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MANWAH

MAN WAH HOLDINGS LIMITED

敏華控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 01999)

PROFIT WARNING

The Board wishes to inform the Shareholders and potential investors that it is expected that the Group will record a substantial reduction in its unaudited consolidated net profit arising from normal operations for the six months ended 30 September 2011 as compared to that for the corresponding period in 2010 due, primarily, to the rising cost of materials and increases in expenses.

Shareholders and potential investors are advised to exercise caution in dealing in shares of the Company.

This announcement is made by Man Wah Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

The board of directors (“**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that it is expected that the Group will record a substantial reduction in its unaudited consolidated net profit arising from normal operations for the six months ended 30 September 2011 compared to that for the corresponding period in 2010.

The primary reasons for the substantial decrease of profit include significant increases, for the period from October 2010 to March 2011, in material costs especially the cost of leather. Although leather prices have generally stabilized for the period from April to September 2011, the average material cost is still higher than the comparable period from April to September 2010. Since October 2011, the Group has been negotiating with major suppliers to reduce material prices. Whilst the Company has increased average selling prices in export markets as well as China market, such increases cannot fully offset the material cost increase. For the six month ended 30 September 2011, the selling expenses and general administrative expenses as of percentage of total revenue also increased slightly.

The information contained in this announcement is based on a review of the management accounts of the Group. Such management accounts have not been audited or reviewed by the Company's auditors. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 September 2011 which will be published in due course.

Shareholders and potential investors are advised to exercise caution in dealing in shares of the Company.

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

Hong Kong, 21 October 2011

As at the date of this announcement, the executive Directors are Mr. Wong Man Li, Ms. Hui Wai Hing, Mr. Stephen Allen Barr, Mr. Wang Guisheng and Mr. Alan Marnie. The non-executive Directors are Mr. Ong Chor Wei and Mr. Francis Lee Fook Wah. The independent non-executive Directors are Mr. Chau Shing Yim, David, Mr. Lee Teck Leng, Robson and Ms. Chan Wah Man, Carman.