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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)

**PROPOSED BONUS ISSUE OF SHARES
AND
PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

PROPOSED BONUS ISSUE

The Board is pleased to announce that it has resolved to recommend the Bonus Issue, being a bonus issue of Shares on the basis of one (1) Bonus Share for every one (1) existing Share held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date, subject to the approval by the Shareholders at the SGM. The Bonus Shares will be credited as fully paid at par by way of capitalisation of an amount equal to the total par value of the Bonus Shares standing to the credit of the share premium account of the Company. Upon issuance, the Bonus Shares will rank *pari passu* with the then existing Shares in all respects.

The register of members of the Company will be closed from Saturday, 3 January 2015 to Tuesday, 6 January 2015 (both days inclusive) in order to determine the entitlement of the Shareholders under the Bonus Issue.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

In order to allow the Bonus Issue and any possible further issues of Shares, the Board proposes to increase the authorised share capital of the Company from HK\$500,000,000 divided into 1,250,000,000 Shares to HK\$2,000,000,000 divided into 5,000,000,000 Shares by creating 3,750,000,000 new Shares.

SGM

An SGM is proposed to be convened for the Shareholders to consider, and if thought fit, to approve the Bonus Issue and the increase in authorised share capital of the Company. A circular containing, among other things, further details of (i) the proposed Bonus Issue and (ii) the proposed increase in the authorised share capital of the Company, together with the notice of the SGM, will be dispatched to the Shareholders as soon as practicable on or before Wednesday, 10 December 2014.

PROPOSED BONUS ISSUE

Reference is made to the interim results announcement of the Company dated 12 November 2014 for the six months ended on 30 September 2014 whereby the Board announced that it will propose a bonus issue of Shares on the basis of one (1) Bonus Share for every one (1) existing Share held by the Shareholders subject to Shareholders' approval.

The Company is pleased to announce that the Board has resolved to recommend the Bonus Issue, being a bonus issue of Shares on the basis of one (1) Bonus Share for every one (1) existing Share held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date, subject to the approval by the Shareholders at the SGM. The Bonus Shares will be credited as fully paid at par by way of capitalisation of an amount equal to the total par value of the Bonus Shares standing to the credit of the share premium account of the Company. The terms of the Bonus Issue are set out below.

Basis of the Bonus Issue

Subject to the conditions as set out under the heading "Conditions of the Bonus Issue" below, the Bonus Shares will be issued and credited as fully paid at par on the basis of one (1) Bonus Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date.

Assuming that no further Shares will be issued or repurchased on or before the Record Date, on the basis of 983,184,200 existing Shares in issue as at the date of this announcement, 983,184,200 Bonus Shares will be issued representing 100% of the existing issued share capital as at the date hereof. After the completion of the Bonus Issue, there will be a total of 1,966,368,400 Shares in issue as enlarged by the Bonus Issue. The Bonus Shares will be credited as fully paid at par value by way of capitalisation of an amount of HK\$393,273,680 in the share premium account of the Company pursuant to the Bonus Issue. The Bonus Shares, upon issue, will rank *pari passu* with the then existing Shares in all respects.

The exact total number of the Bonus Share to be issued under the Bonus Issue will not be capable of determination until the Record Date.

Adjustments to the share options granted under the Share Option Scheme

Implementation of the Bonus Issue will lead to adjustments to the subscription price and/or the number of Shares to be issued upon exercise of the share options granted under the Share Option Scheme. As the exact number of the Bonus Shares will not be determined until the Record Date, the Company will make further announcement for the adjustments to the share options granted under the Share Option Scheme and notify the respective holders of the share options regarding the adjustments to be made pursuant to the respective terms and conditions applicable to such share options.

Conditions of the Bonus Issue

The Bonus Issue is conditional upon:

- (i) The passing of an ordinary resolution by the Shareholders at the SGM for approving the proposed increase in the authorised share capital of the Company;
- (ii) the passing of an ordinary resolution by the Shareholders at the SGM for approving the Bonus Issue;
- (iii) the Listing Committee granting the listing of, and permission to deal in, the Bonus Shares;
and

- (iv) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of Bermuda and the bye-laws of the Company to effect the proposed increase in the authorised share capital of the Company and the Bonus Issue.

Application for Listing

Application will be made to the Listing Committee for the listing of, and permission to deal in the Bonus Shares.

Overseas Shareholders

As at the date of this announcement, the Company is a constituent stock of the Hang Seng Composite MidCap Index and therefore the Shares are eligible for southbound trading under the Shanghai-Hong Kong Stock Connect. Subject to compliance with the relevant laws or regulations in the PRC, the Bonus Shares will be offered to the Shareholders in the PRC who are Qualifying Shareholders and are holding the Shares through Shanghai-Hong Kong Stock Connect.

As at the date of this announcement, the Company has one Overseas Shareholder whose address registered in the register of members of the Company was situated in the PRC. The Company will continue to ascertain whether there are any other Overseas Shareholders on the Record Date.

The Company will make enquiry and, if necessary, seek legal advice(s) from overseas counsel(s) on the applicable procedural requirements for extending the Bonus Issue to the Overseas Shareholder(s). Upon such enquiry, if the Board is of the view that the exclusion of the Overseas Shareholder(s) is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Bonus Shares will not be issued to those Overseas Shareholder(s), that is, the Non-Qualifying Shareholders. In such circumstances, arrangements will be made for the Bonus Shares, which would otherwise have been issued to the Non-Qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealings in the Bonus Shares commence. Any net proceeds of sale, after deduction of the related expenses, will be distributed in Hong Kong dollars to the Non-Qualifying Shareholders, if any, *pro-rata* to their respective shareholdings and remittances therefor will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

Status of the Bonus Shares and fractional entitlements

The Bonus Shares, upon issue, will rank *pari passu* with the then existing Shares in all respects, including the entitlement of receiving dividends and other distributions on the record date for which is on or after the date of allotment and issue of those Bonus Shares. There will not be any fractional entitlements to the Bonus Shares.

Reasons and Benefits for the Bonus Issue

The Board proposes the Bonus Issue in recognition of the Shareholders' continual support to the Company. The Board believes that the Bonus Issue will also enhance the liquidity of the Shares in the market and thereby enlarge the shareholder and capital base of the Company.

Certificates for the Bonus Shares

It is expected that certificates for the Bonus Shares will be posted by ordinary post on or before Tuesday, 13 January 2015 upon fulfillment of all the conditions of the Bonus Issue at the risk of the Qualifying Shareholders to their respective addresses shown on the register of members of the Company on the Record Date. Dealings in the Bonus Shares are expected to commence on Wednesday, 14 January 2015.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 divided into 1,250,000,000 Shares, of which 983,184,200 Shares are in issue and fully paid. Under the Bonus Issue, the Company will issue 983,184,200 Shares on the assumption that there will be no change in the number of the issued Shares up to (and including) the Record Date. In order to allow the Bonus Issue and any possible further issues of Shares, the Board proposes to increase the authorised share capital of the Company from HK\$500,000,000 divided into 1,250,000,000 Shares to HK\$2,000,000,000 divided into 5,000,000,000 Shares by creating 3,750,000,000 new Shares.

The increase in the authorised share capital of the Company is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM. No Shareholder is required to abstain from voting on such resolution.

CLOSURE OF BOOKS

The register of members of the Company will be closed during the following periods:

- (a) for the purpose of determining Shareholders who are entitled to attend and vote at the SGM, the register of members of the Company will be closed from Wednesday, 24 December 2014 to Monday, 29 December 2014 (both days inclusive), during which no transfer of Shares can be registered. In order to qualify for attending and voting at the SGM, all transfer documents should be lodged for registration with the Company's Hong Kong share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 23 December 2014; and
- (b) for the purpose of determining Shareholders who are qualified for the entitlement to the Bonus Shares, the register of members of the Company will be closed from Saturday, 3 January 2015 to Tuesday, 6 January 2015 (both days inclusive), during which no transfer of Shares can be registered. In order to qualify for the entitlement to the Bonus Shares, all transfer documents should be lodged for registration with the Company's Hong Kong share registrar at the above address not later than 4:30 p.m. on Friday, 2 January 2015.

EXPECTED TIMETABLE FOR PROPOSED BONUS ISSUE

The following is a summary of the events in relation to the proposed Bonus Issue:

2014
(Hong Kong time)

Dispatch of the circular regarding, among other things,
the proposed Bonus Issue and the proposed increase in
authorised share capital of the Company on or before
Wednesday, 10 December

Latest time for lodging transfer of Shares for registration
in order to qualify for attending the SGM 4:30 p.m. on
Tuesday, 23 December

Closure of register of members for attending the SGM Wednesday, 24 December to
Monday, 29 December
(both days inclusive)

Latest time for lodging form of proxy for the SGM
(not less than 48 hours before time of the SGM or
any adjournment thereof). 5:00 p.m. on
Saturday, 27 December

Record date for attending the SGM Monday, 29 December

Date and time of the SGM 5:00 p.m. on
Monday, 29 December

Announcement of poll results of the SGM Monday, 29 December

The following events are conditional on the increase in authorised share capital and the Bonus Issue being approved at the SGM

Last day of dealings in the Shares
on a cum-entitlement basis Tuesday, 30 December

First day of dealings in the Shares on an ex-entitlement basis. Wednesday, 31 December

2015
(Hong Kong time)

Latest time for lodging transfers of the Shares for registration in order to qualify for the Bonus Issue 4:30 p.m. on Friday, 2 January

Closure of register of members for determining entitlement to the Bonus Shares Saturday, 3 January to Tuesday, 6 January (both days inclusive)

Record Date for determining entitlement to the Bonus Shares Tuesday, 6 January

Register of members re-opens Wednesday, 7 January

Dispatch of share certificates for the Bonus Shares On or before Tuesday, 13 January

First day of dealing in the Bonus Shares on the Stock Exchange Wednesday, 14 January

SGM

An SGM is proposed to be convened for the Shareholders to consider, and if thought fit, to approve the Bonus Issue and the increase in authorised share capital of the Company. A circular containing, among other things, further details of (i) the proposed Bonus Issue and (ii) the proposed increase in the authorised share capital of the Company, together with the notice of the SGM, will be dispatched to the Shareholders as soon as practicable on or before Wednesday, 10 December 2014.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

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|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board” | the board of Directors |
| “Bonus Issue” | the proposed bonus issue of Shares on the basis of one (1) Bonus Share for every one (1) existing Share held by the Qualifying Shareholders on the Record Date |
| “Bonus Share(s)” | new Share(s) to be issued by way of the Bonus Issue by the Company as described herein |
| “Company” | Man Wah Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange |
| “Directors” | directors of the Company |

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) who is/are excluded from the Bonus Issue and as defined and more particularly described in the section headed “Overseas Shareholders” in this announcement
“Overseas Shareholder(s)”	Shareholder(s) whose addresses as shown on the register of members of the Company on the Record Date is/are outside Hong Kong
“PRC”	People’s Republic of China, excluding Hong Kong, Macau and Taiwan
“Qualifying Shareholder(s)”	the Shareholder(s) whose names appear on the register of members of the Company on the Record Date and who are entitled to the Bonus Issue
“Record Date”	Tuesday, 6 January 2015, being the date by reference to which entitlements to the Bonus Issue will be determined
“Share(s)”	share(s) of HK\$0.40 par value each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 5 March 2010
“SGM”	the special general meeting of the Company to be held to consider and, if thought fit, approve the increase in the authorised share capital of the Company and the Bonus Issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 28 November 2014

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, Mr. Alan Marnie and Mr. Dai Quanfa; the non-executive Director is Mr. Xie Fang, and the independent non-executive Directors are Mr. Chau Shing Yim, David, Mr. Lee Teck Leng, Robson, Mr. Ong Chor Wei and Mr. Kan Chung Nin, Tony.