4.3%.

Overseas Markets

Despite continued volatility in the global trade environment, particularly arising from evolving U.S. tariff policies, the Group maintained resilient overseas operations during the year. Market performance varied by region as macroeconomic conditions, geopolitical developments and tariff-related uncertainties continued to influence consumer demand and industry dynamics. Nevertheless, the United States remained the Group's largest overseas market and a critical pillar of its long-term global strategy.

To further strengthen its competitive position and mitigate supply chain risks associated with changing trade conditions, the Group completed the acquisition of Gainline Group in December 2025. This strategic acquisition significantly enhanced the Group's domestic manufacturing and distribution capabilities within the United States, while also expanding access to market segments that were previously less penetrated under an import-focused operating model.

Through the acquisition of Gainline Group, the Group added well-established brands including Southern Motion and Fusion Furniture, together with eight manufacturing facilities located in Mississippi, United States. This transaction established a meaningful domestic operating platform, substantially improving the Group's flexibility in global supply chain management, customer responsiveness and service capabilities throughout North America.

During the Review Period, revenue from the North America market amounted to approximately HK$4,535,432,000, representing a year-on-year increase of approximately 2.6% and accounting for 27.6% of the Group's total revenue. Although industry demand remained under pressure and sofa sales volume in North America decreased by approximately 5.1% year-on-year to 667,000 sets, the Group maintained stable overall performance primarily driven by improvements in average selling price and contributions from the Gainline Group acquisition.

During the Review Period, the European economy presented a picture of "better than expected with resilience under challenge". As geopolitical tensions, including the Middle East war, escalated in early 2026, the market witnessed further surge in energy costs, dragging the European macro environment back under the shadow of stagflation risk during late 2025 to early 2026. During the year, the Group continued to deepen cooperation with European clients, and launched product offerings that better met local needs, driving sustained growth in

sales volume. During the Review Period, revenue from the Europe and other overseas markets (excluding Home Group) amounted to approximately HK$1,505,931,000, representing a year-on-year increase of 2.5% and accounting for 9.2% of the Group's revenue. The sofa product sales in the Europe and other overseas markets recorded a year-on-year increase of 7.4% to 194,000 sets. In addition, Home Group, a subsidiary of the Group, continued to deliver a steady performance and recorded a revenue of approximately HK$799,610,000, representing a year-on-year increase of 2.9% and accounting for 4.9% of the Group's revenue, further solidifying its position in the local market.

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 *(%)*	
	FY2026	FY2025	**Change** *(%)*	**FY2026**	FY2025	**FY2026**	FY2025
Sofas and ancillary products	**11,254,244**	11,742,512	(4.2)%	**67.1%**	68.0%	**39.9%**	40.9%
Bedding and ancillary products	**2,199,070**	2,408,061	(8.7)%	**13.1%**	14.0%	**41.9%**	42.0%
Other products	**1,837,257**	1,665,873	10.3%	**11.0%**	9.7%	**27.1%**	29.3%
Home Group business	**799,610**	777,388	2.9%	**4.8%**	4.5%	**31.0%**	32.7%
Other business	**339,059**	308,800	9.8%	**2.0%**	1.8%	**96.1%**	95.2%
Revenue	**16,429,240**	16,902,634	(2.8)%	**98.0%**	98.0%	**39.4%**	40.5%
Other income	**321,972**	346,751	(7.1)%	**2.0%**	2.0%	**–**	–
Revenue and other income	**16,751,212**	17,249,385	(2.9)%	**100.0%**	100.0%		

During FY2026, revenue and other income decreased by approximately 2.9% to approximately HK$16,751,212,000 (Last Corresponding Period: approximately HK$17,249,385,000). The overall gross profit margin during the Review Period was approximately 39.4% (Last Corresponding Period: approximately 40.5%).

During the Review Period, revenue from sofas and ancillary products was approximately HK$11,254,244,000, representing a decrease of approximately 4.2% as compared to approximately HK$11,742,512,000 in the Last Corresponding Period. During the Review Period, excluding Home Group business, the Group sold approximately 1,820,000 sets of sofa products (FY2025: approximately 1,885,000 sets), representing a decrease of approximately 3.4% (one set of sofa products equals to six seats, excluding chairs and other products which were sold to commercial clients).

1.1 PRC Market

During the Review Period, revenue from the PRC market reached approximately HK$5,975,599,000, down by approximately 9.2% from approximately HK$6,583,804,000 in the Last Corresponding Period, among which sofas products sold decreased by approximately 4.3% from approximately 1,001,000 sets in the Last Corresponding Period to approximately 959,000 sets, which was mainly attributable to the weak market demand in the furniture industry in the PRC.

1.2 North America Market

During the Review Period, revenue from the North America market was approximately HK$4,221,916,000, which represented an increase of approximately 1.8% from approximately HK$4,146,118,000 in the Last Corresponding Period, maintaining stable performance amidst increasing uncertainties surrounding the industry. Among the revenue from North America during the Review Period, revenue from the United States and Canada was approximately HK$3,583,110,000 and HK$612,655,000, respectively.

1.3 Europe and Other Overseas Markets

During the Review Period, revenue of sofa and supporting products from Europe and other overseas markets was approximately HK$1,056,729,000, representing an increase of approximately 4.4% from approximately HK$1,012,590,000 in the Last Corresponding Period, which was attributable to the increase in sales orders from certain major customers in Europe during the Review Period.

During the Review Period, revenue from bedding and ancillary products was approximately HK$2,199,070,000, representing a decrease of approximately 8.7% as compared to approximately HK$2,408,061,000 in the Last Corresponding Period, which was mainly attributable to the weak market demand in the furniture industry in the PRC.

During the Review Period, the Group's revenue from other products was approximately HK$1,837,257,000, representing an increase of approximately 10.3% from approximately HK$1,665,873,000 in the Last Corresponding Period, which was attributable to an increase in sales of metal mechanism and smart furniture.

During the Review Period, revenue from Home Group reached approximately HK$799,610,000, representing an increase of approximately 2.9% compared with approximately HK$777,388,000 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 the real estate, hotel, furniture mall, turnkey fit-out services for commercial residences and other property leasing reached approximately HK$339,059,000, representing an increase of approximately 9.8% compared with approximately HK$308,800,000 in the Last Corresponding Period, which was mainly attributable to the increase in lease income.

During the Review Period, other income of the Group was approximately HK$321,972,000, representing a decrease of approximately 7.1% as compared with approximately HK$346,751,000 in the Last Corresponding Period, which was mainly attributable to the decrease in income from government grant.

Cost of Goods Sold

	FY2026	FY2025	**Change**
		HK$'000	%
Cost of raw materials	**7,289,523**	7,532,322	(3.2)%
Labour costs	**2,024,146**	1,948,089	3.9%
Manufacturing overhead	**637,220**	578,061	10.2%
Total	**9,950,889**	10,058,472	(1.1)%

Despite a decrease in the average unit cost of raw materials as compared to that of the Last Corresponding Period (as shown below), the labour costs and manufacturing overhead recorded an increase of 3.9% and 10.2%, respectively, due to the increase in remuneration of factory staff and factory operation costs during the Review Period. The total cost of goods sold decreased by 1.1%, a smaller year-on-year decrease than that of revenue, causing the gross profit margin to decrease from 40.5% for the Last Corresponding Period to 39.4%.

Major raw materials	Average unit cost year-on-year change %
Leather	(10.0)%
Steel products	(5.4)%
Wood	(5.4)%
Fabric	(1.8)%
Chemicals	(4.9)%
Packaging paper	1.7%

Other Gains and Losses

During FY2026, other gains and losses of the Group amounted to net losses of approximately HK$210,403,000 (Last Corresponding Period: losses of approximately HK$541,062,000). The aforesaid losses in the Review Period were mainly attributable to the provision for impairment of trade receivables.

Selling and Distribution Expenses

Selling and distribution expenses increased by approximately 8.7% from approximately HK$3,075,090,000 in FY2025 to approximately HK$3,344,033,000 in FY2026. Selling and distribution expenses as a percentage of revenue increased from approximately 18.2% in FY2025 to approximately 20.4% in FY2026, including:

(a) Advertising, promotion, and brand building expenses increased by approximately 27.7% from approximately HK$404,056,000 to approximately HK$516,158,000, and their percentage in revenue increased from approximately 2.4% last year to approximately 3.1% in FY2026 mainly due to the increase in e-commerce platform promotion;

(b) Overseas transportation and port expenses decreased by approximately 13.2% from approximately HK$771,027,000 to approximately HK$669,199,000, and their percentage in revenue decreased from approximately 4.6% last year to approximately 4.1% in FY2026. Domestic transportation expenses increased by approximately 7.7% from approximately HK$438,711,000 to approximately HK$472,468,000, and their percentage in revenue increased from approximately 2.6% last year to approximately 2.9% in FY2026;

(c) Customs duties imposed on goods exported to the United States increased by approximately 3,447.2% from approximately HK$7,989,000 to approximately HK$283,401,000. The duties as a percentage of revenue increased from approximately 0.1% last year to approximately 1.7% in FY2026, which was mainly attributable to the imposition of tariff on exports from Vietnam by the U.S. during the Review Period;

(d) Salaries, welfare, and commissions of sales staff decreased by approximately 9.4% from approximately HK$760,402,000 to approximately HK$689,167,000, and their percentage in revenue decreased from approximately 4.5% last year to approximately 4.2% in FY2026, which was mainly attributable to the decrease in the number of sales staff.

Administrative and Other Expenses

Administrative and other expenses increased by approximately 6.7% from approximately HK$750,373,000 in FY2025 to approximately HK$800,868,000 in FY2026. As a percentage of revenue, administrative and other expenses were approximately 4.9% (FY2025: approximately 4.4%), which was mainly attributable to the payment of compensation and reversal of over-provision for the legal case as a result of the out-of-court settlement of the litigation with a former supplier in FY2025.

Income Tax Expense

Income tax expense decreased by approximately 14.0% from approximately HK$521,776,000 in FY2025 to approximately HK$448,937,000 in FY2026. The effective tax rate was approximately 19.1% in FY2026 (FY2025: 19.5%).

Profit Attributable to Owners of the Company and Net Profit Margin

As a result of the above, the profit attributable to owners of the Company decreased by approximately 12.1% from approximately HK$2,062,617,000 in FY2025 to approximately HK$1,812,423,000 in FY2026. The net profit margin of owners of the Group decreased from approximately 12.2% in FY2025 to approximately 11.0% in FY2026.

Dividends

The Board has proposed a final dividend of HK9 cents per share for FY2026. During FY2026, the Board declared and paid an interim dividend of HK15 cents per share. The Directors may recommend a payment of dividends in the future after taking into account the operations, earnings, financial condition, cash requirements and availability, capital expenditure and future development requirements of the Group and other factors as they may deem relevant at such time. Total dividends declared for FY2026 accounted for approximately 51.3% of the profit attributable to owners of the Company.

Working Capital

As at 31 March 2026, the Group's cash and bank balances were approximately HK$3,318,700,000 (31 March 2025: approximately HK$4,006,314,000), of which approximately HK$1,382,993,000 was denominated in RMB, approximately HK$143,093,000 was denominated in Euro, approximately HK$1,745,716,000 was denominated in US$ and approximately HK$16,156,000 was denominated in HK$ (31 March 2025: approximately HK$1,471,946,000 was denominated in RMB, approximately HK$172,289,000 was denominated in Euro, approximately HK$1,358,481,000 was denominated in US$ and approximately HK$946,574,000 was denominated in HK$).

The Group has been committed to maintaining a sound financial policy. Benefiting from the steady and sound development of the Company's business, it can effectively manage its cash flow and capital commitments. The Group also ensures that it has sufficient funds to meet its existing and future cash requirements while providing sustainable and stable dividend returns to shareholders.

The Group has not experienced and does not expect to experience any difficulties in meeting its repayment obligations when a loan or financing is due.

Liquidity and Capital Resources

As at 31 March 2026, the Group's short-term borrowings amounted to approximately HK$4,239,821,000 and long-term borrowings amounted to approximately HK$473,000. The Group's major bank borrowings are denominated in HK$, RMB and US$ and carry interest at fixed and variable rates. The fixed rates ranged from 0.65% to 3.00% (FY2025: 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 3.88% (FY2025: 4.01% to 4.98%), or the 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 4.51% to 7.58% (FY2025: 4.01% to 7.58%). The weighted average effective interest rates of the above variable-rate and fixed-rate bank borrowings was 3.09% and 1.45% (FY2025: 4.01% and 1.60%) per annum.

The Group's primary source of working capital is cash flow from operating activities and bank deposits. As at 31 March 2026, the Group's current ratio was approximately 1.4 (31 March 2025: approximately 1.4). As at 31 March 2026, the Group's gearing ratio was approximately 29.9% (31 March 2025: approximately 33.2%), which is defined as total bank borrowings divided by total equity attributable to owners of the Group.

Treasury Management Policy

The treasury management policy of the Group is primarily to utilize surplus cash reserves to invest in low-risk products such as low-risk wealth management products, structured deposit or time deposit, etc. and to generate income without interfering with the Group's business operations or capital expenditures. With the aim of controlling risks to the Group, the Group generally invests in low-risk, short-term (normally with maturity periods not more than one year) and principal protected wealth management products, structured deposit or ordinary time deposit, etc..

Allowance for Inventories

For FY2026, the Group provided an impairment allowance for inventories of approximately HK$14,057,000 (FY2025: reversed an impairment provision of approximately HK$13,958,000).

Impairment Loss on Trade Receivables and Bills Receivable

For FY2026, the Group provided impairment loss on trade receivables and bills receivable of approximately HK$98,139,000 (FY2025: approximately HK$50,829,000).

Pledge of Assets

As at 31 March 2026, except for restricted bank balances of approximately HK$8,319,000 (31 March 2025: HK$182,000), the Group did not have any pledged assets.

Capital Commitments and Contingent Liabilities

Save as disclosed in note 11 to the consolidated financial statements, the Group did not have any material capital commitments as at 31 March 2026.

As at 31 March 2026, the Group did not have any material contingent liabilities.

Foreign Currency Risks

The Group's exposure to currency risks is mainly attributable to the trade and other receivables, bank balances, trade and other payables and bank borrowings, which are denominated in currencies other than the functional currency of the respective Group entities. Except for the business of Home Group, most of the Group's sales in overseas markets are settled in US$. In addition, the Group's sales in Mainland China and Hong Kong markets are settled in RMB and HK$ respectively. Except for the business of Home Group, the Group's costs are mainly settled in US$, RMB and HK$. The revenue of Home Group's current business in Europe was settled mainly in Euro, while the cost was settled mainly in Euro, UAH (Ukrainian hryvnia) and PLN (Polish zloty). The Group has no hedging policy (such as using any financial instrument) with respect to foreign exchange exposure.

Significant Investments, Acquisitions and Disposals

Save as disclosed in note 12 to the consolidated financial statements, the Group did not have any significant investments or material acquisitions or disposals of subsidiaries, associates or joint ventures during the Review Period.

Future Plan for Material Investments or Capital Assets

The Group currently does not have any plan for material investments or capital assets in the coming year.

HUMAN RESOURCES

As at 31 March 2026, the Group had 26,050 employees (31 March 2025: 26,134 employees).

The Group always regards its employees as its most important resource, and provides its staff with sound working and living conditions at the main manufacturing bases, and has developed a comprehensive staff training and development, performance evaluation, and incentive system. With years of effort, the Group had also in place a relatively established performance appraisal system, which has acted as a benchmark for the employee incentives.

During FY2026, the total staff costs for the Group amounted to approximately HK$3,042,607,000 (FY2025: approximately HK$3,055,078,000), of which approximately HK$21,595,000 (FY2025: approximately HK$20,956,000) was Directors' emoluments. The Group endeavours to keep the remuneration packages of its employees competitive and reward employees based on their performance. As part of the Group remuneration system and policy, we have adopted a share award scheme which enables the Group to reward employees and incentivise them to perform better.

FUTURE PLANS AND OUTLOOK

Looking ahead to the coming financial year, the global economy continues to face a number of uncertainties, including the interest rate trends, geopolitical risks, energy price fluctuations, and changes in demand from major markets. The Group will maintain a prudent operation strategy and continue to enhance operational efficiency, so as to cope with the challenges from the external environment.

The national "15th Five-Year Plan" (2026–2030) will facilitate China's transition from a manufacturing powerhouse to a consumption-driven economy, with an aim to reshaping the economic cycle by focusing on expanding domestic demand and boosting consumption. To do so, efforts will be concentrated on enhancing residents' purchase power, boosting consumption demands, and increasing the supply of high-quality goods and services. The Group will also seize the opportunity to develop products tailored to the needs of various customer groups, in line with the strategy of facilitating accelerated growth in goods consumption.

In respect of the current landscape of China's recliner sofa industry, small and medium-sized brands remained in "feature-focused" low-dimensional competition, resulting in severe product homogenization. Meanwhile, on the consumption side, with the rising of the middle class and the diversification of consumption needs across all age groups, consumers' expectations for recliner sofas have shifted towards a holistic pursuit of value encompassing ergonomic support, multi-scenario adaptability, design aesthetics and long-term durability. The industry is undergoing a transition from hardware-based competition to value-driven competition. In the coming year, the "First Class CHEERS" brand will evolve from selling products to selling lifestyles, steering industry competition back towards a focus on users' nuanced needs and ushering in a new operation phase of promoting refined lifestyle. Looking ahead, the "First Class CHEERS" brand will stick to its four core philosophies of being healthy, comfortable, value-for-money and fashionable, and push comprehensive upgrading of its four flagship series, namely "Cheers Noble", "Cheers Gentleman", "Cheers Fashion" and "Cheers Urban", aiming to launch new products that are not only comfortable but also present a better fit for health requirements, aesthetic preferences and various needs of every family member.

The Group will continue to promote the in-depth development of its domestic online channels, with a view to enhancing brand visibility and consumer engagement. Concurrently, the Group will advance the evolution of its products towards greater intelligence, health orientation, entertainment functionality, and elderly-adaptability, in order to meet consumers' demand for quality and functionality. Furthermore, the Group will strengthen collaboration with its distributors to optimize the store network and improve average store efficiency.

Looking forward, the Group will continue strengthening its global operational footprint through a diversified manufacturing and logistics platform spanning China, Vietnam, Mexico, the United States, Ukraine, Poland and Lithuania. This forward-looking deployment enhances operational agility, improves supply chain resilience and enables the Group to better navigate evolving international trade conditions.

In North America, the Group is further advancing its go-to-market strategy by reorganizing its distribution structure into five dedicated business units. Each business unit will be supported by specialized management teams focused on serving distinct distribution channels and customer segments with more tailored product assortments, merchandizing strategies and service solutions. The Group believes this channel-focused structure will drive deeper market penetration, improve customer alignment and enhance overall operating efficiency.

Meanwhile, the Group will continue to consolidate its leadership position across North America and Europe while selectively expanding into new channels and emerging markets to cultivate additional long-term growth opportunities. The Group also remains committed to enhancing product intelligence, health-oriented functionality, comfort innovation and consumer lifestyle integration in order to further strengthen the competitiveness and value proposition of its brands in global markets.

The Group will drive business development with pragmatic and forward-looking strategies, remain resilient in a volatile operating environment, and is committed to creating long-term value for its shareholders.

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 any listed securities of the Company (including sale of treasury shares, if any) during the Review Period.

As at 31 March 2026, the Company did not hold any treasury shares.

MAJOR EVENTS SUBSEQUENT TO THE REVIEW PERIOD

Remacro Technology Co., Ltd. (銳邁科技股份有限公司), an indirect non-wholly-owned subsidiary of the Company, has been quoted on the National Equities Exchange and Quotations and has commenced public trading since 1 April 2026. For further details, please refer to the Company's announcements dated 31 October 2025 and 30 March 2026.

Save as disclosed herein, the Directors are not aware of any significant event requiring disclosure that had taken place subsequent to 31 March 2026 and up to date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company has a policy of seeking to comply with established best practices in corporate governance. The Board believes that good corporate governance is crucial to improving the efficiency and performance of the Group and to safeguarding the interests of its shareholders (the "Shareholders"). Set out below are the principles of corporate governance as adopted by the Company during the Review Period.

Corporate Governance Code

The Board acknowledges the importance of the highest standards of corporate governance as the Board believes that effective corporate governance practices are fundamental to enhancing shareholders' value and safeguarding the interest of shareholders. Accordingly, the Company has adopted sound corporate governance principles that emphasize effective internal control and accountability to all Shareholders.

During the Review Period, the Company has applied the principles of and complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") which were applicable during the Review Period (the "CG Code"), save for the deviation from Code Provision C.2.1 under Part 2 of the CG Code 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, the roles of chairman and chief executive should be separate and should not be performed by the same individual. On 21 March 2022, Mr. Wong Man Li was appointed as the chief executive officer of the Company. Mr. Wong Man Li, who also acts as the Chairman and the 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.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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. The Company has made specific enquiry of all Directors and the relevant employees regarding any non-compliance with the Model Code during the Review Period, and they all confirmed that they had fully complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions. Employees who are deemed to be in possession of unpublished price sensitive information in relation to the Company or its shares are prohibited from dealing in shares of the Company during the black-out period.

AUDIT COMMITTEE

The Company's audit committee (the "Audit Committee") currently consists of three independent non-executive Directors, namely Mr. Chau Shing Yim, David, Mr. Yang Siu Shun and Mr. Ding Yuan. Mr. Chau Shing Yim, David and Mr. Yang Siu Shun possess the professional qualifications and/or accounting or related financial management expertise required under the Listing Rules.

Working closely with the external auditors, the Audit Committee has reviewed the Group's audited consolidated results for the financial year ended 31 March 2026.

CLOSURE OF REGISTER OF MEMBERS

Shareholders whose names appear on the Company's register of members on Friday, 3 July 2026, will be eligible to attend and vote at the annual general meeting of the Company to be held on Friday, 3 July 2026 (the "AGM"). The transfer books and register of members will be closed from Monday, 29 June 2026 to Friday, 3 July 2026, both days inclusive, during which period no transfer of Shares will be effected. The record date for determining shareholders' entitlement to attend and vote at the AGM will be Friday, 3 July 2026. In order to determine the identity of Shareholders who are entitled to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 26 June 2026.

Shareholders whose names appear on the Company's register of members on Monday, 13 July 2026, will qualify for the proposed final dividend. The Company's transfer books and register of members will be closed from Thursday, 9 July 2026 to Monday, 13 July 2026 (both days inclusive) for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. The record date for determining shareholders' entitlement to the proposed final dividend will be Monday, 13 July 2026. In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited located at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 8 July 2026. The proposed final dividend (the payment of which is subject to the Shareholders' approval at the AGM) is expected to be paid on Wednesday, 22 July 2026 to Shareholders whose name appear on the register of members of the Company on Monday, 13 July 2026.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in this announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the FY2026. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or no assurance conclusion has been expressed by Ernst & Young on this announcement.

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

Hong Kong, 15 May 2026

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.