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

MANWAH

MAN WAH HOLDINGS LIMITED
敏華控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 01999)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2010

The board of directors (the "Board") 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 2010 together with the comparative figures for the previous financial year ended 31 March 2009.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2010

	Notes	**2010** **HK$'000**	2009 HK$'000 (restated)
Revenue	*4*	**2,932,217**	1,963,837
Cost of goods sold		**(1,675,562)**	(1,262,790)
Gross profit		**1,256,655**	701,047
Other income		**13,518**	7,568
Other gains and losses		**11,823**	11,069
Selling and distribution expenses		**(449,137)**	(330,451)
Administrative expenses		**(157,814)**	(131,755)
Share of (loss) profit of jointly controlled entities		**(1,889)**	5
Finance costs	*5*	**(4,244)**	(8,031)
Profit before income tax		**668,912**	249,452
Income tax expense	*6*	**(51,567)**	(21,408)
Profit for the year		**617,345**	228,044
Other comprehensive income:			
Exchange differences arising on translation		**(427)**	10,775
Fair value gain on available-for-sale investment		**–**	7
Reclassification adjustment:			
Release of exchange differences on liquidation of a subsidiary		**(138)**	–
Transfer of fair value gain to profit and loss on disposal of available-for-sale investment		**–**	(337)
Other comprehensive (expense) income for the year		**(565)**	10,445
Total comprehensive income for the year		**616,780**	238,489

	Notes	2010 *HK$'000*	2009 *HK$'000* (restated)
Profit for the year attributable to:			
Owners of the Company		**605,799**	223,509
Minority interests		**11,546**	4,535
		617,345	228,044
Total comprehensive income for the year attributable to:			
Owners of the Company		**605,234**	233,745
Minority interests		**11,546**	4,744
		616,780	238,489
Earnings per share	*7*		
Basic *(HK cents)*		**85.09**	31.63

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2010

	Notes	31.3.2010 HK$'000	31.3.2009 HK$'000 (restated)	1.4.2008 HK$'000 (restated)
Non-current assets				
Property, plant and equipment		**530,762**	480,866	398,898
Investment properties		**22,914**	21,159	19,579
Lease premium for land		**98,888**	45,761	45,511
Intangible assets		**1,606**	–	–
Interests in jointly controlled entities		**155**	2,039	3,616
Loan to a jointly controlled entity		**4,995**	–	–
Deferred tax assets		**280**	473	220
Deposits paid for lease premium for land		**–**	4,545	–
Deposits paid for acquisition of property, plant and equipment		**6,281**	715	23,777
		665,881	555,558	491,601
Current assets				
Inventories	*9*	**316,608**	214,740	232,136
Trade receivables	*10*	**192,916**	148,398	171,567
Other receivables and prepayments	*10*	**97,730**	50,521	72,715
Lease premium for land		**2,134**	1,023	996
Available-for-sale investment		**–**	–	3,524
Derivative financial instruments		**14,711**	23,651	41,004
Pledged bank deposits		**3,531**	3,531	–
Bank balances and cash		**375,460**	229,325	37,126
		1,003,090	671,189	559,068
Current liabilities				
Trade payables	*11*	**167,305**	116,218	130,793
Other payables and accruals	*11*	**188,229**	112,246	106,385
Amounts due to directors		**–**	5,554	3,570
Tax payable		**10,108**	11,498	4,504
Derivative financial instruments		**984**	14,033	31,013
Bank borrowings	*12*	**125,240**	72,868	87,979
		491,866	332,417	364,244
Net current assets		**511,224**	338,772	194,824
Total assets less current liabilities		**1,177,105**	894,330	686,425
Non-current liabilities				
Bank borrowings	*12*	**21,960**	77,533	67,167
Deferred tax liabilities		**4,513**	2,545	525
		26,473	80,078	67,692
		1,150,632	814,252	618,733
Capital and reserves				
Share capital		**289,526**	266,480	266,480
Reserves		**861,106**	537,765	346,990
Equity attributable to owners of the Company		**1,150,632**	804,245	613,470
Minority interests		**–**	10,007	5,263
Total equity		**1,150,632**	814,252	618,733

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2010

1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability in Bermuda under the Companies Act 1981 of Bermuda (as amended) and was previously listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Pursuant to a privatisation which was completed in September 2009, the Company was delisted from the SGX-ST on 15 September 2009. Through the Corporate Reorganisation, as defined and more fully explained in note 2, Man Wah Investments Limited ("Man Wah Investments"), the ultimate holding company of the Company, and Weston International Investment Limited ("Weston International"), which was wholly owned by Mr. Yu Tung Wan, a director of the Company, transferred their entire interest in Famous Bedding Company Limited ("Famous Bedding" and together with its subsidiaries referred to as "Famous Bedding Group") to the Company by means of an exchange of shares on 7 December 2009. The Famous Bedding Group is engaged primarily in the manufacturing, trading and distribution of mattress and bedding accessories in the People's Republic of China (the "PRC"). The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") with effect from 9 April 2010.

The Company's ultimate holding company is Man Wah Investments, which is controlled by Mr. Wong Man Li, a director of the Company, throughout the years ended 31 March 2009 and 2010. From 1 April 2008 to 17 June 2009, Man Wah Investments was the immediate holding company of the Company. From 18 June 2009 until completion of the Corporate Reorganisation explained in note 2, Alina Limited, which is controlled by Man Wah Investments, was the immediate holding company of the Company. After the Corporate Reorganisation (as defined below), Man Wah Investments has become the immediate holding company of the Company.

The functional currency of the Company is United States dollars. The consolidated financial statements of the Group are presented in Hong Kong dollars for the convenience of the shareholders of the Company as the Company has been listed in Hong Kong since 9 April 2010.

2. GROUP REORGANISATION AND BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In preparation for the listing of the Company's shares on the Hong Kong Stock Exchange, the entire equity interests of Famous Bedding was transferred to the Company by means of an exchange of shares on 7 December 2009 (the "Corporate Reorganisation"). Famous Bedding was incorporated on 26 April 2006 in Hong Kong with limited liabilities and was 70% owned by Man Wah Investments and 30% owned by Weston International which was wholly owned by Mr. Yu Tung Wan, a director of the Company, from 1 April 2008 to the date of the exchange of shares. The Company issued a total of 57,616,000 new shares of HK$0.40 each with 40,331,000 shares issued to Man Wah Investments and 17,285,000 shares issued to Weston International to acquire the respective interests. Famous Bedding became a wholly-owned subsidiary of the Company after the Corporate Reorganisation. Details of the Corporate Reorganisation were set out in the prospectus dated 18 March 2010 issued by the Company.

The consolidated financial statements of the Group throughout the two years ended 31 March 2009 and 2010 have been prepared as if the Company had always been the holding company of Famous Bedding. The financial information of the Famous Bedding Group has been incorporated in the consolidated financial statements using the principles of merger accounting as if the 70% equity interest in Famous Bedding held by Man Wah Investments was owned by the Company throughout the two years ended 31 March 2009 and 2010 and the 30% equity interest in Famous Bedding attributable to Mr. Yu Tung Wan was treated as minority interests up to 7 December 2009. Accordingly, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows include the results, changes in equity and cash flows of the companies now comprising the Group including the Famous Bedding Group. The consolidated statements of financial position of the Group as at 1 April 2008 and 31 March 2009 have been restated to present the assets and liabilities of the companies now comprising the Group including the Famous Bedding Group.

The effects of adoption of merger accounting on the consolidated statement of comprehensive income by line items are as follow:

	2009 *HK$'000* (originally stated)	Adjustments on merger accounting *(note)* *HK$'000*	2009 *HK$'000* (restated)
Revenue	1,856,399	107,438	1,963,837
Cost of goods sold	(1,221,519)	(41,271)	(1,262,790)
Gross profit	634,880	66,167	701,047
Other income	7,231	337	7,568
Other gains and losses	11,069	–	11,069
Selling and distribution expenses	(298,736)	(31,715)	(330,451)
Administrative expenses	(115,399)	(16,356)	(131,755)
Share of (loss) profit of jointly controlled entities	5	–	5
Finance costs	(8,031)	–	(8,031)
Profit before income tax	231,019	18,433	249,452
Income tax expense	(17,827)	(3,581)	(21,408)
Profit for the year	213,192	14,852	228,044
Profit for the year attributable to:			
Owners of the Company	213,192	10,317	223,509
Minority interests	–	4,535	4,535
	213,192	14,852	228,044

Note: The adjustments are to include the operating results of the Famous Bedding Group as if the Famous Bedding Group was already part of the Group as at 1 April 2008.

The effects of application of merger accounting on the consolidated statement of financial position as at 1 April 2008 and 31 March 2009 are summarised below:

	1 April 2008 *HK$'000* (originally stated)	Adjustments on merger accounting *HK$'000* *(note)*	1 April 2008 *HK$'000* (restated)	31 March 2009 *HK$'000* (originally stated)	Adjustments on merger accounting *HK$'000* *(note)*	31 March 2009 *HK$'000* (restated)
Non-current assets						
Property, plant and equipment	392,796	6,162	398,898	470,367	10,499	480,866
Investment properties	19,579	–	19,579	21,159	–	21,159
Lease premium for land	45,511	–	45,761	45,761	–	45,761
Interests in a jointly controlled entity	3,616	–	3,616	2,039	–	2,039
Deferred tax assets	220	–	220	473	–	473
Deposits paid for lease premium for land	–	–	–	–	4,545	4,545
Deposit paid for acquisition of property, plant and equipment	23,777	–	23,777	715	–	715
	485,439	6,162	491,601	540,514	15,044	555,558
Current assets						
Inventories	220,393	11,743	232,136	197,631	17,109	214,740
Trade receivables	161,344	10,223	171,567	137,877	10,521	148,398
Other receivables and prepayments	77,633	(4,918)	72,715	54,327	(3,806)	50,521
Lease premium for land	996	–	996	1,023	–	1,023
Available-for-sale investment	3,524	–	3,524	–	–	–
Derivative financial instruments	41,004	–	41,004	23,651	–	23,651
Pledged bank deposits	–	–	–	3,531	–	3,531
Bank balances and cash	29,580	7,546	37,126	195,086	34,239	229,325
	534,474	24,594	559,068	613,126	58,063	671,189

	1 April 2008 *HK$'000* (originally stated)	Adjustments on merger accounting *HK$'000* *(note)*	1 April 2008 *HK$'000* (restated)	31 March 2009 *HK$'000* (originally stated)	Adjustments on merger accounting *HK$'000* *(note)*	31 March 2009 *HK$'000* (restated)
Current liabilities						
Trade payables	99,502	31,291	130,793	84,073	32,145	116,218
Other payables and accruals	127,258	(20,873)	106,385	110,012	2,234	112,246
Amounts due to directors	–	3,570	3,570	–	5,554	5,554
Tax payable	4,012	492	4,504	11,156	342	11,498
Derivative financial instruments	31,013	–	31,013	14,033	–	14,033
Bank borrowings	87,979	–	87,979	72,868	–	72,868
	349,764	14,480	364,244	292,142	40,275	332,417
Net current assets	184,710	10,114	194,824	320,984	17,788	338,772
Total assets less current liabilities	670,149	16,276	686,425	861,498	32,832	894,330
Non-current liabilities						
Bank borrowings	67,167	–	67,167	77,533	–	77,533
Deferred tax liabilities	525	–	525	1,537	1,008	2,545
	67,692	–	67,692	79,070	1,008	80,078
	602,457	16,276	618,733	782,428	31,824	814,252
Capital and reserves						
Share capital	266,480	–	266,480	266,480	–	266,480
Reserves	335,977	11,013	346,990	515,948	21,817	537,765
Equity attributable to owners of the Company	602,457	11,013	613,470	782,428	21,817	804,245
Minority interests	–	5,263	5,263	–	10,007	10,007
Total equity	602,457	16,276	618,733	782,428	31,824	814,252

Note: The adjustments are to include the assets and liabilities of the Famous Bedding Group at 1 April 2008 and 31 March 2009.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (THE "IFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised IFRSs").

IAS 1 (Revised 2007)	Presentation of Financial Statements
IAS 23 (Revised 2007)	Borrowing Costs
IAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
IFRS 1 & IAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
IFRS 2 (Amendment)	Vesting Conditions and Cancellations
IFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
IFRS 8	Operating Segments
IFRIC 9 & IAS 39 (Amendments)	Embedded Derivatives
IFRIC 13	Customer Loyalty Programmes
IFRIC 15	Agreements for the Construction of Real Estate
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 18	Transfers of Assets from Customers
IFRSs (Amendments)	Improvements to IFRSs issued in 2008, except for the amendment to IFRS 5 that is effective for annual periods beginning on or after 1 July 2009
IFRSs (Amendments)	Improvements to IFRSs issued in 2009 in relation to the amendment to paragraph 80 of IAS 39

Except as described below, the adoption of the new and revised IFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised IFRSs affecting presentation and disclosure only

IAS 1 (Revised 2007) Presentation of Financial Statements

IAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

In addition, the adoption of IAS 1 (Revised 2007) has resulted in the presentation of a third consolidated statement of financial position as at 1 April 2008 as the Group has made retrospective restatement of items in its consolidated financial statements during the current financial year as a result of the application of merger accounting (see note 2).

IFRS 8 Operating Segments

IFRS 8 is a disclosure standard that has resulted in a redesignation of the Group's reportable segments (see note 4) and changes in the basis of measurement of segment profit or loss, segment assets and segment liabilities.

Improving Disclosures about Financial Instruments
(Amendments to IFRS 7 Financial Instruments: Disclosures)

The amendments to IFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

The Group has not early adopted the following new or revised standards, amendments or interpretations that have been issued but are not yet effective.

IFRSs (Amendments)	Amendment to IFRS 5 as part of Improvements to IFRSs 2008[1]
IFRSs (Amendments)	Improvements to IFRSs 2009[2]
IFRSs (Amendments)	Improvements to IFRSs 2010[3]
IAS 24 (Revised)	Related Party Disclosures[4]
IAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
IAS 32 (Amendment)	Classification of Rights Issues[5]
IAS 39 (Amendment)	Eligible Hedged Items[1]
IFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[6]
IFRS 1 (Amendment)	Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters[8]
IFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[6]
IFRS 3 (Revised)	Business Combinations[1]
IFRS 9	Financial Instruments[7]
IFRIC 14 (Amendment)	Prepayments of a Minimum Funding Requirement[4]
IFRIC 17	Distributions of Non-cash Assets to Owners[1]
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments[8]

1 Effective for annual periods beginning on or after 1 July 2009
2 Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate
3 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
4 Effective for annual periods beginning on or after 1 January 2011
5 Effective for annual periods beginning on or after 1 February 2010
6 Effective for annual periods beginning on or after 1 January 2010
7 Effective for annual periods beginning on or after 1 January 2013
8 Effective for annual periods beginning on or after 1 July 2010

The adoption of IFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 April 2010. IAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new or revised standards, amendments and interpretations will have no material effect on the consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable for goods sold, net of sales taxes and return.

The Group has adopted IFRS 8 "Operating Segments" with effect from 1 April 2009. IFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, being the Company's executive directors, for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor standard (IAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of IFRS 8 has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with IAS 14.

In prior years, segment information reported externally was analysed on the basis of the types of goods supplied by the Group's operating divisions (i.e. sales of sofas and sales of other furniture). However, information reported to the Company's executive directors in respect of the sofas business is more specifically focused on the location of customer for the sofas sold. Furthermore, the Corporate Reorganisation that was completed during the current year involving the acquisition of the Famous Bedding Group, as detailed in note 2, has resulted in an additional bedding products segment which is reported separately to the Company's executive directors for the purpose of allocating resources to the segment and assessing the performance of the Group. The Group's operating and reportable segments under IFRS 8 are therefore as follows:

Sofa (export sales)	– manufacture and sale of sofa for customers located outside the PRC
Sofa (retail and wholesale in the PRC excluding Hong Kong)	– manufacture and distribution of sofa in the PRC (excluding Hong Kong) through self-owned shops and distributors
Sofa (retail and wholesale in Hong Kong)	– distribution of sofa in Hong Kong through wholesale and self-owned shops
Bedding products	– manufacture and distribution of mattress and bedding products in the PRC

The Company's executive directors make decision based on the operating results of each segment and review reports on the aging analysis of trade receivables 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 different operating segments. Therefore, only the segment revenue and segment results are presented.

Segment results represent the profits before income tax earned by each segment without allocation of interest income, finance costs, rental income, net exchange gain/loss, central administrative costs and director's salaries, fair value gain on investment properties, gain on liquidation of a subsidiary, gain on disposal of available-for-sale investment, share of profit (loss) of jointly controlled entities and change in fair value of derivative financial instruments.

Amounts reported for the prior year have been restated to conform to the requirements of IFRS 8.

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

For the year ended 31 March 2010

	Sofa (export sales) *HK$'000*	Sofa (retail and wholesales in the PRC) *HK$'000*	Sofa (retail and wholesales in Hong Kong) *HK$'000*	Bedding products *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
REVENUE						
External sales	**2,060,441**	**556,950**	**121,436**	**193,390**	**–**	**2,932,217**
Inter-segment sales	**63,172**	**28,244**	**–**	**9,755**	**(101,171)**	**–**
	2,123,613	**585,194**	**121,436**	**203,145**	**(101,171)**	**2,932,217**
RESULTS						
Segment results	**490,345**	**138,547**	**14,440**	**78,422**	**(20,325)**	**701,429**
Interest income						**3,542**
Rental income						**2,473**
Exchange loss – net						**(7,512)**
Gain on liquidation of a subsidiary						**138**
Fair value gain on investment properties						**1,755**
Change in fair value of derivative financial instruments						**18,463**
Finance costs						**(4,244)**
Central administrative costs and directors' salaries						**(45,243)**
Share of loss of jointly controlled entities						**(1,889)**
Profit before income tax						**668,912**

Inter-segment sales are charged at prevailing market rates.

For the year ended 31 March 2009 (restated)

	Sofa (export sales) *HK$'000*	Sofa (retail and wholesales in the PRC) *HK$'000*	Sofa (retail and wholesales in Hong Kong) *HK$'000*	Bedding products *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
REVENUE						
External sales	1,364,811	368,736	113,183	117,107	–	1,963,837
Inter-segment sales	53,787	9,669	–	17,820	(81,276)	–
	1,418,598	378,405	113,183	134,927	(81,276)	1,963,837
RESULTS						
Segment results	140,194	73,214	20,112	21,348	(266)	254,602
Interest income						436
Rental income						2,722
Exchange loss – net						(2,075)
Fair value gain on investment properties						1,205
Gain on disposal of available-for-sale investment						337
Change in fair value of derivative financial instruments						15,391
Finance costs						(8,031)
Central administrative costs and directors' salaries						(15,140)
Share of profit of a jointly controlled entity						5
Profit before income tax						249,452

Inter-segment sales are charged at prevailing market rates.

Other information:

For the year ended 31 March 2010

	Sofa (export sales) ***HK$'000***	**Sofa (retail and wholesale in the PRC)** ***HK$'000***	**Sofa (retail and wholesale in Hong Kong)** ***HK$'000***	**Bedding product** ***HK$'000***	**Total** ***HK$'000***
Amounts included in the measure of segment profit:					
(Loss) gain on disposal of property, plant and equipment	**(15)**	**–**	**(23)**	**124**	**86**
Depreciation and amortisation	**11,548**	**8,190**	**12,873**	**4,895**	**37,506**
Release of lease premium for land	**1,300**	**–**	**–**	**–**	**1,300**
Impairment loss on trade receivables	**1,106**	**–**	**–**	**1**	**1,107**

For the year ended 31 March 2009

	Sofa (export sales) *HK$'000*	Sofa (retail and wholesale in the PRC) *HK$'000*	Sofa (retail and wholesale in Hong Kong) *HK$'000*	Bedding product *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit:					
(Loss) gain on disposal of property, plant and equipment	(126)	(87)	146	(81)	(148)
Depreciation and amortisation	10,927	11,741	12,977	1,609	37,254
Release of lease premium for land	1,020	–	–	–	1,020
Impairment loss on trade receivables	3,624	9	8	–	3,641

Geographical information:

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

	2010 *HK$'000*	2009 *HK$'000*
United States of America	**1,334,464**	777,410
Canada	**188,040**	113,810
PRC (including Hong Kong)	**871,776**	599,026
Europe *(note)*	**392,885**	348,614
Others *(note)*	**145,052**	124,977
	2,932,217	1,963,837

Note: The countries included in these two categories included mainly United Kingdom, Ireland, Spain, Australia and Taiwan. No further analysis by countries of these two categories is presented because the revenue from each individual country is insignificant to the total revenue.

All of the Group's non-current assets, excluded loan to a jointly controlled entity and deferred tax assets, are located in the PRC (including Hong Kong) at the end of the reporting period.

Information about major customers:

During the year, none of the Group's customers individually contributed more than 10% of the Group's revenue (2009: Nil). The top five customers contributed around 25% (2009: 25%) of revenue of the Group for the year ended 31 March 2010.

Revenue from major products:

The Group's revenue from its major products, sofa and mattress and bedding products was disclosed in the segment revenue above.

5. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest expense on:		
Trust receipt loans	**9**	1,320
Bank borrowings wholly repayable within five years	**4,235**	6,711
	4,244	8,031

6. INCOME TAX EXPENSE

	2010	2009
	HK$'000	*HK$'000*
		(restated)
Current tax:		
Hong Kong	**6,873**	10,656
PRC Enterprise Income Tax	**42,498**	8,404
	49,371	19,060
(Over)underprovision in prior years:		
Hong Kong	**(236)**	655
PRC Enterprise Income Tax	**271**	(74)
	35	581
Deferred tax:		
Current year	**2,161**	1,767
	51,567	21,408

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced the tax rate of Hong Kong Profit Tax from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

PRC Enterprise Income Tax is calculated at the prevailing tax rate on taxable income determined in accordance with the relevant laws and regulations in the PRC.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "EIT Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the EIT Law. The EIT Law and Implementation Regulations unified the tax rate to 25% for all PRC subsidiaries from 1 January 2008. There is a transitional period for PRC subsidiaries that are currently entitled to preferential tax treatments granted by the relevant tax. PRC subsidiaries currently subject to an enterprise income tax rate lower than 25% may continue to enjoy the lower tax rate and be gradually transitioned to the new unified rate of 25% within five years after 1 January 2008.

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.

As stated on Decree Law No. 58/99/M, Chapter 2, Article 12, dated 18 October 1999, the Group's Macau subsidiary is exempted from Macao Complementary Tax.

The tax charge for the year can be reconciled to the profit before income tax per the consolidated statement of comprehensive income as follows:

	2010	2009
	HK$'000	*HK$'000*
		(restated)
Profit before income tax	**668,912**	249,452
Tax at the Hong Kong Profit Tax rate *(note a)*	**110,370**	41,160
Tax effect of expenses not deductible in determining taxable profit	**6,386**	4,084
Tax effect of income not taxable in determining taxable profit	**(478)**	(321)
Underprovision in prior years	**35**	581
Effect of different tax rates of subsidiaries operating in other jurisdiction	**2,925**	1,892
Tax effect of tax losses not recognised	**558**	3,157
Tax effect on withholding tax arising on undistributed profits of the PRC subsidiaries	**1,968**	1,008
Tax effect of profit of subsidiaries under concessionary rate *(note b)*	**(5,450)**	(8,932)
Tax effect of profit of a subsidiary under tax exemption in Macau	**(64,747)**	(21,221)
Tax charge for the year	**51,567**	21,408

Notes:

(a) Hong Kong Profit Tax rate is the applicable tax rate of the Group as the Group has profits subject to Hong Kong Profit Tax rate and central managerial and administrative function of the Group are carried out in Hong Kong. The applicable tax rate is 16.5% for both years.

(b) Pursuant to the relevant laws and regulations in the PRC, Man Wah Furniture Manufacturing (Huizhou) Co., Ltd., Man Wah Furniture Manufacturing (Shenzhen) Co., Ltd. and King Famous Bedding Manufacturing (Shenzhen) Co., Ltd. are exempted from the PRC enterprise income tax for two years starting from their first profit making year, followed by a 50% reduction on tax rate for the next three years. The first profit-making year of Man Wah Furniture Manufacturing (Huizhou) Co., Ltd., Man Wah Furniture Manufacturing (Shenzhen) Co., Ltd. and King Famous Bedding Manufacturing (Shenzhen) Co., Ltd. were 2007, 2005 and 2004 respectively.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year is based on the following data:

	2010	2009
		(restated)
Earnings		
Profit attributable to owners of the Company *(HK$'000)*	**605,799**	223,509
Number of shares		
Weighted average number of ordinary shares *('000)*	**711,977**	706,531
Earnings per share		
Earnings per share *(HK cents)*	**85.09**	31.63

The weighted average number of shares for calculating basic earnings per share for each of the two years ended 31 March 2010 has been retrospectively adjusted for the issuance of 40,331,000 shares of the Company as a result of the acquisition of 70% equity interest of Famous Bedding as described in note 2.

No diluted earnings per share are presented as there was no potential ordinary share in issue during both years.

8. DIVIDENDS

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

	2010	2009
	HK$'000	*HK$'000*
Final dividend for 2008 of HK$0.0379 per share	**–**	25,249
Interim dividend for 2010 of HK$0.4029 (2009: HK$0.0266 for 2009) per share	**268,400**	17,721
Total paid	**268,400**	42,970

In addition, an interim dividend of HK$120,000 in respect of the year ended 31 March 2010 has been declared by Famous Bedding during the year prior to the completion of the Corporate Reorganisation.

A final dividend of HK16 cents per share and a special dividend of HK6 cents per share in respect of the year ended 31 March 2010, amounting to approximately HK$213,650,000 has been proposed by the Board and is subject to approval by the shareholders in the forthcoming annual general meeting.

9. INVENTORIES

	31.3.2010	31.3.2009	1.4.2008
	HK$'000	*HK$'000*	*HK$'000*
		(restated)	(restated)
Raw materials	**159,628**	88,837	149,346
Work-in-progress	**22,420**	17,446	20,734
Finished goods	**134,560**	108,457	62,056
	316,608	214,740	232,136

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	31.3.2010	31.3.2009	1.4.2008
	HK$'000	*HK$'000*	*HK$'000*
		(restated)	(restated)
Trade receivables			
Trade and bills receivables	**195,707**	151,457	171,567
Less: allowance for doubtful debts	**(2,791)**	(3,059)	–
	192,916	148,398	171,567
Other receivables and prepayments			
Valued added taxes recoverable	**54,284**	21,215	44,306
Deposits	**13,284**	10,808	16,420
Sundry receivables	**16,193**	7,637	8,050
Prepayments	**12,067**	8,971	3,939
Amount due from a jointly controlled entity *(Note)*	**1,902**	1,890	–
	97,730	50,521	72,715

Note: The amount due from a jointly controlled entity is trade in nature, unsecured, interest-free and aged over 365 days (2009: 0 – 30 days) based on the invoice date at the end of the reporting periods. The Group has not provided impairment loss for the amount as there has not been a significant change in credit quality and the amount is still receivable.

Other than cash and credit card sales for retail transactions, the Group generally allows an average credit period of 30 to 90 days. The aged analysis of the Group's trade and bills receivables (net of allowance for doubtful debts) presented based on the invoice date at the end of the reporting period is as follows:

	31.3.2010	31.3.2009
	HK$'000	*HK$'000*
Trade and bills receivables:		
0 – 30 days	**111,131**	79,172
31 – 60 days	**58,167**	46,262
61 – 90 days	**19,649**	17,503
Over 90 days	**3,969**	5,461
	192,916	148,398

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

The trade receivable balances of HK$188,102,000 (31.3.2009: HK$129,183,000) are neither past due nor impaired at the end of the reporting period for which the Group has not provided for impairment loss since they are mainly the customers with good credit quality.

Included in the Group's trade and bills receivable balance are receivables with aggregate carrying amount of approximately HK$4,814,000 (31.3.2009: HK$19,215,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still receivable. The Group does not hold any collateral over these balances.

Aging of trade and bills receivables which are past due but not impaired

	31.3.2010	31.3.2009
	HK$'000	*HK$'000*
31 – 60 days	**627**	2,235
61 – 90 days	**218**	11,519
Over 90 days	**3,969**	5,461
	4,814	19,215

Movement in the allowance for doubtful debts

	31.3.2010	31.3.2009
	HK$'000	*HK$'000*
Balance at beginning of the year	**3,059**	–
Impairment losses recognised on trade receivables	**1,107**	3,641
Amounts written-off as uncollectible	**(1,375)**	(582)
Balance at end of the year	**2,791**	3,059

The Group has provided fully for all receivables over 365 days because historical experience is such that receivables that are past due beyond 365 days are generally not recoverable.

The Group's trade and other receivables that are not denominated in the functional currencies of the respective entities are as follows:

	31.3.2010	31.3.2009
	HK$'000	*HK$'000*
Trade receivables		
Hong Kong dollars	**3,925**	3,448
Other receivables		
Hong Kong dollars	**432**	542

11. TRADE AND OTHER PAYABLES AND ACCRUALS

	31.3.2010	31.3.2009	1.4.2008
	HK$'000	*HK$'000*	*HK$'000*
		(restated)	(restated)
Trade and bills payables	**167,305**	116,218	130,793
Other payables and accruals			
Trade deposits received	**75,317**	53,913	34,161
Accruals	**97,713**	49,481	64,057
Amount due to a jointly controlled entity	**–**	–	3,969
Others	**15,199**	8,852	4,198
	188,229	112,246	106,385

The average credit period on purchase of goods is 30 to 60 days.

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

	31.3.2010	31.3.2009
	HK$'000	*HK$'000*
0 – 30 days	**148,665**	98,060
31 – 60 days	**16,865**	17,353
61 – 90 days	**763**	468
Over 90 days	**1,012**	337
	167,305	116,218

The Group's other payables that are not denominated in the functional currencies of the respective entities are as follows:

	31.3.2010	31.3.2009
	HK$'000	*HK$'000*
Other payables		
Hong Kong dollars	**5,495**	4,550

12. BANK BORROWINGS

	31.3.2010	31.3.2009	1.4.2008
	HK$'000	*HK$'000*	*HK$'000*
Trust receipt loans	**–**	2,961	35,761
Bank overdrafts	**–**	–	3,885
Bank loans	**147,200**	147,440	115,500
	147,200	150,401	155,146
Analysed as:			
Secured	**87,200**	51,940	56,000
Unsecured	**60,000**	98,461	99,146
	147,200	150,401	155,140

Carrying amount repayable:

	31.3.2010	31.3.2009
	HK$'000	*HK$'000*
On demand or within one year	**125,240**	72,868
More than one year, but not exceeding two years	**21,960**	64,407
More than two years, but not exceeding five years	**–**	13,126
	147,200	150,401
Less: Amounts due within one year shown under current liabilities	**125,240**	72,868
	21,960	77,533

The Group's bank borrowings carry interest at variable rates which are mainly subject to interest at Hong Kong Interbank Offered Rate plus a spread, ranging from 1.25% to 2.75% or best lending rate quoted by the Hongkong and Shanghai Banking Corporation Limited plus 1% ("Best Lending Rate") for the year. The effective interest rates of the above variable-rate bank borrowings were as follows:

	31.3.2010	31.3.2009
	%	*%*
Trust receipt loans	**–**	6.8
Bank loan	**2.5**	5.1

The Group's bank borrowings that are not denominated in the functional currencies of the respective entities are as follows:

	31.3.2010	31.3.2009
	HK$'000	*HK$'000*
Hong Kong dollars	**147,200**	147,440

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

Revenue and gross profit margin breakdown by export and PRC sales

	Revenue *(HK$'000)*			As a percentage of sales *(%)*		Gross profit margin *(%)*	
	2010	2009	Change %	**2010**	2009	**2010**	2009
Sofa export sales	**2,060,441**	1,364,811	51.0%	**70.3%**	69.4%	**39.7%**	28.6%
Sofa PRC sales	**556,950**	368,736	51.0%	**19.0%**	18.8%	**43.2%**	44.7%
Bedding PRC sales	**193,390**	117,107	65.1%	**6.6%**	6.0%	**64.5%**	63.5%
HK retail & wholesale sales	**121,436**	113,183	7.3%	**4.1%**	5.8%	**60.5%**	63.4%
Total	**2,932,217**	1,963,837	49.3%	**100.0%**	100.0%	**42.9%**	35.7%

For the financial year ended 31 March 2010, the total revenue of the Group increased by approximately 49.3% to approximately HK$2,932.2 million (2009: HK$1,963.8 million); whereas the gross profit margin grew by approximately 7.2% to approximately 42.9% (2009: 35.7%). The increase in overall revenue and gross profit margin was due to the substantial growth in the performance of CHEERS brand.

During the financial year ended 31 March 2010 ("Review Period"), we have gained more than 170 new export customers when comparing with FY2009, in addition, the pickup in consumer sentiments in late 2009 helped the Group to post better export sales of approximately HK$2,060.4 million (2009: HK$1,364.8 million). The PRC sofa sales also grew impressively by approximately 51.0% to approximately HK$ 557.0 million (2009: HK$368.7 million) as the Group opened more retail stores across China.

The PRC bedding sales also posted a remarkable performance to jump of approximately 65.1% to approximately HK$193.4 million (2009: HK$117.1 million). Increase in the PRC bedding sales due to increase in quantity sold from approximately 32,000 sets in FY2009 to 41,000 sets in FY2010, in addition, the increase in average selling price from HK$3,600 in FY2009 to HK$4,800 in FY2010 also contribute the increase in PRC bedding sales.

Revenue breakdown by region (HK$'000)

	PRC	**US**	**Europe**	**Canada**	**HK**	**OTHERS**
FY2010	750,340	1,334,464	392,885	188,040	121,436	145,052
FY2009	485,843	777,410	348,614	113,810	113,183	124,977

Growth in revenue from CHEERS brand is summarised as follows:

	2010	2009	Change *(%)*
Revenue *(HK$'000)*	**304,713**	173,486	75.6%
Number of PRC self-owned retail stores as at 31 March	**74**	44	68.2%
Average sales per store *(HK$'000)*	**4,118**	3,943	4.4%

Note: The average sales per store represented the revenue for the financial year divided by the number of retail outlets as at 31 March of each financial year.

Revenue, sales volume and average selling price of CHEERS brand sofa

	2010	2009	Change *(%)*
Sales volume *(sets)*	**406,900**	288,100	41.2%
Average selling price *(HK$)*	**6,325**	6,100	3.7%
Gross profit margin *(%)*	**41.3%**	33.9%	7.4%

Revenue from CHEERS brand sofa products rose by approximately 51.4% to approximately HK$2,662.8 million (2009: HK$1,759.0 million), accounting for approximately 90.8% of the total revenue. The growth in revenue was mainly due to the increase in the sales volume by approximately 41.2% to 406,900 sets (2009: 288,100 sets) and the average selling price by approximately 3.7% to HK$6,325 (2009: HK$6,100). The growth in average selling price was primarily as a result of increase in average selling price for the PRC market by approximately 14.9% from approximately HK$9,400 to HK$10,800 and export market by approximately 3.6% from approximately HK$5,500 to HK$5,700.

During the Review Period, the gross profit margin increase from 33.9% to 41.3%, the increase in gross profit margin was mainly due to increase in average selling price from HK$6,100 to HK$6,325 and decrease in unit costs of raw material for leather, metal and soft foam which decreased by 8.7%, 15.0% and 1.8% respectively.

PRC sofa sales (self-owned vs distributors)

Retail stores	**2010** ***Units***	2009 *Units*	Change *(%)*
Self-owned retail stores	**74**	44	68.1%
Distributor-operated retail stores	**222**	221	0.5%

Cost of sales breakdown

	2010 ***HK$'000***	2009 *HK$'000*	Change *(%)*
Cost of raw materials consumed	**1,515,465**	1,135,161	33.5%
Depreciation and amortisation	**19,903**	14,990	32.8%
Labour costs	**134,634**	99,126	35.8%
Others	**5,560**	13,513	(58.9%)
Total	**1,675,563**	1,262,790	32.7%

During the Review Period, cost of sales increased by 32.7% when comparing with 31 March 2009, mainly because of the increase in our sales partially offset by savings arising from increased economies of scale in our operations and from lower unit costs of raw material for leather, metal and soft foam which decreased by approximately 8.7%, 15.0% and 1.8% respectively.

Other gains and losses

Other gains and losses for the FY2010 increased by 6.8% to approximately HK$11,823,000, which is due to gain on changes in fair value of derivative financial instruments of approximately HK$18,463,000, an increase of approximately HK$3,072,000, from approximately HK$15,931,000 in FY2009. However, the increase is partially offset by the increase in net foreign exchange loss in FY2010 of approximately HK$7,512,000, an increase of approximately HK$5,437,000, from approximately HK$2,075,000 in FY2009.

Selling and distribution expenses

Selling and distribution expenses increased by approximately 35.9% from approximately HK$330,451,000 to approximately HK$449,137,000 which was mainly due to an increase in the PRC and export sales. The increase was mainly attributed to:

(a) transportation, port charges and freight costs increased by approximately HK$66,830,000 to approximately HK$239,192,000;

(b) commissions and salaries related to sales increased by approximately HK$29,564,000 to approximately HK$61,358,000; and

(c) rental, rates and building management fee increased by approximately HK$37,762,000 to approximately HK$83,040,000.

General and administrative expenses

General and administrative expenses increased by approximately HK$26,059,000 or approximately 19.8% from approximately HK$131,755,000 to approximately HK$157,814,000. The increase was mainly attributed to:

(a) salaries, allowance and other staff costs increased by approximately HK$11,460,000 or 27.1% from approximately HK$42,315,000 to approximately HK$53,775,000 due to increase in number of staff during FY2010; and

(b) legal and professional fees increased by approximately HK$19,969,000 or 206.1% from approximately HK$9,687,000 to approximately HK$29,656,000 which is mainly due to the legal and professional fees incurred for the listing of shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Share of results of jointly controlled entities

Share of loss of jointly controlled entities of approximately HK$1,889,000 which is mainly due to share of loss of Huizhou Ao Li Electronic Technology Company, Limited of approximately HK$2,039,000.

Finance Costs

Finance costs decreased by approximately HK$3,787,000 or approximately 47.2% from approximately HK$8,031,000 to approximately HK$4,244,000 due to the decrease in interest rate.

Income Tax Expense

Income tax expense increased by approximately HK$30,159,000 or approximately 140.9% from approximately HK$21,408,000 to approximately HK$51,567,000 which is mainly due to the increase in operating profit and increase in tax rate for certain PRC subsidiaries.

Profit attributable to owners of the Company and net profit margin

Profit attributable to owners of the Company increased by approximately HK$382,290,000 or approximately 171.0% from approximately HK$223,509,000 to approximately HK$605,799,000. The net profit margin for the Review Period increased from approximately 11.6% to approximately 21.1%. Increase in net profit and profit margin was mainly due to increase in quantity sold, average selling price and decrease in raw materials costs.

Dividend

In view of the strong business growth and the solid financial position of the Group, the Board declared a final dividend of 25% of profit attributable to owners of the Company for the financial year ended 31 March 2010 or HK16 cents per Share. As a result of the better than expected performance by the Group, the Board has decided to pay an additional special dividend of 10% or HK6 cents per Share to reward shareholders. The total dividend payout ratio for the Review Period will be approximately 35%.

Working capital

We seek to effectively manage our cash flow and capital commitments and to ensure that we have sufficient funds to meet our existing and future cash requirements. In general, we have the ability to generate adequate cash from our operations to fund our ongoing operating cash needs and the continuing expansion of our business. While we do not currently have any plans to raise material external debt financing, we may use short-term bank borrowings to finance operations and repay bank borrowings once our funding position is in surplus. We have not experienced and do not expect to experience any difficulties meeting our obligations as they become due. We have bank balances and cash of approximately HK$375,460,000 as at 31 March 2010.

Liquidity and capital resources

The Group's primary source of operating funds are cash flow from operating activities and cash and bank balances. As at 31 March 2010, the Group's current ratio was 2.04 (31 March 2009: 2.02). The Group maintained a net cash position, reflecting its healthy financial position, paving the way for future development. As at 31 March 2010, the Group's gearing ratio was 12.8% (31 March 2009: 19.4%), which is defined as total borrowings divided by the sum of share capital and reserves of the Group.

Impairment loss on inventory

For the Review Period, the Group did not have any impairment loss on inventory.

Impairment loss on trade receivables

As at 31 March 2010, the Group provided impairment loss on trade receivables of approximately HK$1,107,000 (2009: HK$3,641,000).

Pledge of Assets

As at 31 March 2010, the Group had pledged certain bank deposits, investment properties and plant and machinery to banks to secure for bank borrowings. The aggregate carrying value of these assets was approximately HK$31,447,000.

Contingent liabilities

As at 31 March 2010, the Group did not have any contingent liabilities.

Foreign currency risks

The Group's exposure to currency risk 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 entity to which they related. The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Significant investments and acquisitions

Save as disclosed in note 2, the Group did not have any significant investments or acquisitions or sales of subsidiaries. The Group continued to seek opportunities to acquire and work with international furniture retailers to generate more returns for our shareholders.

Use of proceeds from the Global Offering

We have received a gross proceeds from the listing of shares on the Stock Exchange of approximately HK$1,681,773,000. With reference to the supplemental prospectus of the Company, the proceeds will be used for (i) establishing 25 furniture outlets in the PRC, (ii) establishing a production and distribution centre in northern PRC, (iii) construction of new production and distribution facility in Wujiang, Jiangsu, (iv) expansion of "Cheers" and "Enlanda" specialty stores, and (v) construction of phase 3 of our Huizhou facility and for daily operation.

Up to report date, we have not yet spent any proceeds on the above projects. In FY2011, we expect to spend (i) approximately HK$132,624,000 on construction of phase 3 of our Huizhou facility, (ii) approximately HK$131,800,000 on construction of new production and distribution facility in Wujiang, Jiangsu, and (iii) approximately HK$78,400,000 on expansion of "Cheers" and "Enlanda" specialty stores.

Human resources

As at 31 March 2010, the Group had 5,655 employees (31 March 2009: 3,276 employees).

The Group provides introductory orientation programs and continuous training to its employees that cover industry knowledge, technology and product knowledge, industry quality standards and work safety standards to enhance the service quality and standard of its staff. The Group will strive to strengthen human resources management to provide strong support for the development of the Group's business through staff recruitment initiatives and the optimisation of the development of its organisation structure and corporate culture to ensure that the Group will be able to maitain sustainable development in the future.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

The Company has not redeemed any of its listed shares since it was listed. Neither the Company nor any of its subsidiaries purchased or sold any of the Company listed shares during the Review Period.

AUDIT COMMITTEE

Our Audit Committee's current membership consists solely of Independent Non-executive Directors, namely, Mr. Chau Shing Yim, David, Ms. Chan Wah Man, Carman and Mr. Lee Teck Leng, Robson, and a Non-executive Director, Mr. Ong Chor Wei. None of them is, or has previously been, a member of the Company's current or previous external auditors within the past financial year. The Chairman of the Audit Committee, Mr. Chau, possesses the professional qualifications and financial management expertise required under The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 2010.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Audit Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules during the financial year ended 31 March 2010.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as the Company's code of conduct and rules governing dealings by all Directors in the securities of the Company. Having made specific enquiry of all Directors, the Directors confirmed they had strictly complied with the standards set out in the Model Code during the Review Period.

CLOSURE OF REGISTER OF MEMBERS

Further details on the closure of the registers of transfers and members so as to ascertain qualification for dividends to be paid by the Company and entitlement to attend the Annual General Meeting will be announced on or about the date on which the notice of our Annual General Meeting will be published.

SCOPE OF WORK OF MESSERS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2010 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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

Hong Kong, 22 June 2010

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