Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Man Li *(Chairman and the Chief Executive Officer)*
Ms. Hui Wai Hing
Mr. Alan Marnie
Mr. Dai Quanfa
Ms. Wong Ying Ying

Independent non-executive Directors

Mr. Chau Shing Yim, David
Mr. Kan Chung Nin, Tony
Mr. Ding Yuan
Mr. Yang Siu Shun

AUDIT COMMITTEE

Mr. Chau Shing Yim, David *(Chairman)*
Mr. Ding Yuan
Mr. Kan Chung Nin, Tony
Mr. Yang Siu Shun

NOMINATION COMMITTEE

Mr. Wong Man Li *(Chairman)*
Mr. Chau Shing Yim, David
Mr. Kan Chung Nin, Tony
Mr. Ding Yuan

REMUNERATION COMMITTEE

Mr. Ding Yuan *(Chairman)*
Mr. Wong Man Li
Mr. Chau Shing Yim, David
Mr. Kan Chung Nin, Tony

COMPANY SECRETARY

Mr. Zhang Xian

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F Prince's Building
Central
Hong Kong

BERMUDA SHARE REGISTRAR AND SHARE TRANSFER AGENT

Ocorian Service (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

1st Floor, Wah Lai Industrial Center
10–14 Kwei Tei Street, Fotan
New Territories, Hong Kong

LEGAL ADVISERS

Reed Smith Richards Butler LLP
Ocorian Law (Bermuda) Limited

PRINCIPAL BANKERS

Hang Seng Bank
Hong Kong and Shanghai Banking Corporation Limited
Citibank, N.A.
China Construction Bank Corporation
Agricultural Bank of China Limited
Bank of China Limited
Industrial and Commercial Bank of China Limited

STOCK CODE

1999

WEBSITE

www.manwahholdings.com

INVESTOR RELATIONS CONSULTANT

Strategic Financial Relations Limited
2401–2, Admiralty Centre I
18 Harcourt Road
Hong Kong

EXECUTIVE DIRECTORS

Mr. Wong Man Li, aged 60, Member of the National Committee of Chinese People's Political Consultation Conference ("CPPCC"), *BBS, JP*, is our executive Director, Chairman, Chief Executive Officer (the "CEO") and Managing Director, and is also the Chairman of the Company's nomination committee and a member of the Company's remuneration committee. He is responsible for the day-to-day overall management of our Company and mapping our growth strategy. Mr. Wong founded our Group in 1992 and is a director of a number of subsidiaries of the Company. He has over 30 years of experience in the furniture industry. In May 2015, Mr. Wong was elected as an Executive Chairman of the Hong Kong Industrial & Commercial Association ([illegible]) and as a Founding Chairman of the Happy Hong Kong Foundation Company Limited ([illegible]). Mr. Wong is the husband of Ms. Hui Wai Hing, an executive Director, and the father of Ms. Wong Ying Ying, also an executive Director. Mr. Wong is a director of Man Wah Investments Limited, the controlling shareholder of the Company.

Ms. Hui Wai Hing, aged 62, is our executive Director. She joined our Group in 1992 and was appointed as our Director on 17 November 2004. She is also a director of a number of subsidiaries of the Company. She is the wife of Mr. Wong Man Li, our Chairman, Chief Executive Officer, Managing Director and executive Director, and the mother of Ms. Wong Ying Ying, our executive Director. She has over 30 years of experience in the furniture industry. Ms. Hui is also a director of Man Wah Investments Limited, the controlling shareholder of the Company.

Mr. Alan Marnie, aged 54, has been our executive Director since 6 October 2011 after joining the Group in September 2010. He is responsible for exploring the furniture markets in the United Kingdom, Europe, Africa, Asia and Oceania. Mr. Marnie has over 30 years of experience in manufacturing, retail and marketing in the furniture industry. Prior to joining the Group, he was employed by Homestyle Operations Limited ("Homestyle") as the managing director for Steinhoff Retail Furniture Division in the United Kingdom for 2 years from 2008 to 2010. Homestyle belongs to Steinhoff International Holding Ltd ("Steinhoff"), a company listed on the Frankfurt Stock Exchange, and is one of the largest furniture retailers in Europe. In addition, Mr. Marnie had also worked for 19 years in Reid Furniture Limited, a company which was subsequently owned by Steinhoff, the largest furniture retailer of Scotland and Ireland at that time, and had served as its managing director and chief executive officer for 3 years and 2 years, respectively.

Mr. Dai Quanfa, aged 51, has been our executive Director since 19 July 2012 after joining the Group in 1995, and is currently a director of a number of subsidiaries of the Company, including Man Wah Furniture Manufacturing (Huizhou) Co., Ltd. ([illegible]), Man Wah Furniture Manufacturing (Shenzhen) Co., Ltd. ([illegible]), Chongqing Man Wah Furniture Manufacturing Co., Ltd. ([illegible]) and Man Wah Furniture (China) Co., Ltd. ([illegible]). Mr. Dai is also a general manager of the manufacturing center of the Group. He is responsible for the Group's manufacture of furniture. Mr. Dai has over 20 years of experience in the furniture industry.

Ms. Wong Ying Ying, aged 38, has been our executive Director since 4 February 2015 after joining the Group in 2009. She is the daughter of Mr. Wong Man Li, our Chairman, Chief Executive Officer, Managing Director and executive Director, and Ms. Hui Wai Hing, our executive Director. She has been appointed as the General Manager of the Group's International Marketing Center, which is responsible for the Group's export business, since December 2018. She is the chief brand officer and deputy general manager of the Great China Division of the Group. Ms. Wong is also a director of some of the subsidiaries of the Company. She is a member of Tianjin's Political Consultative Conference, a committee member of the All-China Youth Federation, the vice-chairman of Dynamic Youth of Huizhou Ltd, vice-chairman of Kwai Tsing Volunteer Develop Team, honorary chairman of Shatin District Junior Police Call, member of the Y. Elites Association, honorary chairman of Shatin Sports Association, youth member of HK Industrial & Commercial Association Ltd, Youth Link and

INDEPENDENT NON-EXECUTIVE DIRECTORS

M . C a S Y , Da , aged 61, has been our independent non-executive director since 5 March 2010 and is the Chairman of the Company's audit committee and a member of each of the Company's nomination committee and remuneration committee. Mr. Chau has over 30 years of experience in corporate finance and was formerly a partner of one of the big four accounting firms. Mr. Chau was a key member who founded their corporate finance division and held the position as their Head of Merger and Acquisition and Corporate Advisory.

Mr. Chau is a member of the Institute of Chartered Accountants in England and Wales ("ICAEW"), and was granted the Corporate Finance Qualification of ICAEW. He is also a member of the Hong Kong Institute of Certified Public Accountants ("HKICPA") and was an ex-committee member of the Disciplinary Panel of HKICPA. Mr. Chau is a Senior Fellow and Director of the Hong Kong Securities and Investment Institute ("HKSI") and he is a member of Corporate Committee and was the chairman of China and Corporate Committee. Mr. Chau is the member of Hong Kong Metropolitan University ("HKMU") Foundation Advisory Committee.

Mr. Chau is the member of Pamela Youde Nethersole Eastern Hospital ("PYNEH") Fund Raising Committee, PYNEH Charitable Trust and also ex-member of the Hospital Governing Committee.

Mr. Chau is currently an independent non-executive director and audit committee chairman of OSL Group Limited (Formerly known as "BC Technology Group Limited") (Stock Code: 863), China Ruyi Holdings Limited (Stock Code: 136), Productive Technologies Company Limited (Stock Code: 650) and Lee & Man Paper Manufacturing Limited (Stock Code: 2314). Mr. Chau resigned as an independent non-executive director of each of China Evergrande New Energy Vehicle Group Limited (Stock Code: 708) and China Evergrande Group (In Liquidation) (Stock Code: 3333) in October 2024 and May 2024, respectively. All the aforesaid companies are listed on the Stock Exchange of Hong Kong.

M . Ka C N , T , aged 74, *LL.B., P.C.LL., SBS, BBS, JP*, has been our independent non-executive Director since 20 May 2013. Mr. Kan is also a member of the Company's audit committee, nomination committee and remuneration committee. He is the Founder and Senior Consultant of Tony Kan & Co., Solicitors & Notaries, practising as a Solicitor of the Supreme Court of Hong Kong since 1982. He is also a Solicitor of the Supreme Court of England and Wales, a Barrister and Solicitor of the Supreme Court of the Australian Capital Territory, as well as Advocate and Solicitor of the Supreme Court of the Republic of Singapore. He is also a China Appointed Attesting Officer and a Notary Public. Mr. Kan had been serving as a Committee Member of the National Committee of the Chinese People's Political Consultative Conference for three consecutive terms and he also had been serving as a Committee Member of the Guangdong Committee of the Chinese People's Political Consultative Conference for three consecutive terms. Mr. Kan had been an Elected Member of the Sha Tin District Council from 1985 to the end of 2011. He had also been an Elected Member of the Regional Council and he was elected as Vice Chairman of the Council in July 1997 until its dissolution at the end of 1999. Since 1988, Mr. Kan has served as a Councilor of Heung Yee Kuk in the New Territories and is currently its Ex officio Member and Executive Committee Member. Mr. Kan has served on various advisory committees for the government, including Town Planning Board Member and Member of the Building Committee of Hong Kong Housing Authority. He had been a Member of the Election Committee of Hong Kong Special Administrative Region. Mr. Kan is an independent non-executive director of Nameson Holdings Limited (Stock Code: 1982) and Shenzhen Investment Holdings Bay Area Development Company Limited (Stock Code: 737). Mr. Kan was an independent non-executive director of Kimou Environmental Holding Limited (Stock Code: 6805) from June 2019 to November 2024. The above mentioned companies are listed on the Main Board of the Stock Exchange. He has been appointed as a vice chairman of the board of directors of DBG Technology Co. Ltd, a company listed on the Shenzhen Stock Exchange (Stock Code: 300735) from February 2016 to April 2024.

M . D Y a, aged 55, has been our independent non-executive Director since 31 December 2016. Mr. Ding is the Chairman of the Company's remuneration committee and a member of each of the Company's nomination committee and audit committee. Mr. Ding graduated with a doctor of philosophy degree in management science from the College of Business Administration, Bordeaux IV University in France in December 2000. Mr. Ding served as a tenured professor in accounting and management control at the HEC School of Management in France from September 1999 to September 2006. He joined China Europe International Business School since September 2006, and currently serves there as the Cathay Capital Chair Professor in Accounting. Mr. Ding is currently a non-executive director of Saurer Intelligent Technology Co. Ltd. (Y}p), a company listed on the Shanghai Stock Exchange (Stock Code: 600545) from May 2018 and an independent non-executive director of Shanghai Kunchi Group Co. Ltd. (j)1•up). Mr. Ding was an independent non-executive director of Bluestar Adisseo Company (KÄp), a company listed on the Shanghai Stock Exchange (Stock Code: 600299) from August 2018 to September 2024. Mr. Ding is also an independent non-executive director of JS Global Lifestyle Company Limited (stock code: 1691) from August 2022, and of Health and

Financial Highlights

	FY2025 HK$'000	FY2024 HK$'000	FY2023 HK$'000	FY2022 HK$'000	FY2021 HK$'000
Revenue and other income	[redacted]	18,798,633	17,788,864	21,787,920	16,945,965
Gross profit margin	[redacted]	39.4%	38.5%	36.7%	36.1%
Selling and administrative expense/revenue	[redacted]	23.2%	25.1%	24.4%	23.7%
Profit attributable to the equity owners of the Company	[redacted]	2,302,366	1,914,914	2,247,491	1,924,513
Net profit margin	[redacted]	12.5%	11.0%	10.5%	11.7%
Basic earnings per share (HK cents)	[redacted]	59.09	48.80	56.90	50.26
Diluted earnings per share (HK cents)	[redacted]	59.08	48.77	56.77	50.10
Interim dividend (HK cents)	[redacted]	15.0	15.0	13.0	10.0
Proposed final dividend (HK cents)	[redacted]	15.0	10.0	17.0	16.0
Dividend payout ratio	[redacted]	50.7%	51.2%	52.6%	52.7%
Inventory turnover days	[redacted]	49.1	70.9	63.1	61.4
Account receivables' turnover days	[redacted]	33.2	40.4	33.3	32.1
Account payables' turnover days	[redacted]	27.2	36.0	28.5	33.7
Total assets	[redacted]	19,807,520	19,640,488	20,521,244	17,438,861
Total liabilities	[redacted]	6,731,851	7,112,718	7,773,071	6,033,802
Total equity	[redacted]	13,075,669	12,527,770	12,748,173	11,405,059
Cash and bank balances	[redacted]	3,273,830	3,738,234	2,831,559	3,296,093
Return on equity[1]	[redacted]	19.1%	16.6%	19.2%	17.9%
Return on assets[2]	[redacted]	11.6%	9.7%	11.0%	11.0%

Notes:

1. Return on equity = Profit attributable to equity owners of the Company/equity attributable to equity owners of the Company at the end of the year.

2. Return on assets = Profit attributable to equity owners of the Company/total assets at the end of the year.

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Man Wah Holdings Limited (“Man Wah” or the “Company”), I am pleased to present the audited annual results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2025 (“FY2025”, the “Review Period” or the “Reporting Period”).

During the financial year, the global economic conditions were complex and challenging. During the Review Period, the Group recorded a revenue of HK$16,902,634,000, representing a year-on-year decrease of 8.2%. However, gross profit margin increased from 39.4% to 40.5% which was attributable to effective control of production costs; and the profit attributable to owners of the Company amounted to HK$2,062,617,000, representing a year-on-year decrease of approximately 10.4%. The management further enhanced the effectiveness and efficiency of the operations during the financial year. The decrease in profits was mainly due to fair value losses on investment properties of HK$71,244,000 (Last Corresponding Period: HK$2,509,000), provision for impairment of goodwill of HK$104,310,000 (Last Corresponding Period: HK$12,268,000), provision for impairment of property, plant and equipment of HK$96,419,000 (Last Corresponding Period: Nil) and provision for impairment of intangible assets of HK$12,795,000 (Last Corresponding Period: Nil). Excluding the impact of these, the profit attributable to owners of the Company amounted to HK$2,347,386,000, representing a slight increase of 1.3% year-on-year.

During the Review Period, the Group forged ahead in spite of the difficulties, steadfastly safeguarded its leading position in the recliner segment and actively promoted the steady development of its various businesses. Despite the multiple challenges in the domestic market, the industry was vitalized with the favorable policies. The implementation of the trade-in subsidy policy by the PRC government has played a positive role in stimulating the consumer demand for new furniture products. At the same time, the Company continued to appoint Wu Jing as the brand spokesman to enhance the brand awareness and affinity of the "CHEERS" brand, thereby consolidating its position as the preferred brand of recliners.

The Group continued to optimize its product mix based on its in-depth research on changes in the domestic consumer demand. On one hand, the Group launched a series of value-for-money products with fashionable designs to satisfy the needs of different consumer levels and aesthetic preferences, and continued to update and iterate the "zero wall" technology of recliner sofas; on the other hand, we continuously strengthened the development of sales channels. The Group optimized the customer-end store layout and increase the operational efficiency by deepening the cooperation with distributors. Despite the ongoing pressure of market growth, according to the survey result by a third-party research institute, the Group continued its leading position among the recliner enterprises in the PRC and was once again recognized as the globally number one seller in terms of annual recliner sales volume for the calendar year of 2024. This is entirely attributable to the excellent product quality, remarkable branding effect and efficient production and operation.

In terms of the export business, the Group registered excellent results and met growth expectations during the Reporting Period. The steady growth of the global economy created favorable conditions for the export business, while the brand advantages and customer resources accumulated by Man Wah in overseas markets over the years served as a solid growth driver of the business. It also proved that the diverse geographical business model of the Group has successfully diversified market risks and created value for shareholders.

Amid the complex global trade environment, Man Wah has set up new plants in different countries years ago to effectively mitigate risks in trading and ensure stable operation of the supply chain. Looking ahead, the Group will continue to monitor the global market developments and assess the feasibility of setting up new plants in more countries in a timely manner, so as to further optimize the global production layout and minimize the impact of trade frictions on the business of the Company.

Looking ahead to the new financial year, uncertainties will remain although the domestic economy is on an upward trend. The Company's domestic sales will focus on core cities and key regions. Leveraging the popularity of the brand spokesperson and favorable policies, the Company will further enhance brand awareness and product sales through refined market operations and precision marketing strategies. In respect of product R&D and innovation, it will increase the investment in the areas of intelligence, green and environmental protection, and continue to launch new products that meet the needs of domestic consumers for a high quality of life.

For the export business, we remain cautiously optimistic despite the uncertainties in the global economy and trade. We will continue to closely monitor the international trade conditions, respond flexibly to potential risks, and curb operating costs by optimizing our global production layout and supply chain management, thereby improving the price competitiveness of products. At the same time, we will put greater efforts in exploring the European and emerging markets to nurture new business growth points and increase the Group's share and influence in the international market.

Always adhering to the principle of quality first, Man Wah is committed to providing comfortable, stylish and safe furniture products to consumers around the world. The Company will continue to optimize its operation and management, and fully utilize its advantage of operating leverage to boost the operational efficiency and profitability of each business segment. By strengthening R&D and innovation, optimizing production processes, enhancing supply chain management and strengthening brand building, Man Wah is confident that it will continue to lead the industry and create greater value for shareholders.

I would like to express my sincere gratitude to each and every employee of Man Wah for their diligence and dedication, which has developed the Company into what it is today. Meanwhile, I would like to express heartfelt appreciation for the trust and support of our partners, distributors and consumers. In the future, Man Wah will join hands with all parties to overcome the difficulties and create a better future together.

W Ma L[illegible]
Chairman
Ma Wa H[illegible] L[illegible]

Management Discussion and Analysis

MARKET AND BUSINESS REVIEW

During the FY2025, the global furniture market showed a complex and volatile trend. With the impact of the macroeconomic conditions, consumer confidence in the domestic market was slow to recover and they were more cautious in purchasing furniture products. Nonetheless, the trade-in subsidy policy launched by the Chinese government introduced a booster into the sluggish furniture market, partly offsetting the downturn in domestic sales. In overseas markets, the global economy gradually recovered and consumer demand rebounded in some regions, while the gradually emerging scenarios including trade frictions and exchange rate fluctuations posed certain challenges to the export business.

In this complex market condition, the Group proactively responded to various challenges and maintained the resilience of its business through a range of measures such as strengthening brand building, optimizing the product mix, expanding sales channels and enhancing operational efficiency. Once again, the Group ranked first globally in terms of recliner sales volume in the calendar year of 2024 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 2024; 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 2025).

During the Review Period, the Group recorded a revenue of HK$16,902,634,000, representing a year-on-year decrease of 8.2%. However, gross profit margin for the year increased from 39.4% to 40.5%. The profit attributable to owners of the Company amounted to HK$2,062,617,000, representing a year-on-year decrease of 10.4%. The decrease was mainly due to fair value losses on investment properties of HK$71,244,000 (Last Corresponding Period: HK$2,509,000), provision for impairment of goodwill of HK$104,310,000 (Last Corresponding Period: HK$12,268,000), provision for impairment of property, plant and equipment of HK$96,419,000 (Last Corresponding Period: Nil) and provision for impairment of intangible assets of HK$12,795,000 (Last Corresponding Period: Nil). Excluding the impact of these, the profit attributable to owners of the Company for the FY2025 amounted to HK$2,347,386,000, representing a slight increase of 1.3% year-on-year.

1 PRC Market

In response to the changes in the macro market, the Company actively optimized its sales channels over the past year. During the Review Period, the Company achieved a net addition of 131 stores, and had a total number of 7,367 stores (excluding Style () and Suning stores), further strengthening the store layout in lower-tier markets and value-for-money series in first and second-tier cities. In terms of brand building, the Company appointed Wu Jing as the brand spokesperson to capitalize on his extensive social influence and good public image to make the public much more impressed with the "CHEERS" brand. In terms of products, the Company continued to increase its investment in R&D and launched a series of recliner sofa with innovative design, excellent quality and value-for-money features in order to maintain the competitiveness of its products in the market.

As it took time for consumer confidence to fully recover in the domestic market, consumers' purchasing power and intention to purchase were to a certain extent affected by the macroeconomic environment and employment situation. In addition, competition in the furniture market intensified and overcapacity emerged in the sofa industry, which posed pressure on the selling prices of products and added challenges to the entire industry. Despite the severe price competition in the industry, the Group has established a solid market leadership position with more than 30 years of experience in sofa production processes, excellent quality and cost advantage. During FY2025, the Company recorded a sales revenue of HK$9,927,490,000 from the PRC market (excluding revenue from real estate, shopping mall property and other business), representing a decrease of approximately 17.2% from the corresponding period of last year, and accounting for 58.7% of the Company's revenue, which declined from 65.0% of last year.

2 Overseas Markets

During the Review Period, the performance of overseas markets continued to be satisfactory, with an overall export of approximately 884,000 sets of sofa products, representing a year-on-year growth of approximately 13.0%.

Among them, the North America market steadily improved. The Group launched a series of products that match the aesthetics and usage habits of local consumers, which were well received and the orders and shipments continued to increase. During FY2025, it recorded a revenue of HK$4,420,102,000 from the North America market, representing a year-on-year increase of 3.2%, and accounting for 26.2% of the Group's revenue, which rose from 23.3% of last year.

The growth in sales was primarily a result of the Company's brand recognition gained over the years, product innovation and channel expansion in the North America market. At the same time, the Company actively cooperated with local furniture retailers and distributors to further expand its market coverage.

For Europe and other overseas markets (excluding Home Group), the Group strengthened its strategic layout and marketing promotion and successfully expanded its sales channels, which were the major factors for the rapid growth of business in the region. During the Review Period, Europe and other overseas markets contributed a revenue of HK$1,468,854,000, representing a year-on-year increase of 22.9%, and accounting for 8.7% of the Group's revenue, which rose from 6.5% of last year.

Home Group performed well and recorded a revenue of HK$777,388,000, representing a year-on-year increase of 15.3%, and accounting for 4.6% of the Group's revenue, which rose from 3.7% of last year. The production of Home Group's plant in Ukraine remained stable during the Review Period, but the management continues to monitor the situation in Ukraine following the outbreak of the war between Russia and Ukraine.

FINANCIAL REVIEW

Revenue, Other Income and Gross Profit Margin

	R [illegible] (HK$'000)			A [illegible] (%)		G [illegible] (%)	
	FY2025	FY2024	C a [illegible] (%)	FY2025	FY2024	FY2025	FY2024
Sofas and ancillary products	[redacted]	12,658,825	(7.2)%	[redacted]	67.3%	[redacted]	39.6%
Bedding and ancillary products	[redacted]	2,987,854	(19.4)%	[redacted]	15.9%	[redacted]	43.8%
Other products	[redacted]	1,819,602	(8.4)%	[redacted]	9.7%	[redacted]	26.3%
Home Group business	[redacted]	674,136	15.3%	[redacted]	3.6%	[redacted]	29.2%
Other business	[redacted]	270,780	14.0%	[redacted]	1.4%	[redacted]	93.7%
Revenue	[redacted]	18,411,197	(8.2)%	[redacted]	97.9%	[redacted]	39.4%
Other income	[redacted]	387,436	(10.5)%	[redacted]	2.1%	[redacted]	–
Revenue and other income	[redacted]	18,798,633	(8.2)%	[redacted]	100.0%	[redacted]	

During FY2025, revenue and other income decreased by approximately 8.2% to approximately HK$17,249,385,000 (Last Corresponding Period: approximately HK$18,798,633,000). The overall gross profit margin during the Review Period was approximately 40.5% (Last Corresponding Period: approximately 39.4%).

1 S a a A a P

During the Review Period, revenue from sofas and ancillary products was approximately HK$11,742,512,000, representing a decrease of approximately 7.2% as compared to approximately HK$12,658,825,000 in the Last Corresponding Period. During the Review Period, excluding Home Group business, the Group sold approximately 1,885,000 sets of sofa products (FY2024: approximately 1,902,000 sets), representing a decrease of approximately 0.9% (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$6,583,804,000, down by approximately 15.4% from approximately HK$7,781,477,000 in the Last Corresponding Period, among which sofas products sold decreased by approximately 10.6% from approximately 1,120,000 sets in the Last Corresponding Period to approximately 1,001,000 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$4,146,118,000, representing an increase of approximately 3.0% from approximately HK$4,025,465,000 in the Last Corresponding Period, which was attributable to the increase in sales orders from the customers. Among the revenue from North America during the Review Period, revenue from the United States and Canada was approximately HK$3,642,606,000 and HK$479,451,000, 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$1,012,590,000, representing an increase of approximately 18.9% from approximately HK$851,883,000 in the Last Corresponding Period, which was attributable to the increase in sales orders from certain major customers in Europe during the Review Period.

2 B a A a P

During the Review Period, revenue from bedding and ancillary products was approximately HK$2,408,061,000, representing a decrease of approximately 19.4% as compared to approximately HK$2,987,854,000 in the Last Corresponding Period, which was mainly attributable to the weak market demand in the furniture industry in the PRC.

3 Sa O P

During the Review Period, the Group's revenue from other products was approximately HK$1,665,873,000, representing a decrease of approximately 8.4% from approximately HK$1,819,602,000 in the Last Corresponding Period, which was mainly attributable to a decrease in sales of metal mechanism and smart furniture spare parts as a result of the weak market demand in the furniture industry in the PRC.

4 H G B

During the Review Period, revenue from Home Group reached approximately HK$777,388,000, representing an increase of approximately 15.3% compared with approximately HK$674,136,000 in the Last Corresponding Period, which was mainly attributable to the increased demand in the European market.

5 O B

During the Review Period, revenue from the real estate, hotel, and lease of furniture mall and other properties of the Group reached approximately HK$308,800,000, representing an increase of approximately 14.0% compared with approximately HK$270,780,000 in the Last Corresponding Period, which was mainly attributable to the increase in lease income.

6 O I

During the Review Period, other income of the Group was approximately HK$346,751,000, representing a decrease of approximately 10.5% as compared with approximately HK$387,436,000 in the Last Corresponding Period, which was mainly attributable to the decrease in interest income of approximately HK$21,320,000.

Cost of Goods Sold

B a C G S

	FY2025 **HK$'000**	FY2024 HK$'000	**C a** %
Cost of raw materials	[redacted]	8,487,117	(11.2)%
Labour costs	[redacted]	2,055,123	(5.2)%
Manufacturing overhead	[redacted]	620,930	(6.9)%
Total	[redacted]	11,163,170	(9.9)%

Cost of raw materials is the component of cost of goods sold and the reason the year-on-year decrease percentage was larger than that of revenue was mainly attributable to the decrease in average unit cost as compared to the Last Corresponding Period, which is presented as follows:

[illegible]	[illegible] %
Leather	(6.7)%
Steel products	(3.0)%
Wood	5.2%
Fabric	(1.8)%
Chemicals	(9.8)%
Packaging paper	(9.9)%

Other Gains and Losses

During FY2025, other gains and losses of the Group amounted to net losses of approximately HK$541,062,000 (Last Corresponding Period: losses of approximately HK$304,195,000). The aforesaid losses in the Review Period were mainly attributable to the losses from changes in fair value of financial assets at FVPL of approximately HK$147,515,000, the impairment of goodwill of HK$104,310,000, the impairment of property, plant and equipment of HK$96,419,000 and the fair value losses on investment properties of HK$71,244,000.

Selling and Distribution Expenses

Selling and distribution expenses decreased by approximately 7.2% from approximately HK$3,314,346,000 in FY2024 to approximately HK$3,075,090,000 in FY2025. Selling and distribution expenses as a percentage of revenue increased from approximately 18.0% in FY2024 to approximately 18.2% in FY2025, including:

(a) Advertising, promotion, and brand building expenses decreased by approximately 30.3% from approximately HK$579,579,000 to approximately HK$404,056,000, and their percentage in revenue decreased from approximately 3.1% to approximately 2.4% mainly due to the decline in consumption in the PRC market, as a result of which the Group has reduced the product promotion expenses for the PRC market accordingly;

(b) Overseas transportation and port expenses increased by approximately 31.0% from approximately HK$588,713,000 to approximately HK$771,027,000, as a percentage of revenue it increased from approximately 3.2% last year to approximately 4.6% in FY2025, which was mainly attributable to the increase in the relevant expenses as a result of the increasing sea freight. Domestic transportation expenses decreased by approximately 7.9% from approximately HK$476,158,000 to approximately HK$438,711,000, representing approximately 2.6% of revenue, which was the same as FY2024;

(c) Customs duties imposed on goods exported to the United States decreased by approximately 88.9% from approximately HK$71,935,000 to approximately HK$7,989,000. The duties as a percentage of revenue decreased from approximately 0.4% in FY2024 to approximately 0.1% in FY2025, which was mainly attributable to the significant decrease in orders for exports from China to the U.S. and the fact that currently exports to the U.S. market mainly came from the factory in Vietnam;

(d) Salaries, welfare, and commissions of sales staff decreased by approximately 5.7% from approximately HK$806,217,000 to approximately HK$760,402,000, and their percentage in revenue increased from approximately

Liquidity and Capital Resources

As at 31 March 2025, the Group's short-term borrowings amounted to approximately HK$4,213,483,000 and long-term borrowings amounted to approximately HK$1,066,000. The Group's major bank borrowings are denominated in HK$, RMB and US$ and carry interest at fixed and variable rates. The fixed rates ranged from 0.64% to 3.50% (FY2024: 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 4.01% to 4.98% (FY2024: 5.60% to 5.94%), 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 4.01% to 7.58% (FY2024: 5.60% to 7.58%). The weighted average effective interest rates of the above variable-rate and fixed-rate bank borrowings was 4.01% and 1.60% (FY2024: 5.78% and 2.56%), per annum.

The Group's primary source of working capital is cash flow from operating activities and bank deposits. As at 31 March 2025, the Group's current ratio was approximately 1.4 (31 March 2024: approximately 1.3). As at 31 March 2025 the Group's gearing ratio was approximately 33.2% (31 March 2024: approximately 34.0%), 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 FY2025, the Group reversed an impairment allowance for inventories of approximately HK$13,958,000 (FY2024: reversed an impairment of approximately HK$5,577,000).

Impairment Loss on Trade Receivables and Bills Receivable

For FY2025, the Group provided impairment loss on trade receivables and bills receivable of approximately HK$50,829,000 (FY2024: approximately HK$38,752,000).

Pledge of Assets

As at 31 March 2025, except for restricted bank balances of approximately HK$182,000 (31 March 2024: HK$3,786,000), the Group did not have any pledged assets.

Capital Commitments and Contingent Liabilities

Save as disclosed in note 31 to the consolidated financial statements, the Group did not have any material capital commitments as at 31 March 2025.

As at 31 March 2025, 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

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 2025, the Group had 26,134 employees (31 March 2024: 29,837 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 FY2025, the total staff costs for the Group amounted to approximately HK$3,055,078,000 (FY2024: approximately HK$3,193,022,000), of which approximately HK$20,956,000 (FY2024: approximately HK$17,406,000) 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

In the PRC market, the speed of recovery of consumer confidence, the movement trend of the real estate market and the challenges faced by enterprises in the export trade will affect the national economic development, which in turn will have an impact on the domestic sales business of the Group. Nonetheless, the work report of the PRC government this year has designated the expansion of domestic demand as the top priority of its tasks and missions, and the National Financial Regulatory Administration (7•–D9M)ˁ has also requested financial institutions to develop consumer finance to help boost consumption. The Group believes that the domestic sales market among the furniture industry is still full of opportunities, in particular, as it has transitioned from a newly-added property-driven market to one oriented with the replacement of the existing inventories, furniture brands with a leading position in the market will have more notable advantages.

The Group will continue to tap the potential of the domestic market, focus on core cities and key regions, and enhance brand awareness and product sales through refined market operations and precision sales strategies. The Group will strengthen the cooperation with government departments and trade associations in the industry by actively participating in the trade-in program and other campaigns to promote consumption organized by the PRC government, so as to capture the policy dividends and further stimulate the consumer demand. In terms of channel establishment, the Group will continue to optimize its offline store layout and enhance operational efficiency, while increasing investment in online channels and their establishment to promote the integrated development of online and offline channels and provide consumers with a more convenient and efficient shopping experience. In respect of products, the Group will increase its investment in R&D to launch more smart, green and environmentally-friendly furniture products to satisfy consumers' pursuit of a high quality of life.

In terms of overseas markets, despite the volatile global trade under the tariff policy of the United States, the Group's forward-looking deployment of factories in China, Vietnam, Mexico, Ukraine, Poland and Lithuania, coupled with its self-established and professional logistics team, has given it a prominent edge in the face of trade barriers. The Group will continue to consolidate its market position in North America and Europe and further increase its market share by expanding new sales channels and customer resources. Meanwhile, the Group will focus on monitoring the opportunities in developing the emerging markets to nurture new business growth points.

Despite the multiple challenges, the Group is confident that it will maintain its industry-leading profitability in the future by leveraging its global leadership in the recliner segment, strong brand equity, all-round product lines and efficient operation and management system. The Company will continue to adhere to the philosophy of quality first, continuously enhance the quality of its products and services, proactively respond to market changes and seize market opportunities to create greater value for shareholders.

CORPORATE GOVERNANCE PRACTICES

Man Wah Holdings Limited (the "Company") has a policy of seeking to comply with established best practices in corporate governance. The board (the "Board") of directors (the "Directors") of the Company believes that good corporate governance is crucial to improving the efficiency and performance of the Company and its subsidiaries (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 year ended 31 March 2025.

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 applicable 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") in force during the year (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 the Code Provision C.2.1, the roles of chairman and chief executive officer 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.

SHAREHOLDERS’ MEETINGS

The annual general meeting and other general meetings of the Company are the primary forum for communication by the Company with the Shareholders and for Shareholders’ participation. All Shareholders are encouraged to attend the general meetings or to appoint proxies to attend and vote at meetings on their behalf if they are unable to attend the meetings.

During the Review Period, apart from the annual general meeting, held on 24 June 2024, the Company has not held any other general meeting.

Attendance records

During the Review Period, the annual general meeting was held and the attendance records are as follows:

[illegible]	[illegible]
Executive Directors	
Mr. Wong Man Li	0/1
Ms. Hui Wai Hing	1/1
Mr. Alan Marnie	1/1
Mr. Dai Quanfa	0/1
Ms. Wong Ying Ying	1/1
Mr. Chau Shing Yim, David	0/1
Mr. Kan Chung Nin, Tony	1/1
Mr. Ding Yuan	0/1
Mr. Yang Siu Shun	1/1

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

The Company has provided funds to encourage the Directors to participate in professional development courses and seminars to develop and refresh their knowledge and skills. During the Review Period, regulatory updates and relevant materials on amendment of Listing Rules were sent to the Directors for their awareness of the latest development on statutory requirements.

The training each Director received during the Review Period is summarized as below:

[illegible]	[illegible]
Executive Directors	
Mr. Wong Man Li *(Chairman and the CEO)*	✔
Ms. Hui Wai Hing	✔
Mr. Alan Marnie	✔
Mr. Dai Quanfa	✔
Ms. Wong Ying Ying	✔
Independent non-executive Directors	
Mr. Chau Shing Yim, David	✔
Mr. Kan Chung Nin, Tony	✔
Mr. Ding Yuan	✔
Mr. Yang Siu Shun	✔

BOARD OF DIRECTORS

As at 31 March 2025, the Board comprised five executive Directors and four independent non-executive Directors (the "INEDs"). The list of Directors is set out in the section headed "Directors' Report" of this annual report.

The Board has a balance of skills and experience appropriate for the requirements of the business of the Company. The Directors' biographical information is set out in the section headed "Directors' Biographies" of this annual report.

Save for the Directors' business relationships as a result of their respective directorships in the Company and the executive Directors employment with the Group, the spousal relationship between the executive Directors Mr. Wong Man Li and

The Board met regularly during the Review Period on an ad-hoc basis as required by business needs. The Board's primary purpose is to set and review the overall strategic development of the Group and to oversee the achievement of the plans to enhance Shareholders' value. Daily operational decisions are delegated to the executive Directors.

Role and function

The Board is responsible for overall strategic formulation and performance monitoring of the Group. It delegates day-to-day operations of the Company to the executive committee of the Board (the "Executive Committee") and senior management within the control and authority framework set by the Board. In addition, the Board has also delegated various responsibilities to each of the Company's audit committee (the "Audit Committee"), remuneration committee (the "Remuneration Committee") and nomination committee (the "Nomination Committee"). Further details of these committees are set out in the sections headed "Audit Committee", "Remuneration Committee" and "Nomination Committee" below.

Board meetings

The Board has four scheduled meetings a year. Additional meetings would be arranged if and when required. The Directors can attend meetings in person or through other means of electronic communication in accordance with the bye-laws of the Company (the "Bye-laws").

The company secretary of the Company (the "Company Secretary") assists the Chairman in drawing the agenda of each meeting and each Director may request inclusion of matters in the agenda. Generally, at least 14 days' notice of a regular Board meeting is given and the Company aims at giving reasonable notice for all other Board meetings. The Company also aims at sending the agenda and the accompanying board papers, which are prepared in such form and quality as will enable the Board to make an informed decision on matters placed before it, to all Directors at a reasonable time before the intended date of a Board meeting.

All Directors have access to the Company Secretary who is responsible for ensuring that Board procedures are complied with and all applicable rules and regulations are followed.

The Company Secretary is responsible for taking minutes of Board and Board committee meetings, drafts and final versions of which would be sent to Directors for comments and records respectively, in both cases within a reasonable time after each meeting. Minutes are recorded in sufficient detail the matters considered by the Board and decisions reached, including any concerns raised by Directors or dissenting views (if any) expressed. Minutes of the Board and Board committees' meetings are kept by the Company Secretary and are open for inspection by any Director or committee member.

If a substantial shareholder of the Company or a Director has a conflict of interest in a matter (including material transaction with connected persons) which the Board has determined to be material, a Board meeting will be held instead of by way of resolution.

Attendance records

During the Review Period, a total of four Board meetings were held and the attendance records are as follows:

[illegible]	[illegible]
Executive Directors	
Mr. Wong Man Li *(Chairman and the CEO)*	4/4
Ms. Hui Wai Hing	3/4
Mr. Alan Marnie	4/4
Mr. Dai Quanfa	4/4
Ms. Wong Ying Ying	4/4
Independent Non-executive Directors	
Mr. Chau Shing Yim, David	4/4
Mr. Kan Chung Nin, Tony	4/4
Mr. Ding Yuan	4/4
Mr. Yang Siu Shun	4/4

Access to information

The Directors may seek independent professional advice in appropriate circumstances, at the Company's expenses. The Company will, upon request, provide separate independent professional advice to Directors to assist the relevant Directors to discharge their duties to the Company.

The Board is supplied with relevant information by the senior management pertaining to matters to be brought before the Board for decision as well as reports relating to operational and financial performance of the Group before each Board meeting. Where any Director requires more information than is volunteered by the management, each Director has the right to separately and independently access to the Company's senior management to make further enquiries if necessary.

The Board reviewed the abovementioned mechanism in ensuring the Directors' right to access to information and its effectiveness. Coupled with the Company's commitment to ensuring the appointment of sufficient number of independent non-executive Directors in compliance with the Listing Rules, the Company is of the view that the Board has access to independent views and opinions. The Board will continue to review the implementation and effectiveness of the abovementioned mechanism on an annual basis.

Appointments and re-election of Directors

Directors were nominated by members of the Board during the year to fill casual vacancies or as an addition to existing

- to review the cooperation given by the Group's officers to the external auditors;
- to review the Group's financial statements before their submission to the Board;
- to review, approve and monitor internal control procedures and risk management systems;
- to review the effectiveness of our internal audit function;
- to review and approve the terms and conditions for all interested person transactions;
- to nominate external auditors for appointment;
- to review and ratify interested person transactions to ensure that they comply with the approved internal control procedures and have been conducted on an arm's length basis; and
- to review the Group's financial and accounting policies and practices.

The Audit Committee has explicit authority to investigate any activity within its terms of reference and the authority to obtain outside legal or other independent professional advice if it considers necessary. It is given access to and assistance from the employees and reasonable resources to discharge its duties properly.

During the Review Period, the Board had no disagreement with the Audit Committee's view on the re-appointment of the external auditor. The financial statements for the Review Period have been reviewed by the Audit Committee.

During the Review Period, two meetings of the Audit Committee were held and the Audit Committee's primary work done during the Review Period included, overseeing the relationship with the Company's external auditor, reviewing financial information of the Group, and overseeing of the Group's financial reporting system, internal control procedures and risk management system, and the effectiveness of the Group's internal audit function. The Company has adopted a term of reference of the Audit Committee, which complies with the provisions of the CG Code. The terms of reference of the Audit Committee are available on the Company's website. The members of the Audit Committee during the Review Period and their attendance were as follows:

[illegible]	[illegible]
Mr. Chau Shing Yim, David *(Chairman)*	2/2
Mr. Ding Yuan	2/2
Mr. Kan Chung Nin, Tony	2/2
Mr. Yang Siu Shun	2/2

N a C

The Nomination Committee has been established with specific written terms of reference which deal clearly with its authorities and duties. As at 31 March 2025, the Nomination Committee consisted of three INEDs, namely, Mr. Chau Shing

As of 31 March 2025, 36% of our colleagues are female. For details, please refer to the standalone Environmental, Social and Governance Report published by the Group. The Board considers that the gender ratio of the workforce of the Group, including the senior management, is appropriate for the operations of the Group and will strive to maintain this ratio.

The Nomination Committee has designed measurable goals according to four major aspects (namely, the age, professional qualification, term of service and independence) for purposes of implementing the Board Diversity Policy and considered that these goals have been achieved satisfactorily during the year. The relevant goals will be reviewed from time to time so as to ensure its appropriateness and its progress for achieving such goals. The Nomination Committee will review the Board Diversity Policy from time to time (if appropriate) to ensure that such Policy continues to be effective. At present, the Nomination Committee has not set any measurable objectives to implement its Board Diversity Policy. However, it will consider and review the Board Diversity Policy and setting of any measurable objectives from time to time.

Where vacancies exist at the Board, candidates are proposed and put forward to the Nomination Committee for consideration. The recommendations of the Nomination Committee will then be tendered to the Board for approval. In considering the nomination of a new Director, the Nomination Committee will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates. In determining the independence of Directors, the Board follows the requirements set out in the Listing Rules.

The Nomination Committee has explicit authority to seek any necessary information from the employees within its scope of duties and the authority to obtain outside independent professional advice if it considers necessary.

During the Review Period, one meeting of the Nomination Committee was held and the work done of Nomination Committee includes reviewing the structure of the Board and determining the policy for the nomination of Directors.

The members of the Nomination Committee during the Review Period and their attendance were as follows:

Nomination Committee	**Meetings attended/ Eligible to attend**
Mr. Wong Man Li *(Chairman)*	1/1
Mr. Chau Shing Yim, David	1/1
Mr. Kan Chung Nin, Tony	1/1
Mr. Ding Yuan	1/1

R a C

The Remuneration Committee has been established with specific written terms of reference which deal clearly with its authorities and duties. As at 31 March 2025, the Remuneration Committee consisted of three INEDs, namely, Mr. Ding Yuan, Mr. Chau Shing Yim, David and Mr. Kan Chung Nin, Tony, and one executive Director of the Company, namely, Mr. Wong Man Li. The principal duties of the Remuneration Committee include, among other things:

- to review the remuneration of the executive Directors and to provide a greater degree of objectivity and transparency in the setting of remuneration; and

- to assess performance of the executive Directors and determine specific remuneration packages for each executive Director and the Group's Managing Director.

The Remuneration Committee determines, with delegated responsibility, the remuneration packages of individual executive directors and senior management.

The Remuneration Committee may consult the Chairman about their proposals relating to the remuneration of other executive Directors. The Remuneration Committee takes into consideration industry practices and norms in compensation, in addition to the performance relative to the industry and the performance of the individual Directors. The Company reviews the remuneration package annually taking into consideration of the market practice, competitive market position and individual performance.

During the Review Period, one meeting of the Remuneration Committee was held. The work done by the Remuneration Committee during the Review Period included the following:

(i) to determine the policy for the remuneration of executive Directors;

(ii) to assess performance of executive Directors;

(iii) to approve the terms of an executive Director's service contract; and

(iv) to review and approve matters relating to share schemes under Chapter 17 of the Listing Rules.

In order to attract, retain, and motivate executives and key employees serving the Group, the Company has adopted a share award scheme in June 2024. The incentive scheme enables the eligible persons to obtain an ownership interest in the Company and thus to reward the participants who contribute to the success of the Group's operations.

During the Review Period, none of the share awards granted to the grantees are subject to any performance targets assessment by the Company. In view that (i) the grantees are employees of the Group or Directors of the Company who will contribute directly to the overall management, operations, development and long term growth of the Group; (ii) the grant is a recognition for the grantees' past contributions to the Group; and (iii) the share awards are time-vesting and subject to a clawback mechanism, the Remuneration Committee is of the view that the grant of the share awards without performance targets is market competitive and aligns with the purpose of the share award scheme.

Details of the remuneration of the Directors of the Company for the Review Period are set out in note 37 to the consolidated financial statements and details of the share schemes of the Company are set out in note 29 to the consolidated financial statements.

The members of the Remuneration Committee during the Review Period and their attendance were as follows:

Remuneration Committee	**Meetings attended/ Eligible to attend**
Mr. Ding Yuan *(Chairman)*	1/1
Mr. Wong Man Li	1/1
Mr. Chau Shing Yim, David	1/1
Mr. Kan Chung Nin, Tony	1/1

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company recognizes the importance of open communication and fair disclosure. It is the Company's policy to ensure that all shareholders are equally informed of all major corporate developments. Set out below is a summary of the Company's shareholders' communication policy.

All shareholders have proper notice of any general meeting of the Company at which the Directors and the committees' members are available to give explanation on any query raised by the shareholders. Major information of the Company could be obtained from the Company's website or financial reports and circulars sent to the shareholders. Any enquiries by the shareholders reite or 8
Company whose contact details are set out in the paragraph headed "Shareholders' rights – (c) Right to put enquiries to the srard" below.

Resolutions put to the vote at the general meetings of the Company shall be decided on a poll, save that the chairman of the meeting may in good faith allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Procedures for conducting a poll will be explained to the shareholders at each general meeting and questions from shareholders regarding the voting procedures will be answered. The poll results will be posted on the websites of the Stock Exchange and the Company respectively in the manner prescribed under the Listing Rules.

As part of a regular program of investor relations, senior executives may hold briefings or road shows after the results announcement and attend conferences with institutional investors and analysts to engage in two-way communications on Company's performance, objectives and developments. Company visits can be arranged upon specific reitest.

Shareholders' rights

(a) R a a

Bye-laws

(i) Bye-law 62 provides that the board of Directors may, whenever it thinks fit, convene a special general meeting ("SGM"), and SGMs shall also be convened on requisition, as provided by the Companies Act (as defined therein), and, in default, may be convened by the requisitionists.

Companies Act

(i) Pursuant to section 74 of the Companies Act, a Shareholder or Shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company may requisition the directors of the Company (the "Directors" and each a "Director") to forthwith proceed duly to convene an SGM by depositing a written requisition at the registered office of the Company.

(ii) The written requisition must state the purposes of the meeting (including the resolutions to be considered at the meeting), signed by the requisitionists, deposited at the registered office of the Company at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and mi465 7tcltsosifrvrr0.5 (d)0.6 (m)0.5 (d)0.6 (l)0.6 (c)0.5 (r)0.6 (m

(ii)

(b) to circulate to the Shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

(ii) The number of Shareholders necessary to make the above-mentioned requisitions to the Company shall be:

(a) either any number of Shareholders representing not less than one-twentieth of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or

(b) not less than 100 Shareholders.

(iii) Notice of any such intended resolution shall be given, and any such statement shall be circulated, to Shareholders entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such Shareholder in any manner permitted for service of notice of the meeting, and notice of any such resolution shall be given to any other Shareholder by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meeting of the Company, provided that the copy shall be served, or notice of the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

(iv) Section 80 of the Companies Act sets out the conditions to be met before the Company is bound to give any notice of resolution or to circulate any statement. Pursuant to section 80 of the Companies Act, the Company shall not be bound to give notice of any resolution or to circulate any statement as mentioned in paragraph (b)(i) above unless:

(aa) a copy of the requisition signed by the requisitionists, or two or more copies which between them contain the signatures of all the requisitionists, is deposited at the registered office of the Company:

(i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the

The Company improves its business and operational activities by identifying the areas of significant business risks via a regular review and taking appropriate measures to control and mitigate these risks. The management of the Company reviews all significant control policies and procedures and highlights all significant matters in relation to internal control and risk management systems to the Board and Audit Committee annually. If the management of the Company identifies any material internal control defects to the Board and/or the Audit Committee, the Company will formulate measures to rectify such defects in a timely manner.

The Board has an overall responsibility for the risk management and internal control systems of the Group and reviewing their effectiveness. The Executive Committee helps the Board to discharge its responsibilities of ensuring and maintaining sound internal control functions by reviewing and monitoring the internal control systems and processes annually so as to ensure that they can provide reasonable assurance against material errors of the Group. The Company has an internal audit function.

The Company has adopted certain procedures on monitoring, reporting and disclosure of inside information (as defined in the Listing Rules). This ensures timely reporting and disclosure as well as fulfilment of the Group's continuing disclosure obligations.

The Board has reviewed the effectiveness of the risk management and internal control systems and considers the risk management and internal control systems effective and adequate.

COMPANY SECRETARY

Mr. Zhang Xian is the Company Secretary of the Company. Mr. Zhang Xian reported to the Chairman of the Company and is responsible for advising the Board on corporate governance matters. Mr. Zhang Xian has confirmed that he has taken no less than 15 hours of relevant professional training during the Review Period.

AUDITOR'S REMUNERATION

The Audit Committee is responsible for considering the appointment of the external auditor.

During the Review Period, the remuneration paid or payable to the Company's auditor, Messrs. PricewaterhouseCoopers ("PwC"), is set out as follows:

S[illegible]	Pa[illegible] HK$'000
Statutory audit services	1,950
Review of interim financial information	500
Non-audit services	268
	2,718

Non-audit services mainly include tax consultancy services.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing financial statements of the Group which give a true and fair view of the state of affairs of the Group on a going concern basis and in presenting the financial statements, announcements and other financial disclosures required under the Listing Rules, the Directors aim to present a balanced, clear and understandable assessment of the Group's position and prospects.

For the statements of the auditor about its responsibility for reporting the financial statements, please refer to the section headed "Independent Auditor's Report – Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" on page 55 in this annual report.

Directors' Report

The directors (the "Directors") of Man Wah Holdings Limited (the "Company") present this annual report and the audited consolidated financial statements of the Company for the Review Period.

BUSINESS REVIEW

A fair review of the Group's business, an indication of likely future development in the Group's business, an analysis using financial key indicators as required by Schedule 5 to the Hong Kong Companies Ordinance (Cap. 622) can be found in the "Chairman's Statement" and "Management Discussion and Analysis" section, which form part of this Directors' Report of this annual report.

Detailed discussions on the Group's environmental policies and performance, relationships with its key stakeholders, and compliance with relevant laws and regulations which have a significant impact on the Group are set out in the standalone Environmental, Social and Governance Report published by the Group.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

The following are some of the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Competition

The products of the Group are sold in over 60 countries. The Group needs to compete with global sofa manufacturers as well as a lot of local players. Advantages in cost control, design, quality and service are the core advantages of the Group, and if they cannot be maintained, the Group's market share in major markets may decrease.

Macroeconomic environment

Currently, the Group's products are mainly sold in North America, China, Europe and other markets. Any negative macroeconomic change in its major markets may affect its sales growth or margins adversely. The Group needs to keep increasing its key competences to reduce possible impacts from macroeconomy.

Besides, overseas transportation cost is one of the most important expense elements of the Group. Changes in the global economy may significantly affect shipping rate, which consequently may affect the Group's profitability or revenue growth.

Supply chain

For sofa production, the Group needs to source leather, wood, chemical materials from global the market. It needs to plan carefully in advance with its major suppliers on quantity, delivery time, material specifications etc. in order to match the delivery of materials with its production plan and avoid waiting time for its factories or customers. At the same time, the Group needs to keep its inventory level as low as possible to control cost. Any disruption in the supply chain may cause an increase in production cost or delay in delivery to its customers. In order to lower supply chain risks, the Group has set up a comprehensive planning system for material procurement. In addition, for each major material, the Group has at least two qualified suppliers and keeps reviewing the competency of suppliers on a timely basis.

CORPORATE REORGANISATION

The Company was incorporated with limited liability in Bermuda.

The shares ("Shares") of the Company were listed on the main board of the Stock Exchange with effect from 9 April 2010.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 35 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Company and together with its subsidiaries (referred to as the "Group") for the Review Period are set out in the consolidated statement of comprehensive income on pages 58 to 59 of this annual report.

An interim dividend of HK15.0 cents per Share amounting to approximately HK$581,669,000 was paid to the shareholders of the Company ("Shareholders") during the Review Period. The Directors recommend the payment of a final dividend of HK12 cents per Share to the Shareholders on the register of members on 10 July 2025, amounting to approximately HK$465,370,000.

PROPERTY, PLANT AND EQUIPMENT

During the Review Period, the Group revalued all of its investment properties as at 31 March 2025. The net decrease in fair value of investment properties, which has been recognised directly in the consolidated statement of comprehensive income, amounted to approximately HK$71,244,000.

Details of movements during the Review Period in the property, plant and equipment of the Group are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the Review Period in the share capital of the Company are set out in note 28 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to Shareholders as at the end of the Review Period were as follows:

	2025	2024
	HK$'000	HK$'000
Contributed surplus	[redacted]	1,785,002
Retained earnings		849,301
		2,634,303

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

DIRECTORS

The Directors of the Company during the Review Period and up to the date of this annual report were:

Executive Directors:
Mr. Wong Man Li *(Chairman and the Chief Executive Officer)*
Ms. Hui Wai Hing
Mr. Alan Marnie
Mr. Dai Quanfa
Ms. Wong Ying Ying

Independent Non-executive Directors:
Mr. Chau Shing Yim, David
Mr. Kan Chung Nin, Tony
Mr. Ding Yuan
Mr. Yang Siu Shun

In accordance with clause 99 of the Bye-laws, Mr. Alan Marnie, Mr. Kan Chung Nin, Tony and Mr. Yang Siu Shun will retire by rotation. Mr. Alan Marnie and Mr. Yang Siu Shun, both being eligible, will offer themselves for re-election at the forthcoming annual general meeting to be held on Monday, 30 June 2025.

DIRECTORS' SERVICE CONTRACTS

No Directors being proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).i.fSTS.6 ORSCURITIEONTRACTS

3. These 2,467,200 Shares represented the 2,396,800 Shares held by Ms. Hui and the 70,400 underlying Shares upon the exercise of share options granted to Ms. Hui under the Share Option Schemes, respectively. Upon exercise of the share options, Ms. Hui would directly own an aggregate of 2,467,200 Shares. Ms. Hui was also deemed, under Part XV of the SFO, to be interested in the 2,426,774,400 Shares in which Mr. Wong Man Li, the spouse of Ms. Hui, was interested.

4.

SUBSTANTIAL SHAREHOLDERS

SFO shows th025othi9 than0Srests disclosed above in0rispect 0 0certain DirectorsERSi followingTShareholders had

Share Options

Details of movements in the share options under the 2010 Share Option Scheme and the Share Option Scheme (collectively, the "Share Option Schemes") during the Review Period were as follows:

Grantee	Date of grant[2]	Vesting period	Exercise period	Exercise price per share	Fair value per share at grant date	Number of Share Options[1] Outstanding as at 1.4.2024	Granted during the Review Period	Cancelled during the Review Period	Lapsed during the Review Period	Exercised during the Review Period	Outstanding as at 31.3.2025
Mr. Wong Man Li (Director)	17.1.2020	17.1.2020–16.1.2023	17.1.2023–16.1.2025	6.53	2.25	23,600	–	–	(23,600)	–	–
		17.1.2020–16.1.2024	17.1.2024–16.1.2026	6.53	2.50	22,800	–	–	–	–	22,800
	3.2.2021	3.2.2021–2.2.2023	3.2.2023–2.2.2025	19.78	4.96	10,400	–	–	(10,400)	–	–
		3.2.2021–2.2.2024	3.2.2024–2.2.2026	19.78	4.99	10,400	–	–	–	–	10,400
		3.2.2021–2.2.2025	3.2.2025–2.2.2027	19.78	5.06	10,400	–	–	–	–	10,400
	16.2.2022	16.2.2022–15.2.2024	16.2.2024–15.2.2026	11.1	3.90	12,800	–	–	–	–	12,800
		16.2.2022–15.2.2025	16.2.2025–15.2.2027	11.1	4.18	12,800	–	–	–	–	12,800
		16.2.2022–15.2.2026	16.2.2026–15.2.2028	11.1	4.34	12,400	–	–	–	–	12,400
Ms. Hui Wai Hing (Director)	17.1.2020	17.1.2020–16.1.2023	17.1.2023–16.1.2025	6.53	2.25	18,400	–	–	(18,400)	–	–
		17.1.2020–16.1.2024	17.1.2024–16.1.2026	6.53	2.50	17,600	–	–	–	–	17,600
	3.2.2021	3.2.2021–2.2.2023	3.2.2023–2.2.2025	19.78	4.96	12,000	–	–	(12,000)	–	–
		3.2.2021–2.2.2024	3.2.2024–2.2.2026	19.78	4.99	12,000	–	–	–	–	12,000
		3.2.2021–2.2.2025	3.2.2025–2.2.2027	19.78	5.06	12,000	–	–	–	–	12,000
	16.2.2022	16.2.2022–15.2.2024	16.2.2024–15.2.2026	11.1	3.90	9,600	–	–	–	–	9,600
		16.2.2022–15.2.2025	16.2.2025–15.2.2027	11.1	4.18	9,600	–	–	–	–	9,600
		16.2.2022–15.2.2026	16.2.2026–15.2.2028	11.1	4.34	9,600	–	–	–	–	9,600

[illegible]	[illegible][2]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible][1]					
						[illegible] 1.4.2024	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] 31.3.2025
Mr. Dai Quanfa (Director)	17.1.2020	17.1.2020–16.1.2024	17.1.2024–16.1.2026	6.53	2.50	39,200	–	–	–	–	39,200
	3.2.2021	3.2.2021–2.2.2023	3.2.2023–2.2.2025	19.78	4.96	17,200	–	–	(17,200)	–	–
		3.2.2021–2.2.2024	3.2.2024–2.2.2026	19.78	4.99	17,200	–	–	–	–	17,200
		3.2.2021–2.2.2025	3.2.2025–2.2.2027	19.78	5.06	16,400	–	–	–	–	16,400
	16.2.2022	16.2.2022–15.2.2024	16.2.2024–15.2.2026	11.1	3.90	22,800	–	–	–	–	22,800

2–15.2.2024 —d (11/378 218 51861 508.0181 Tm (3.90)Tj( )75 0 0 8.5 34185384 507.9331 Tm (22,800)3( )3834 0 Td (–)Tj 7.276 0 Td (–)Tj 7.276 0 Td (–)Tj 7.276 0 Td [–)-4218 (22,800)]TJ -74.686 -1.647 Td
11/378 218 5.13-4218 (22,800)]TJ75 3.686 -1.667 Td [2sed 8 Td (–)Tj 7.276 0 Td (–)Tj 7.276 0 Td [–)-4218 (22,800)]TJ -74.686 -1.667 Td [2–15.2.2024)-3337 241 56.64 -7431 56.682.2027)]41 56.68 -7431 56.30–d (11/378

Grantee	Date of grant[2]	Vesting period	Exercise period	Exercise price per share	Fair value per share at grant date	Outstanding at 1.4.2024	Granted during the Review Period	Cancelled during the Review Period	Lapsed during the Review Period	Exercised during the Review Period	Outstanding at 31.3.2025
						Number of Share Options[1]					
Other employees (not Directors)	28.1.2019	28.1.2019–27.1.2023	28.1.2023–27.1.2025	3.91	0.82	635,200	–	–	(132,000)	(503,200)	–
	17.1.2020	17.1.2020–16.1.2023	17.1.2023–16.1.2025	6.53	2.25	933,200	–	–	(922,000)	(11,200)	–
		17.1.2020–16.1.2024	17.1.2024–16.1.2026	6.53	2.50	1,190,000	–	–	(62,000)	(8,800)	1,119,200
	3.2.2021	3.2.2021–2.2.2023	3.2.2023–2.2.2025	19.78	4.96	1,190,800	–	–	(1,190,800)	–	–
		3.2.2021–2.2.2024	3.2.2024–2.2.2026	19.78	4.99	1,149,200	–	–	(50,000)	–	1,099,200
		3.2.2021–2.2.2025	3.2.2025–2.2.2027	19.78	5.06	947,600	–	–	(36,400)	–	911,200
	16.2.2022	16.2.2022–15.2.2024	16.2.2024–15.2.2026	11.1	3.90	1,951,600	–	–	(118,800)	–	1,832,800
		16.2.2022–15.2.2025	16.2.2025–15.2.2027	11.1	4.18	1,908,800	–	–	(113,200)	–	1,795,600
		16.2.2022–15.2.2026	16.2.2026–15.2.2028	11.1	4.34	1,560,400	–	–	(80,000)	–	1,480,400
	4.3.2024	4.3.2024–3.3.2026	4.3.2026–3.3.2028	5.13	1.92	1,834,000	–	–	(202,800)	–	1,631,200
		4.3.2024–3.3.2027	4.3.2027–3.3.2029	5.13	2.03	1,826,800	–	–	(202,000)	–	1,624,800
		4.3.2024–3.3.2028	4.3.2028–3.3.2030	5.13	2.07	1,740,000	–	–	(189,600)	–	1,550,400
						17,574,000	–	–	(3,396,000)	(545,600)	13,632,400
Exercisable options	before 31 March 2025										7,049,600

Notes:

1. Number of Shares in the Company over which options granted under the 2010 Share Option Scheme and the Share Option Scheme are exercisable.

2. The closing price of the Shares immediately before the dates on which the relevant share options were granted on (i) 12 February 2018, i.e. on 9 February 2018 was HK$6.88, (ii) 28 January 2019, i.e. on 25 January 2019 was HK$3.79, (iii) 17 January 2020, i.e. on 16 January 2020 was HK$6.48, (iv) 3 February 2021, i.e. on 2 February 2021 was HK$19.50, (v) 16 February 2022, i.e. on 15 February 2022 was HK$10.80, and (vi) 4 March 2024, i.e. on 1 March 2024 was HK$5.14.

3. Share options under each grant are subject to the restrictions that up to 50% and 100% of the total options granted will be exercisable during the period of 18th and 60th months respectively from the date of acceptance of the grant of options by the relevant grantees.

4. The weighted average closing price immediately before the dates on which the options were exercised was HK$4.99. The gross proceeds received from issuance of shares upon the exercise of share options during the Review Period was approximately HK$2,185,000.

5. No share options were granted under the Share Option Scheme in excess of the 1% individual limit.

SHARE AWARD SCHEME

The Company adopted a share award scheme (the "Share Award Scheme") on 24 June 2024 (the "Adoption Date"). The purpose of the Share Award Scheme is to provide the Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to eligible participants through aligning the interests of eligible participants with those of the Company and Shareholders by providing them with an opportunity to acquire proprietary interests in the Company and become Shareholders, and thereby encouraging eligible participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole. Please refer to the Company's circular dated 31 May 2024 for further information on the Share Award Scheme.

Awards granted under the Share Award Scheme shall be funded by new shares to be issued. Subject to any early termination as may be determined by the Board pursuant to the terms thereof, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date and ending on the 10th anniversary of the Adoption Date. The remaining life of the Share Award Scheme is approximately 9 years as at the date of this report.

The eligible participants under the Share Award Scheme comprise employee participants only. An employee participant is a person who is an employee (whether full-time or part-time), director or officer of any member of the Group on the grant date, including persons who are granted awards under the Share Award Scheme as an inducement to enter into employment contracts with any member of the Group, provided that a person shall not cease to be an employee in the case of (a) any leave of absence approved by the relevant member of the Group; or (b) any transfer of employment amongst members of the Group or any successor, and provided further that a person shall, for the avoidance of doubt, cease to be an employee with effect from (and including) the date of termination of his/her employment.

The vesting period may not be for a period less than 12 months from the grant date, except in limited circumstances set out in the rules of the Share Award Scheme that are consistent with the scenarios contemplated in FAQ 092-2022 issued by the Stock Exchange.

The scheme administrator may determine in its absolute discretion the amount (if any) payable on application or acceptance of an award and the period within which any such payments must be made, and such amounts (if any) and periods shall be set out in the award letter. Unless otherwise specified in the award letter, the grantee shall have 10 business days from the grant date to accept the award, following which, the portion not accepted by the grantee shall automatically lapse.

The scheme administrator may determine in its absolute discretion the issue price for the awards and such prices shall be set out in the award letter. For the avoidance of doubt, the scheme administrator may determine the issue price to be at nil consideration. The above flexibility allows the Company to control the costs incurred by the Company from the grant of awards by allowing the Company the discretion to determine the issue price, if any, on an individual basis taking into account the nature and degree of value benefiting the Group from granting awards to such grantee, which is aligned with the purpose of the Share Award Scheme.

The total number of shares that may be issued pursuant to all awards to be granted under the Share Award Scheme and all options and awards to be granted under any other share schemes of the Company (the "Scheme Mandate Limit") is:

(a) initially set at 10% of the shares in issue as at the Adoption Date, being 387,753,760 shares; and

(b) may be subsequently refreshed in accordance with the Share Award Scheme and the Listing Rules, as further approved by shareholders at general meeting.

Awards that have lapsed in accordance with the terms of the Share Award Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

Awards that have been cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

There is no specific maximum entitlement for each eligible participant under the Share Award Scheme. Grants to individuals that exceed the thresholds set out in Chapter 17 of the Listing Rules will be subject to additional approval requirements as required under Chapter 17 of the Listing Rules.

Awards do not carry any right to vote at general meetings of the Company, nor any right to dividends, transfer or other rights.

The maximum number of shares of the Company available for issuance upon exercise of all awards which may be granted under the Share Award Scheme is 387,753,760, representing approximately 10.0% of the issued shares of the Company as at the date of this annual report. As at 31 March 2025, the number of awards available for grant under the mandate limit of the Share Award Scheme was 373,250,560 shares, representing approximately 9.6% of the issued shares of the Company as at 31 March 2025.

The total number of shares that may be issued in respect of the awards granted under all share schemes of the Company during the Review Period divided by the weighted average number of shares in issue for the period was 0.37%.

Details of movements in the awards under the Share Award Scheme during the Review Period were as follows:

				Number of awards					
Grantee	Date of grant	Vesting date	Fair value per share at date of grant	Outstanding at 1.4.2024	Granted during the Review Period	Cancelled during the Review Period	Lapsed during the Review Period	Vested during the Review Period	Outstanding at 31.3.2025
Mr. Dai Quanfa (Director)	27.1.2025	27.1.2027	0.81	–	246,400	–	–	–	246,400
		27.1.2028	0.76	–	246,400	–	–	–	246,400
		27.1.2029	0.71	–	245,600	–	–	–	245,600
Ms. Wong Ying Ying (Director)	27.1.2025	27.1.2027	0.81	–	71,600	–	–	–	71,600
		27.1.2028	0.76	–	71,600	–	–	–	71,600
		27.1.2029	0.71	–	71,200	–	–	–	71,200
Other employee (not Directors)	27.1.2025	27.1.2027	0.81	–	4,541,200	–	(88,400)	–	4,452,800
		27.1.2028	0.76	–	4,540,000	–	(88,400)	–	4,451,600
		27.1.2029	0.71	–	4,469,200	–	(85,200)	–	4,384,000
				–	14,503,200	–	(262,000)	–	14,241,200

NON-COMPETITION UNDERTAKING

Each of Man Wah Investments Limited and Mr. Wong Man Li has entered into a deed of non-competition dated 5 March 2010 with the Company, to the effect that each of them will not directly or indirectly participate in, or hold any right or interest, or otherwise be involved in any business which may be in competition with the business of the Group from time to time.

None of the Directors of the Company had an interest in a business which competes with the Company or is likely to compete with the business of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

During the Review Period, sales to the Group's five largest customers and purchases from the five largest suppliers accounted for approximately 12.1% and 16.0% of the total revenue and purchases for the year, respectively. The Group's largest customer accounted for around 3.9% of the total revenue for the year. The Group's largest supplier accounted for around 8.4% of the total purchase for the year.

At no time during the Review Period did a Director, a close associate of a Director or a Shareholder of the Company (which to the knowledge of the Directors own more than 5% of the Company's issued share capital (excluding treasury shares, if any)) have an interest in any of the Group's five largest customers or suppliers.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND OTHERS

The Group is not aware of any key relationships between itself and its employees, customers, suppliers and others that have a significant impact on the Group and on which the Group's success depends.

RETIREMENT BENEFITS SCHEMES

Details of the retirement benefits schemes are set out in note 10 to the consolidated financial statements.

DONATIONS

During the Review Period, the Group made charitable and other donations amounting to approximately HK$14,202,000 (FY2024: HK$68,483,000).

PRE-EMPTIVE RIGHTS

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 during the Review Period and until the date of this report.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee and the employees' emoluments are determined on the basis of their merit, qualifications and competence.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this Annual Report relating to Share Option Schemes and Share Award Scheme, no equity-linked agreements were entered into during the Review Period or subsisted at the end of the Review Period.

TAX RELIEF

The Company is not aware of any information relating to relief from taxation to which its shareholders are entitled by reason of their holding of the shares of the Company.

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group (not being a contract of service with any Director or any person in its full-time employment) were entered into or subsisting during the Review Period.

PERMITTED INDEMNITY PROVISION

The Bye-laws provide that every Director for the time being of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which he shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of his duty or supposed duty in his office.

On behalf of the board

W Ma L
Chairman
15 May 2025

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is related to impairment assessment of trade receivables and bills receivable.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Impairment assessment of trade receivables and bills receivable *Refer to Notes 39.12 and 39.14 (Accounting policies), Note 3.1 (Credit risk), Note 4(i) (Critical accounting estimates and assumptions) and Note 22 (Trade receivables and bills receivable) to the consolidated financial statements.* As at 31 March 2025, the Group's gross trade receivables and bills receivable amounted to approximately HK$1,862,180,000 (2024: HK$1,754,171,000) and the provision for ECL of trade receivables and bills receivable amounted to approximately HK$50,753,000 (2024: HK$7,279,000). Management of the Group estimated the lifetime expected credit losses ("ECL") of trade receivables and bills receivable through grouping of various debtors that have similar loss patterns, after considering credit profile of different customers, repayment history and past due status of respective trade receivables and bills receivable. Estimated loss rates are based on historical loss rates over the expected life of trade debtors and are adjusted for forward-looking factors such as the outlook of China and	Our procedures in relation to impairment assessment of trade receivables and bills receivable included: • Obtaining an understanding of the management's internal control and process of impairment assessment of trade receivables and bills receivable and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors; • Testing the trade receivables and bills receivable ageing analysis as at 31 March 2025, on a sampling basis, by comparing individual items in the analysis with the relevant sales invoices and other supporting documents; • Evaluating management's basis in developing the ECL model; • Assessing the reasonableness of the historical loss rates used in the ECL model by corroborating the credit profile of the respective customers with their historical settlement pattern; and • Evaluating the forward-looking information used by management by comparing against publicly available economic information. Based on the above, we found management's judgement and estimates involved in the impairment assessment of trade receivables and bills receivable to be supportable by available evidence.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Chan Kam Chiu, Raymond.

[illegible]
Certified Public Accountants

Hong Kong, 15 May 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Revenue and other income		[redacted]	18,798,633
Revenue	5	[redacted]	18,411,197
Cost of goods sold	8	[redacted]	(11,163,170)
Gross profit		[redacted]	7,248,027
Other income	6	[redacted]	387,436
Other losses, net	7	[redacted]	(304,195)
Selling and distribution expenses	8	[redacted]	(3,314,346)
Administrative and other expenses	8	[redacted]	(956,000)
Operating profit		[redacted]	3,060,922
Finance costs	9	[redacted]	(200,500)
Share of results of joint ventures	18	[redacted]	4,053
Profit before income tax		[redacted]	2,864,475
Income tax expense	11	[redacted]	(468,473)
Profit for the year		[redacted]	2,396,002
Other comprehensive loss:		[redacted]	
Item that may be subsequently reclassified to profit or loss		[redacted]	
Currency translation differences		[redacted]	(582,038)
Item that will not be reclassified to profit or loss		[redacted]	
Currency translation differences		[redacted]	(39,434)
Other comprehensive loss for the year		[redacted]	(621,472)
Total comprehensive income for the year		[redacted]	1,774,530

	Note	**2025** **HK$'000**	2024 HK$'000
P[illegible]:		[redacted]	
Owners of the Company		[redacted]	2,302,366
Non-controlling interests		[redacted]	93,636
		[redacted]	2,396,002
T[illegible]:		[redacted]	
Owners of the Company		[redacted]	1,720,328
Non-controlling interests		[redacted]	54,202

	Notes	2025 HK$'000	2024 HK$'000
LIABILITIES		[redacted]	
Non-current liabilities		[redacted]	
Lease liabilities	16	[redacted]	158,666
Bank borrowings – non-current portion	27	[redacted]	1,015
Deferred tax liabilities	19	[redacted]	143,267
Other non-current liabilities		[redacted]	1,268

For the year ended 31 March 2025

[redacted]

	Attributable to owners of the Company											Non-controlling interests HK$'000	Total HK$'000
	Share capital HK$'000	Share premium HK$'000	Special reserve HK$'000 (Note i)	Other reserve HK$'000 (Note ii)	Statutory reserve HK$'000 (Note iii)	Translation reserve HK$'000	Revaluation surplus HK$'000	Shares held under share award scheme HK$'000	Share option reserve HK$'000	Retained earnings HK$'000	Sub-total HK$'000		
Ba[illegible] 1 A[illegible] 2023													

Notes:

(i) Special reserve arose from the acquisition of equity interest of certain subsidiaries through a corporate reorganisation. It represents the difference between the nominal value of share capital of those subsidiaries at the date of acquisition and the nominal value of the shares issued by the Company as consideration for the acquisition.

(ii) Other reserve arose from the acquisition of the additional equity interest of subsidiaries and disposal of equity interest of subsidiaries. It represents the difference between the carrying amount of the net assets of the subsidiaries attributable to the additional interest or disposal of equity interests in subsidiaries that do not result in a loss of control at the dates of transactions and the fair value of consideration paid or received by the Company.

(iii) The statutory reserve represents the amount transferred from profit after taxation of the subsidiaries established in the Mainland of People's Republic of China (the "PRC") in accordance with the relevant PRC laws until the PRC statutory reserve reaches 50% of the registered capital of the respective subsidiaries. The statutory reserve can be applied either in setting off the accumulated losses or increasing capital.

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Cash flows from operating activities		[redacted]	
Cash generated from operations	34(a)	[redacted]	2,978,163
Interest paid		[redacted]	(184,859)
Interest received		[redacted]	152,099
Income tax paid, net		[redacted]	(390,678)
Net cash generated from operating activities		[redacted]	2,554,725
Cash flows from investing activities		[redacted]	
Payment for acquisition of property, plant and equipment		[redacted]	(1,166,756)
Payment for deposit of land lease		[redacted]	(310,033)
Withdrawal of restricted bank balances		[redacted]	7,370
Placement of restricted bank balances		[redacted]	(3,898)
Purchase of other intangible assets		[redacted]	(9,806)
Purchase of right-of-use assets		[redacted]	(82,676)
Proceeds from disposal of property, plant and equipment		[redacted]	27,485
Placement of short-term bank deposits		[redacted]	–
Withdrawal of short-term bank deposits		[redacted]	–
Net cash used in investing activities		[redacted]	(1,538,314)
Cash flows from financing activities		[redacted]	
Dividends paid to equity holders of the Company	13	[redacted]	(976,676)
Dividends paid to non-controlling equity holders of subsidiaries		[redacted]	(36,966)
Repurchase of shares		[redacted]	(229,330)
Repayment of borrowings		[redacted]	(3,094,165)
New borrowings raised		[redacted]	3,120,622
Capital contribution from non-controlling equity holders		[redacted]	4,054
Withdraw capital by non-controlling interests		[redacted]	–
Proceeds from issuance of shares upon exercise of share options		[redacted]	6,228
Principal elements of lease payments	16(ii)	[redacted]	(76,659)
Net cash used in financing activities		[redacted]	(1,283,892)
Net decrease in cash and cash equivalents		[redacted]	(267,481)
Cash and cash equivalents at beginning of the year		[redacted]	3,619,378
Effect of foreign exchange rate changes		[redacted]	(188,975)
Cash and cash equivalents at end of the year		[redacted]	3,162,922

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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

2 BASIS OF PREPARATION – continued

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

The following are new standard, amendments to standards and interpretations that have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2025 or later periods, but have not been early adopted by the Group.

IAS 21 (Amendments)	Lack of Exchangeability[1]
IFRS 9 and IFRS 7 (Amendments)	Classification and Measurement of Financial Instruments[2]
Annual Improvements to IFRS Accounting Standards – Volume 11	Narrow-scope amendments to IFRS[2]
IFRS 18 (Amendments)	Presentation and Disclosure in Financial Statements[3]
IFRS 19 (Amendments)	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures[4]

(1) Effective for the accounting period beginning on or after 1 January 2025

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

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

(4) Effective for the accounting period is to be determined

The Group is in the process of assessing potential impact of the above new standards and amendments that are relevant to the Group upon initial application. It is not yet in a position to state whether these standards, interpretations, and amendments will have a significant impact on the Group's results of operations and financial position.

3 FINANCIAL RISK MANAGEMENT – continued

3.1 Financial risk factors – continued

(a) Ma [illegible]

(i) Foreign exchange risk – continued

[illegible]

	2025	2024
	HK$'000	HK$'000
US$	[redacted]	382,493
RMB	[redacted]	782,322
EUR	[redacted]	13,713
HK$	[redacted]	203,054
Other currencies	[redacted]	17,219

The table below illustrates the sensitivity as at the end of the reporting period to a reasonably possible change in the respective exchange rates against the functional currency of the respective group entities, with all other variables held constant, to the profit for the year ended 31 March 2025, mainly as a result of net foreign exchange impact on translation of trade, bills and other receivables, restricted bank balances, cash and cash equivalents, short-term bank deposits, trade, bills and other payables and bank borrowings denominated in these foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

	[illegible]	[illegible]
		HK$'000
2025		
If US$ strengthens/weakens against the functional currencies	+5%/-5%	(86,643) higher/lower
If RMB strengthens/weakens against the functional currencies	+5%/-5%	19,007 lower/higher
If HK$ strengthens/weakens against the functional currencies	+5%/-5%	13,152 lower/higher
2024		
If US$ strengthens/weakens against the functional currencies	+5%/-5%	95,749 higher/lower
If RMB strengthens/weakens against the functional currencies	+5%/-5%	11,536 lower/higher
If HK$ strengthens/weakens against the functional currencies	+5%/-5%	5,129 lower/higher

3 FINANCIAL RISK MANAGEMENT – continued

3.1 Financial risk factors – continued

(a) Ma

(ii) Cash flow and interest rate risk

Interest rate risk arises from the potential changes in interest rates that may have an adverse effect on the Group's results for the current reporting period and in future years. The Group is exposed to cash flow interest rate risk arising from the volatility of Hong Kong Interbank Offered Rate, CNH Hong Kong Interbank Offered Rate, Euro Interbank Offered Rate, Tokyo Interbank Offered Rate, Term Secured Overnight Financing Rate as all bank borrowings, cash and cash equivalents are at floating rates or at prevailing deposit rates. The Group generally does not take a speculative view on the movement in interest rates and, therefore, does not use interest rate derivative instruments to hedge exposed risks.

The sensitivity analysis below has been determined based on the exposure to interest rates on the Group's variable rate borrowings, restricted bank balances and bank balances at the end of the reporting period and prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point increase or decrease is used by management for the assessment of the reasonably possible change in interest rates.

If interest rates on restricted bank balances and bank balances had been 50 basis points (2024: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2025 would increase/decrease by HK$9,644,000 (2024: HK$12,648,000). This is mainly attributable to the Group's exposure to interest rates on its variable- rate bank deposits.

If interest rates on bank borrowings had been 50 basis points (2024: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2025 would decrease/increase by HK$16,495,000 (2024: HK$16,478,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

(b) C

The credit risk of the Group's financial assets, which mainly comprise trade receivables and bills receivable, deposits and other receivables, financial assets at FVPL, short-term bank deposits, restricted bank balances and cash and cash equivalents, arises from potential default of the counterparties, with maximum exposure equal to the carrying amounts of these instruments.

(i) Risk management

As at 31 March 2025 and 2024, substantially all of the cash and bank balances, as detailed in Note 24, are held in banks in China, Macau, Hong Kong, Vietnam and Europe with high credit ratings assigned by international credit-rating agencies. Over 69% (2024: 81%) of the Group's bank balance is deposited into five (2024: five) banks. The directors of the Company anticipated that the related credit risk is limited because the banks are with good reputations.

3 FINANCIAL RISK MANAGEMENT – continued

3.1 Financial risk factors – continued

(b) *C*

(i) *Risk management – continued*

In order to minimise the credit risk, the Group's current credit practices include assessing the customers' credit reliability and periodic review of their financial status to determine credit limits

3 FINANCIAL RISK MANAGEMENT – continued

3.1 Financial risk factors – continued

(b) C

(ii) Impairment of financial assets – continued

O

As at 31 March 2025, there were counterparties with significant doubt on collection of other receivables and the management consider the receivables to have experienced a significant increase in credit risk and defined the receivables as default. The loss allowance in respect of these receivables were HK$56,580,000 (2024: HK$30,124,000). Please refer to Note 22 for details.

For the remaining other financial assets at amortised cost, based on the impairment assessment performed by the Group, the management of the Group considers the expected credit loss rate of the

3 FINANCIAL RISK MANAGEMENT – continued

3.1 Financial risk factors – continued

( ) L [illegible]

A a 31 Ma [illegible] 2025

	[illegible] %	[illegible] HK$'000	[illegible] HK$'000	[illegible] HK$'000	[illegible] HK$'000	[illegible] HK$'000
[illegible]	[redacted]					
Trade and other payables						
Bank borrowings – variable rate						
Bank borrowings – fixed rate						
Lease liabilities						

As at 31 March 2024

	Weighted average effective interest rate	On demand or less than 1 year	1–2 years	2–5 years	Total cash 505ows	Carr1 4g a0.959

3 FINANCIAL RISK MANAGEMENT – continued

3.2 Capital management

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes bank borrowings disclosed in Note 27, cash and cash equivalents disclosed in Note 24 and equity attributable to owners of the Company, comprising issued share capital as disclosed in Note 28 and reserves.

The directors of the Company review the capital structure regularly. As part of this review, the Directors consider the cost of capital and the risks associated with each class of the capital. Based on the recommendations of the directors, the Group will balance its overall capital structure through adjusting the amount of dividends paid to the shareholders, return capital to shareholders, issue new shares as well as draw down of new debt or redemption of existing debt.

3.3 Fair value estimation

The carrying amounts of the following financial assets and financial liabilities approximate their fair values as all of them are short-term in nature: cash and cash equivalents, short-term bank deposits, trade receivables and bills receivable, other receivables, restricted bank balances, trade payables and bills payable, other payables, bank borrowings and lease liabilities.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS – continued

(iv) Recognition of deferred taxation

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS – continued

5 SEGMENT INFORMATION – continued

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 39.4. Segment results represent the profit before income tax earned by each segment without allocation of other income, share of results of joint ventures, exchange gains, fair value losses on investment properties, 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 revenue and results

5 SEGMENT INFORMATION – continued

(a) Segment revenue and results – continued

For the year ended 31 March 2024

	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
R[illegible]						
External sales	12,658,825	2,987,854	1,819,602	270,780	674,136	18,411,197
R[illegible]						
Segment results	2,142,877	658,586	226,342	199,401	3,372	3,230,578
Other income						387,436
Share of results of joint ventures						4,053
Exchange gains, net						13,485
Fair value losses on investment properties						(2,509)
Losses from changes in fair value of financial assets at FVPL						(219,845)
Finance costs						(200,500)
Provision for impairment of goodwill						(12,268)
Unallocated expenses						(335,955)
Profit before income tax						2,864,475

5 SEGMENT INFORMATION – continued

(b) Other information – continued

For the year ended 31 March 2024

	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	4,915,439	1,886,995	1,703,395	–	315,317	8,821,146
Employee benefit expenses (including directors' emoluments) (Note 10)	2,012,126	646,720	336,108	23,857	174,211	3,193,022
Loss/(gain) on disposal of property, plant and equipment	17,152	2,215	3,749	–	(75)	23,041
Depreciation and amortisation	389,119	66,433	77,130	19,036	21,160	572,878
Provision for/(reversal of) impairment of trade receivables and bills receivable	33,033	7,797	(2,018)	–	(60)	38,752
(Reversal of)/provision for impairment of inventories	(7,398)	(420)	–	–	2,241	(5,577)

(c) Geographical information

5 SEGMENT INFORMATION – continued

(c) Geographical information – continued

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:

	2025 **HK$'000**	2024 HK$'000
PRC (including Hong Kong and Macau)	[redacted]	9,334,779
Europe	[redacted]	350,407
Vietnam	[redacted]	1,174,594
Mexico	[redacted]	830,240
Others	[redacted]	3,032
	[redacted]	11,693,052

During the year, none of the Group's customers individually contributed more than 10% of the Group's revenue (2024: none).

5 SEGMENT INFORMATION – continued

(c) Geographical information – continued

D a a a [illegible]

F [illegible] 31 Ma[illegible] 2025

S[illegible]	[illegible] HK$'000	[illegible] HK$'000	O[illegible] HK$'000	O[illegible] HK$'000	H[illegible] G[illegible] HK$'000	T[illegible] HK$'000
T[illegible]	[redacted]					
Manufacture and distribution of goods recognised at a point in time						
Sofas and ancillary products						
Bedding and ancillary products						
Customization and chair						
Metal frame and smart furniture spare parts						
Residential properties						

5 SEGMENT INFORMATION – continued

(c) Geographical information – continued

[illegible]

For the year ended 31 March 2024

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 services						
Manufacture and distribution of goods recognised at a point in time						
Sofas and ancillary products	12,658,825	–	–	–	674,136	13,332,961
Bedding and ancillary products	–	2,987,854	–	–	–	2,987,854
Customization and chair	–	–	66,203	–	–	66,203
Metal frame and smart furniture spare parts	–	–	1,753,399	–	–	1,753,399
Residential properties	–	–	–	21,972	–	21,972
	12,658,825	2,987,854	1,819,602	21,972	674,136	18,162,389
Service income – recognised over time	–	–	–	248,808	–	248,808
Total	12,658,825	2,987,854	1,819,602	270,780	674,136	18,411,197
Geographical markets						
North America	4,025,465	–	258,842	–	–	4,284,307
PRC (including Hong Kong and Macau)	7,781,477	2,987,854	1,217,554	270,780	–	12,257,665
Europe	371,823	–	279,910	–	674,136	1,325,869
Others	480,060	–	63,296	–	–	543,356
Total	12,658,825	2,987,854	1,819,602	270,780	674,136	18,411,197

5 SEGMENT INFORMATION – continued

(d) Accounting policies of revenue recognition

Under IFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a goods or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

( ) Sa

The Group is principally engaged in the manufacture and trading of sofa, ancillary products and chairs and other products. Revenue are recognised when control of the product has transferred, being when the products are delivered to the customers, the customer has accepted the products and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specified location and the risk of obsolescence and loss have been transferred to the customers.

Revenue from sales of goods is recognised based on the price specified for each order, net of the provision for customer claims. Accumulated experience is used to estimate and provide for the claims and revenue is only recognised to the extent that it is hnt that it iomer

7 OTHER LOSSES, NET

	2025 HK$'000	2024 HK$'000
Exchange gains, net	[redacted]	13,485
Fair value losses on investment properties		(2,509)
Losses on disposal of property, plant and equipment		(23,041)
Provision for impairment of trade receivables and bills receivable		(38,752)
Provision for impairment of other receivables		(30,219)
Losses from changes in fair value of financial assets at FVPL (Note 23)		(219,845)
Provision for impairment of goodwill		(12,268)
Provision for intangible assets		–
Provision for impairment of property, plant and equipment		–
Gain on termination of lease		8,954
Others		–
		(304,195)

8 EXPENSES BY NATURE

	2025 HK$'000	2024 HK$'000
Cost of inventories	[redacted]	8,821,146
Auditor's remuneration		
– audit services		2,861
– non-audit services		1,157
Amortisation of intangible assets (Note 17)		46,842
Depreciation of property, plant and equipment (Note 14)		434,022
Depreciation of right-of-use assets (Note 16)		92,014
Employee benefit expenses (including directors' emoluments) (Note 10)		3,193,022
Short-term lease payment (Note 16)		22,859
Reversal of impairment of inventories		(5,577)
(Reversal of)/provision for legal claim (Note 25)		64,001
Legal and professional fee		56,919

9 FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interest on bank borrowing	[redacted]	190,095
Interest on lease liabilities	[redacted]	9,964
Others	[redacted]	441
	[redacted]	200,500

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2025 HK$'000	2024 HK$'000
Salaries and other allowances	[redacted]	3,082,718
Retirement benefit scheme contribution	[redacted]	104,245
Equity-settled share-based payments expense	[redacted]	6,059
	[redacted]	3,193,022

(a) Retirement benefits scheme

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme ("the MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, the Group and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the Group's and the employees' contributions are subject to a cap of HK$1,500 per month and thereafter contributions are voluntary.

The Group has also participated in employee pension schemes organised and governed by the relevant local authorities for its employees in the overseas countries/regions.

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) – continued

(a) Retirement benefits scheme – continued

The total contributions incurred in connection with the above for the year ended 31 March 2025 were approximately HK$119,069,000 (2024: HK$104,245,000). During the years ended 31 March 2025 and 2024, there is no forfeited contributions utilised and available at the year end to reduce future contributions.

(b) Five highest paid individuals

For the year ended 31 March 2025, the five individuals whose emoluments were the highest in the Group included 1 director (2024: 2 director), whose emoluments were reflected in the analysis presented in Note 37(a).

11 INCOME TAX EXPENSE

	2025 HK$'000	2024 HK$'000
Current income tax:		
PRC Corporate Income Tax ("PRC CIT")	[redacted]	268,513
PRC Withholding Income Tax	[redacted]	108,595
PRC Land Appreciation Tax ("PRC LAT")	[redacted]	667
Macau Complementary Tax	[redacted]	49,488
U.S. Federal and State Corporate Income Taxes ("U.S. CIT")	[redacted]	1,659
Hong Kong Profits Tax	[redacted]	4,784
Vietnam corporate income tax	[redacted]	5,913
Others	[redacted]	3,358
i(are subject to.u Complementary Tax)Tj at ad incoof 12%	[redacted]	

11 INCOME TAX EXPENSE – continued

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using PRC CIT rate as follows:

	2025 HK$'000	2024 HK$'000
Profit before income tax	[redacted]	2,864,475
Less: Share of results of joint ventures	[redacted]	(4,053)
	[redacted]	2,860,422
Tax calculated at the PRC CIT rate of 25%	[redacted]	715,106
Effect of different tax rates of subsidiaries operating in other jurisdictions and preferential tax rate	[redacted]	(316,298)
Income not subject to tax	[redacted]	(138,496)
Expenses not deductible for tax purposes	[redacted]	92,024
Temporary difference not recognised	[redacted]	–
Tax losses for which no deferred income tax asset was recognised	[redacted]	27,671
Utilisation of tax losses previously not recognised	[redacted]	(24,710)
Provision for PRC Withholding Income Tax	[redacted]	108,595
Provision for PRC LAT	[redacted]	667
Tax effect of PRC LAT	[redacted]	(167)
Research and development enhanced deduction	[redacted]	(7,084)
Under-provision in prior years	[redacted]	11,165
	[redacted]	468,473

The Group is within the scope of the Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exemption to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Due to the complexities in applying the legislation and calculating Global Anti-Base Erosion income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. The Group is currently engaged with tax specialists to assist them with applying the legislation.

The weighted average applicable tax rate 19.5% (2024: 16.4%).

12 EARNINGS PER SHARE

13 DIVIDENDS

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

[redacted]

15 INVESTMENT PROPERTIES

	HK$'000
At 1 April 2023	464,734
Fair value loss	(2,509)
Exchange adjustments	(20,181)
At 31 March 2024	442,044
Addition	325,326
Transfer from property, plant and equipment and right of use assets	320,143
Fair value loss	(71,244)
Exchange adjustments	(5,961)
At 31 March 2025	1,010,308

15 INVESTMENT PROPERTIES – continued

The carrying value of investment properties shown above comprises:

	2025 HK$'000	2024 HK$'000
Investment properties on land under lease:	[redacted]	
– in Hong Kong		47,700
– in Macau		5,300
– in PRC		336,482
		389,482
Investment properties on freehold land in Ukraine		52,562
		442,044

The assumptions used for the valuation of investment properties on land under lease in PRC as at year ended 31 March 2025 and 2024 are as follows:

	2025	2024
Market Rent used (HK$/sq ft/month)	[redacted]	13–69
Yield used %		6.0%

The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs including capitalisation rate, rental growth rate and expected vacancy rate used in the valuation. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers into or out of Level 3 for fair value measurements during the year.

16 LEASE

16 LEASE – continued

(ii) Amounts recognised in the consolidated statement of comprehensive income

	2025 HK$'000	2024 HK$'000
Depreciation charge of right-of-use assets (Note 8)		
Land use rights	[redacted]	9,637
Retail stores	[redacted]	20,167
Office premises	[redacted]	15,658
Warehouses	[redacted]	46,552
	[redacted]	92,014
Interest expense (included in finance costs)	[redacted]	9,964
Expenses relation to short-term leases (included in administrative and selling expenses)	[redacted]	22,859

Total cash outflow for principal elements of leases for the year ended 31 March 2025 was HK$55,339,000 (2024: HK$76,659,000).

During the year ended 31 March 2025, depreciation of right-of-use assets of HK$38,112,000 (2024: HK$38,717,000) was capitalised as cost of construction in progress.

17 GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill	Trademarks	Technology	Customer relationships	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Cost					
At 1 April 2023	953,131	133,982	126,243	182,215	1,395,571
Additions	–	9,806	–	–	9,806
Exchange adjustments	(35,974)	(5,944)	(1,331)	(6,645)	(49,894)
At 31 March 2024	917,157	137,844	124,912	175,570	1,355,483
Additions	–	2,878	–	–	2,878
Exchange adjustments	–	(562)	(425)	(896)	(1,883)
Disposal	–	(124)	–	–	(124)
At 31 March 2025	917,157	140,036	124,487	174,674	1,356,354
Accumulated impairment losses					
At 1 April 2023	136,957	125	–	–	137,082
Impairment	12,268	–	–	–	12,268
Exchange adjustments	538	–	–	–	538
At 31 March 2024	149,763	125	–	–	149,888
Impairment	104,310	12,795	–	–	117,105
Exchange adjustments	4,223	–	–	–	4,223
At 31 March 2025	258,296	12,920	–	–	271,216
Accumulated amortisation					
At 1 April 2023	–	45,208	78,903	102,290	226,401
Exchange adjustments	–	(2,077)	(883)	(3,599)	(6,559)
Charge for the year	–	20,912	12,545	13,385	46,842
At 31 March 2024	–	64,043	90,565	112,076	266,684
Exchange adjustments	–	(363)	(204)	(527)	(1,094)
Charge for the year	–	17,481	12,345	13,212	43,038
At 31 March 2025	–	81,161	102,706	124,761	308,628
Carrying amounts					
At 31 March 2025	658,861	45,955	21,781	49,913	776,510
At 31 March 2024	767,394	73,676	34,347	63,494	938,911

17 GOODWILL AND OTHER INTANGIBLE ASSETS – continued

For the purposes of impairment testing, goodwill has been allocated to an individual CGU in the manufacture and distribution of sofas by Home Group, the production and sale of metal components for furniture business by Jiangsu Yulong Intelligent Technology Co., Limited ("Jiangsu Yulong"), the manufacture and sale of sofas by Man Wah Vietnam (BVI) Limited and its wholly owned subsidiary, Timberland Company Limited ("Man Wah Vietnam Group"), the distribution of sofas by Shanghai Qingzhu Trading Limited ("Shanghai Qingzhu"), the manufacture and distribution of furniture by Huizhou City Pulini Home Furnishing Co. Limited ("Huizhou Pulini"), the manufacture and sale of metal components for furniture business by Lion Rock Group Holdings Limited, Pacific Shiner Investment Limited and Gold Sands Investment Company Limited ("Lion Rock Group") and the manufacture and distribution of sofas by Shenzhen Style Home Furnishing Co., Ltd ("Shenzhen Style"). During the year ended 31 March 2025, the directors of the Company determine that except for provision for impairment of HK$18,703,000 for Shanghai Qingzhu and HK$85,607,000 for Lion Rock Group (2024: HK$12,268,000 for Huizhou Pulini), there are no impairment provision for other CGUs.

The carrying amounts of goodwill (net of accumulated impairment losses) allocated to these units are as follows:

Y·a ... 31 Ma... 2025

	O...	A...	I...a...	E...a... ...	C...
	[redacted]				

17 GOODWILL AND OTHER INTANGIBLE ASSETS – continued

Year ended 31 March 2024

	Opening HK$'000	Addition HK$'000	Impairment HK$'000	Exchange difference HK$'000	Closing HK$'000
Jiangsu Yulong	223,838	–	–	(12,331)	211,507
Man Wah Vietnam Group	157,796	–	–	(504)	157,292
Shanghai Qingzhu	19,793	–	–	(1,090)	18,703
Huizhou Pulini	12,806	–	(12,268)	(538)	–
Lion Rock Group	241,878	–	–	(13,231)	228,647
Shenzhen Style	160,063	–	–	(8,818)	151,245
	816,174	–	(12,268)	(36,512)	767,394

The recoverable amounts of the CGUs have been determined based on value in use calculations, using cash flow projections based on business forecasts approved by management covering a 5-year period.

The pre-tax discount rate ranges from 11% to 20%, the terminal growth rate ranges from 2 % to 3% and the compound revenue annual growth rate range from 1% to 6% for the next five years in the projections.

The terminal growth rates are based on the directors' best estimate on the average growth rate of the industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross profit margin, such estimation is based on the past performance and management's expectations for the market development.

For the Shanghai Qingzhu CGU, the goodwill was fully impaired.

For the Lion Rock CGU, if the pre-tax discount rate had been 1% higher than management's estimate and the compound revenue annual growth rate had been 1% lower than management's estimate, the Group would have had to recognise an impairment against goodwill of HK$16,624,000 and HK$15,083,000.

Except for Lion Rock CGU, management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of any of the CGUs to exceed the aggregate recoverable amount of the relevant CGUs.

For the year ended 31 March 2025, impairment charge of HK$18,703,000 and HK$85,607,000 arose in the manufacture and distribution of sofas by Shanghai Qingzhu and Lion Rock Group in PRC, because the actual revenues of these two companies failed to meet expectations, particularly in the second half of the year. The management performed goodwill impairment assessment of these two CGUs as at 31 March 2025. The assessment results showed that the recoverable amount of the CGUs was lower than their book value. The impairment charge was recorded within "Other losses, net" in the consolidated statement of comprehensive income.

18 INTERESTS IN JOINT VENTURES

	2025 HK$'000	2024 HK$'000
Opening balance as at 1 April	[redacted]	72,912
Share of profit		4,053
Disposal		(50,677)
Exchange adjustments		(3,593)
		22,695

19 DEFERRED TAXATION – continued

The net movements in the deferred income tax account are as follows:

	2025	2024
	HK$'000	HK$'000
At the beginning of the year	[redacted]	122,669
(Credited)/charged to the consolidated income statement (Note 11)	[redacted]	14,331
Currency translation differences	[redacted]	(1,865)
At the end of the year	[redacted]	135,135

The gross movements in deferred tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	[illegible]	[illegible]	[illegible]	[illegible]
	HK$'000	HK$'000	HK$'000	HK$'000
Deferred tax assets				
At 1 April 2023	(8,938)	(20,236)	(46,818)	(75,992)
Exchange adjustments	1,099	1,111	–	2,210
(Credited)/charged to profit or loss	(293)	19,125	4,564	23,396

At 31 March 2025

20 INVENTORIES

	2025 HK$'000	2024 HK$'000
Raw materials	[redacted]	544,699
Work-in-progress		388,538
Finished goods		620,237
		1,553,474

21 PROPERTIES UNDER DEVELOPMENT

	HK$'000
At 1 April 2023	167,681
Exchange adjustments	(9,238)
At 31 March 2024	158,443
Exchange adjustments	(1,010)
At 31 March 2025	157,433

The balance as at 31 March 2025 and 2024 is the land and development cost of properties under development located at Chongqing, the PRC.

22 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2025 HK$'000	2024 HK$'000
T[illegible]	[redacted]	1,754,171
Less: provision for impairment of trade receivables and bills receivable	[redacted]	(7,279)
Trade receivables and bills receivable, net	[redacted]	1,746,892
O[illegible]	[redacted]	
Deposit paid for a land lease	[redacted]	310,868
Prepayments and deposits paid for acquisition of property, plant and equipment	[redacted]	202,417
Valued added taxes recoverable	[redacted]	305,944
Prepayments to suppliers	[redacted]	269,538
Loan receivable (Note i)	[redacted]	254,584
Sundry receivables	[redacted]	151,318
Other deposits	[redacted]	30,228
Less: provision for impairment of other receivables	[redacted]	(30,124)
	[redacted]	1,494,773
L[illegible]	[redacted]	
Deposit paid for a land lease (Note ii)	[redacted]	310,868
Prepayments and deposits paid for acquisition of property, plant and equipment	[redacted]	202,417
C[illegible]	[redacted]	981,488

22 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS – continued

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:

	2025	2024
	HK$'000	HK$'000
0–90 days	[redacted]	1,653,251
91–180 days		73,783
Over 180 days		19,858
		1,746,892

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 **HK$'000**	2024 HK$'000
Non-current assets	[redacted]	
Unquoted equity investment	[redacted]	1,725
Current assets	[redacted]	
Quoted equity investments (Note 1)	[redacted]	–
Quoted debentures (Note 2)	[redacted]	129,044
Quoted equity linked investments (Note 2)	[redacted]	117,386
	[redacted]	246,430

The investments are mainly quoted equity linked investments with fair value of HK$71,844,000. The fair value loss recognised during the year was HK$147,515,000 (2024: HK$219,845,000).

Notes:

1. The fair value of these financial assets at FVPL are categorised as level 1.

2. The fair values of these financial assets at FVPL are categorised as level 2 which are quoted prices available from over-the-counter markets.

24 RESTRICTED BANK BALANCES AND CASH AND BANK BALANCES

	2025 **HK$'000**	2024 HK$'000
Short-term bank deposits (Note i)	[redacted]	110,908
Restricted bank balances	[redacted]	3,786
Cash and cash equivalents (Note ii)	[redacted]	3,162,922
	[redacted]	3,277,616

24 RESTRICTED BANK BALANCES AND CASH AND BANK BALANCES – continued

Notes:

(i) The effective annual interest rate and maturities of short-term bank deposits at 31 March 2025 and 2024 are as follows:

	2025 **HK$'000**	2024 HK$'000
Effective annual interest rate	[redacted]	3.42%
Maturities		183 days to 365 days

(ii) Bank balances carry interest at prevailing deposit rates ranging from 0.1% to 4.7% per annum (2024: 0.2% to 4.9% per annum).

For the year ended 31 March 2025 and 2024, the Group performed impairment assessment on cash and cash equivalents, restricted bank balances and short-term bank deposits and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for credit losses is provided. Impairment assessment of bank balances for the year ended 31 March 2025 and 2024 is set out in Note 3.1.

25 TRADE AND OTHER PAYABLES AND ACCRUALS

	2025 **HK$'000**	2024 HK$'000
T a ·-a a ⊠-a ı ⊠⊠ -a a ⊠-	[redacted]	
Trade payables and bills payable		710,214
O ·-a a ⊠-a ı acc a⊠		
Accruals		537,578
Provision for legal claim (Note)		148,246
Payables for acquisition of property, plant and equipment		77,702
Other payables		327,434
		1,090,960

Note: As at 31 March 2024, the Group had provision for legal claims and attorneys' fees of US$18,943,000 (equivalent to HK$148,246,000)) classified as current liabilities related to litigations filed by a former supplier against the Group. No payment has been made and the recognised provision reflects the management's best estimate based on a court judgement dated 11 May 2023, against which the Group will lodge an appeal, and after consultation with the legal counsel on the possible outcome and liability of the Group.

25 TRADE AND OTHER PAYABLES AND ACCRUALS – continued

Note: – continued

Subsequently, on 6 May 2024, the Group reached an out-of-court settlement with the former supplier. Under the settlement agreement, the Group paid a compensation of US$8,250,000 (equivalent to HK$64,420,000) and accordingly reversed a provision of US$10,693,000 (equivalent to HK$83,826,000). The legal claim was fully resolved, and as of 31 March 2025, no provision for legal claims remained.

Movements of provision for legal claim are as follows:

	2025 HK$'000	2024 HK$'000
Opening amount at 31 March	[redacted]	84,528
(Reversal of)/provision for legal claim (Note 8)		64,083
Payment		–
Exchange losses		(365)
Closing amount at 31 March		148,246

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:

	2025 HK$'000	2024 HK$'000
0–90 days	[redacted]	709,155
91–180 days		708
Over 180 days		351
		710,214

26 CONTRACT LIABILITIES

	2025 HK$'000	2024 HK$'000
Sales of sofas	[redacted]	265,357
Sales of properties under development		9,456
		274,813

For sales of sofas and sales of properties, the contract liabilities recorded at the beginning of the year had been fully recognised as revenue during the year. The management expects that the unsatisfied performance obligations will be recognised as revenue within one year according to the contract period (FY2024: same).

27 BANK BORROWINGS

	2025 HK$'000	2024 HK$'000
Secured bank borrowings (Note)	[redacted]	1,895
Unsecured bank borrowings		4,112,323
Unsecured supplier financing arrangement		–
		4,114,218
The carrying amounts of the above borrowings are repayable:		
Within one year		4,113,203
Within a period of more than one year but not exceeding two years		1,015
		4,114,218
Less: Amounts due within one year shown under current liabilities		(4,113,203)
Amounts shown under non-current liabilities		1,015

27 BANK BORROWINGS – continued

The Group's bank borrowings are denominated in HK$, RMB and US$, and .udry interest at fixed and variable rates. The fixed rates range from 0.64% to 3.50% (2024: 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 4.01% to 4.98% (2024: 5.60% to 5.94%), and best lending rate quoted by the Hongkong and Shanghai Banking Corporation Limited ("Best Lending Rate") plus 1% or (ii) Euro Interbank Offered Rate plus a spread, ranging from 4.01% to 7.58% (2024: 5.60% to 7.58%). The weighted average effective interest rate of the above variable-rate and fixed- rate bank borrowings was 4.01% and 1.60%, respectively (2024: 5.78% and 2.56%) per annum.

Note: At the end of the reporting period, no assets are pledged against the Group's secured bank borrowings (2024: same).

28 SHARE CAPITAL

	[illegible]	[illegible]
	In thousands	HK$'000
[illegible]		
Ordinary shares:		
At 1 April 2023, 31 March 2024 and 31 March 2025 – HK$0.40 each		

29 SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES

29 SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES – continued

Share award schemes

The Company's 2024 share award scheme was adopted pursuant to a resolution passed on 24 June 2024 for the

29 SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES – continued

Details of outstanding share awards granted by the Company as at 31 March 2025 are as follows:

[illegible]	[illegible]	[illegible]	[illegible] HK$'000
27.01.2025	27.1.2027	4,859,200	3,936
	27.1.2028	4,858,000	3,692
	27.1.2029	4,786,000	3,398

Details of outstanding share options granted by the Company as at 31 March 2025 are as follows:

[illegible]	[illegible]	[illegible]	[illegible] HK$	[illegible] HK$'000
17.1.2020	17.1.2022–16.1.2024	2,268,400	6.53	4,715
	17.1.2023–16.1.2025	2,209,600	6.53	4,965
	17.1.2024–16.1.2026	1,910,000	6.53	4,771
3.2.2021	3.2.2023–2.2.2025	1,605,600	19.78	7,971
	3.2.2024–2.2.2026	1,535,200	19.78	7,667
	3.2.2025–2.2.2027	1,244,400	19.78	6,295
16.2.2022	16.2.2024–15.2.2026	3,152,400	11.10	12,293
	16.2.2025–15.2.2027	3,093,200	11.10	12,933
	16.2.2026–15.2.2028	2,624,800	11.10	11,384
4.3.2024	4.3.2026–3.3.2028	1,941,200	5.13	3,721
	4.3.2027–3.3.2029	1,934,000	5.13	3,927
	4.3.2028–3.3.2030	1,846,000	5.13	3,826

29 SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES – continued

The following tables disclose details of movements of the Company's share options held by directors and employees during the current and prior years:

		[illegible]								
[illegible]	[illegible]	[illegible] 1.4.2023	[illegible]	[illegible]	[illegible]	[illegible] 31.3.2024	[illegible]	[illegible]	[illegible]	[illegible] 31.3.2025
[illegible]										
12.2.2018	12.2.2018–11.1.2022	94,800	–	(94,800)	–	–	–	–	–	–
28.1.2019	28.1.2019–27.1.2022	83,200	–	–	(83,200)	–	–	–	–	–
	28.1.2019–27.1.2023	82,800	–	–	(60,400)	22,400	–	–	(22,400)	–
17.1.2020	17.1.2020–16.1.2022	54,800	–	(54,800)	–	–	–	–	–	–
	17.1.2020–16.1.2023	54,800	–	–	–	54,800	–	(54,800)	–	–
	17.1.2020–16.1.2024	92,400	–	–	–	92,400	–	–	–	92,400
3.2.2021	3.2.2021–2.2.2023	41,600	–	–	–	41,600	–	(41,600)	–	–
	3.2.2021–2.2.2024	41,600	–	–	–	41,600	–	–	–	41,600
	3.2.2021–2.2.2025	40,000	–	–	–	40,000	–	–	–	40,000
16.2.2022	16.2.2022–16.2.2024	58,800	–	–	–	58,800	–	–	–	58,800
	16.2.2022–16.2.2025	58,800	–	–	–	58,800	–	–	–	58,800
	16.2.2022–16.2.2026	57,200	–	–	–	57,200	–	–	–	57,200
4.3.2024	4.3.2024–3.3.2026	–	79,600	–	–	79,600	–	–	–	79,600
	4.3.2024–3.3.2027	–	79,600	–	–	79,600	–	–	–	79,600
	4.3.2024–3.3.2028	–	79,600	–	–	79,600	–	–	–	79,600
		760,800	238,800	(149,600)	(143,600)	706,400	–	(96,400)	(22,400)	587,600

29 SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES – continued

[illegible]	[illegible]	[illegible] 1.4.2023	[illegible]	[illegible]	[illegible]	[illegible] 31.3.2024	[illegible]	[illegible]	[illegible]	[illegible] 31.3.2025
[illegible]										
12.2.2018	12.2.2018–11.2.2022	428,000	–	(402,800)	(25,200)	–	–	–	–	–
28.1.2019	28.1.2019–27.1.2022	604,800	–	(121,600)	(483,200)	–	–	–	–	–
	28.1.2019–27.1.2023	1,230,400	–	(26,800)	(568,400)	635,200	–	(132,000)	(503,200)	–
17.1.2020	17.1.2020–16.1.2022	765,200	–	(706,800)	(58,400)	–	–	–	–	–
	17.1.2020–16.1.2023	1,115,200	–	(30,000)	(152,000)	933,200	–	(922,000)	(11,200)	–
	17.1.2020–16.1.2024	1,260,800	–	(70,800)	–	1,190,000	–	(62,000)	(8,800)	1,119,200
3.2.2021	3.2.2021–2.2.2023	1,302,400	–	(111,600)	–	1,190,800	–	(1,190,800)	–	–
	3.2.2021–2.2.2024	1,255,600	–	(106,400)	–	1,149,200	–	(50,000)	–	1,099,200
	3.2.2021–2.2.2025	1,030,400	–	(82,800)	–	947,600	–	(36,400)	–	911,200
16.2.2022	16.2.2022–16.2.2024	2,220,800	–	(269,200)	–	1,951,600	–	(118,800)	–	1,832,800
	16.2.2022–16.2.2025	2,174,400	–	(265,600)	–	1,908,800	–	(113,200)	–	1,795,600
	16.2.2022–16.2.2026	1,783,200	–	(222,800)	–	1,560,400	–	(80,000)	–	1,480,400
4.3.2024	4.3.2024–3.3.2026	–	1,861,600	(27,600)	–	1,834,000	–	(202,800)	–	1,631,200
	4.3.2024–3.3.2027	–	1,854,400	(27,600)	–	1,826,800	–	(202,000)	–	1,624,800
	4.3.2024–3.3.2028	–	1,766,400	(26,400)	–	1,740,000	–	(189,600)	–	1,550,400
		15,171,200	5,482,400	(2,498,800)	(1,287,200)	16,867,600	–	(3,299,600)	(523,200)	13,044,800
		15,932,000	5,721,200	(2,648,400)	(1,430,800)	17,574,000	–	(3,396,000)	(545,600)	13,632,400
Exercisable at the end of the reporting period		5,858,000				7,361,600				7,049,600

29 SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES – continued

The following tables disclose details of movements of the Company's share awards held by directors and employees

29 SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES – continued

During the year ended 31 March 2025, share awards of 14,503,200 were granted on 27 January 2025. The estimated fair value of the options granted on the grant date is HK$11,026,000. The closing price of the Company's shares at the date of grant were HK$4.76.

The fair values of the share awards at the dates of grant were calculated using the Monte Carlo Simulation model after taking into account the different vesting periods. The assumptions used for the calculation for awards granted during the years ended 31 March 2025 are as follows:

Date of grant	27.1.2025
Closing share price at date of grant	HK$4.76
Expected volatility	44.52% to 53.86%
Risk free rate	3.53% to 3.64%
Fair value	HK$0.74 to HK$0.84

The fair values of the share awards at the dates of grant were calculated using the Binomial Option Pricing model after taking into account the different vesting periods. The assumptions used for the calculation for awards granted during the years ended 2024 are as follows:

	Da[illegible]a[illegible]				
	28.1.2019	**17.1.2020**	**3.2.2021**	**16.2.2022**	**4.3.2024**
Closing share price at date of grant	HK$3.91	HK$6.53	HK$19.78	HK$10.98	HK$5.05
Exercise price	HK$3.91	HK$6.53	HK$19.78	HK$11.10	HK$5.13
Suboptimal exercise factor	1.6 to 2.47	1.6 to 2.47	2.2 to 2.8	2.2 to 2.8	2.0 to 2.8
Expected volatility	38.83% to 39.68%	45.93% to 46.98%	45.72% to 48.48%	52.11% to 55.57%	52.34% to 55.80%
Expected dividend yield	4.02%	1.99%	4.24%	2.56%	3.168%
Risk free rate	1.74% to 1.81%	1.48% to 1.50%	3.42% to 5.11%	1.39% to 1.64%	3.40% to 3.42%
Fair value	HK$0.81 to HK$1.08	HK$2.07 to HK$2.57	HK$5.65 to HK$5.96	HK$3.84 to HK$4.72	HK$1.89 to HK$2.07

The variables and assumptions used above are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Group reversed/recognised an expense of HK$713,000 (2024: HK$6,059,000) in relation to the share options and awards granted by the Company.

30 LEASE COMMITMENTS

The Group as lessor

As at 31 March 2025 and 2024, the Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

	2025 **HK$'000**	2024 HK$'000
Within one year	[redacted]	74,975
In the second to fifth year inclusive	[redacted]	146,190
Over five years	[redacted]	33,601
	[redacted]	254,766

31 CAPITAL COMMITMENTS

	2025 **HK$'000**	2024 HK$'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)	[redacted]	422,558
Total	[redacted]	422,558

Note: As at 31 March 2025, 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$1,412,918,000 (2024: HK$422,558,000), of which HK$97,119,000 (2024: HK$155,986,000) is related to a building located in Qianhai in Shenzhen and HK$513,293,000 is related to a piece of land in Xi'an.

32 RELATED PARTY DISCLOSURES

(a) Senior management

( ) R a a a a

During the year, the Group entered into the following transactions with related parties:

	2025 HK$'000	2024 HK$'000
Rental expense paid to fellow subsidiaries (Note)	[redacted]	

33 FINANCIAL INSTRUMENTS

	2025	2024
	HK$'000	HK$'000
Financial assets		
Financial assets at amortised cost		
– Trade, bills and other receivables	[redacted]	2,152,898
– Short-term bank deposits	[redacted]	110,908
– Restricted bank balances	[redacted]	3,786
– Cash and cash equivalents	[redacted]	3,162,922
Financial assets at fair value through profit or loss	[redacted]	248,155
	[redacted]	5,678,669
Financial liabilities		
Financial liabilities at amortised cost		
– Trade, bills and other payables	[redacted]	1,489,036
– Lease liabilities	[redacted]	211,186
– Bank borrowings	[redacted]	4,114,218
	[redacted]	5,814,440

34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	Notes	**2025** **HK$'000**	2024 HK$'000
Profit before income tax		[redacted]	2,864,475
Adjustments for:		[redacted]	
Amortisation of intangible assets	8	[redacted]	46,842
Depreciation of property, plant and equipment	8	[redacted]	434,022
Depreciation of right-of-use assets	8	[redacted]	92,014
Equity-settled share-based payments expense		[redacted]	6,059
Losses from changes in fair value of financial assets at FVPL		[redacted]	219,845
Fair value losses on investment properties	15	[redacted]	2,509
Finance costs	9	[redacted]	200,500
Reversal of impairment of inventories		[redacted]	(5,577)
Provision for impairment of trade receivables and bills receivable		[redacted]	38,752
Interest income		[redacted]	(152,099)
Provision for impairment of goodwill		[redacted]	12,268
Provision for impairment of intangible assets		[redacted]	–
Provision for impairment of property, plant and equipment		[redacted]	–
Provision for impairment of other receivable		[redacted]	30,219
Reversal of provision for legal claim (Note 25)		[redacted]	–
Loss on disposal of property, plant and equipment		[redacted]	23,041
Gain on termination of lease		[redacted]	(8,954)
Share of results of joint ventures		[redacted]	(4,053)
		[redacted]	3,799,863
Changes in working capital:		[redacted]	
Decrease/(increase) in inventories		[redacted]	(169,887)
Increase in trade receivables and bills receivable		[redacted]	(234,928)
Decrease/(increase) in other receivables and prepayments		[redacted]	(28,476)
Increase/(decrease) in trade payables and bills payable		[redacted]	(209,015)
Decrease in other payables and accruals		[redacted]	(50,068)
Decrease in contract liabilities		[redacted]	(107,168)
Increase/(decrease) in other non-current liabilities		[redacted]	(29,360)
Decrease in properties held for sale		[redacted]	7,202
Net cash generated from operations		[redacted]	2,978,163

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35 SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 March 2025 and 2024 are as follows:

Name of company	Place of incorporation/establishment and kind of legal entity	Issued and fully paid share capital/registered capital	Attributable equity interest held by the Group 31 March 2025	2024	Principal activities
Directly held					
Man Wah Group Limited	British Virgin Islands ("BVI")	US$50,000	[redacted]	100%	Investment holding
Man Wah Holdings (China) Limited*[4] [illegible][4]	The PRC	RMB1,500,000,000	[redacted]	100%	Property management
Man Wah USA, Inc.	United States of America	US$310,000	[redacted]	100%	Advertising and marketing of home furnishing products
Indirectly held					
Man Wah Industrial Company Limited [illegible]	Hong Kong	HK$3,000,000	[redacted]	100%	Investment holding and trading of sofas and other furniture
Man Wah Furniture (China) Co., Ltd.*[1], [4] [illegible][1], [4]	The PRC	US$110,000,000	[redacted]	100%	Manufacture and trading of sofas, bedding products, other furniture and foam
Man Wah (Macao Commercial Offshore) Limited [illegible]	Macau	MOP100,000	[redacted]	100%	Property investment
Man Wah Global (Macao) Limited [illegible]	Macau	MOP100,000	[redacted]	100%	Offshore sales, management business consultancy, back office support
Man Wah Industrial (Wujiang) Co., Ltd.*[4] [illegible][4]	The PRC	RMB1,275,000,000	[redacted]	100%	Manufacture and trading of sofas, bedding products, other furniture and foam
Man Wah Furniture Headquarter (Wujiang) Co., Ltd.*[1], [4] [illegible][1], [4]	The PRC	US$110,000,000	[redacted]	100%	Property development and hotel operation
Remaco Machinery Technology (Wujiang) Co., Ltd.* [illegible]	The PRC	RMB460,652,616	[redacted]	82.08%	Manufacture of furniture components
Remaco Machinery Technology (Vietnam) Co., Ltd.* [illegible]	Republic of Vietnam	USD4,800,000	[redacted]	82.08%	Manufacture of furniture components
Man Wah Furniture Mexico, S.A. de C.V.	The United Mexican States	PESO50,000	[redacted]	100%	Manufacture and trading of sofas
Chongqing Chenyu Long Brand Management Co., Ltd.*[4] [illegible][4]	The PRC	RMB1,000,000	[redacted]	82.08%	Trading of furniture components

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I · ·					
Man Wah (International) Industrial Limited					

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35 SUBSIDIARIES – continued

Details of the Company's principal subsidiaries as at 31 March 2025 and 2024 are as follows: – continued

[illegible]	[illegible]	[illegible]	[illegible] 31 Ma[illegible] 2025	2024	[illegible]
[illegible]					
Chongqing Man Wah Luohuang Industrial Co., Ltd*(4) [illegible](4)	The PRC	RMB200,000,000	[redacted]	100%	Providing business management service, advertising service and warehouse service
Jiangsu Yulong Intelligent Technology Co., Limited*(4) [illegible](4)	The PRC	RMB20,000,000	[redacted]	82.08%	Manufacture of furniture components
Chongqing Zhitian Meiju Trading Co., Ltd.(4) [illegible](4)	The PRC	RMB1,000,000	[redacted]	90%	Providing business management service, advertising service and warehouse service
Man Wah Lingzhi Furniture (Huizhou) Co., Ltd.*(1) [illegible](1)	The PRC	HK$1,000,000	[redacted]	90%	Manufacture and trading of sofas and furniture products
Lingzhi Furniture (Suzhou) Co., Ltd.*(1) [illegible](1)	The PRC	HK$1,000,000	[redacted]	90%	Manufacture and trading of sofas and furniture products
Tianjin Zhitian Furniture Co., Ltd.*(4) [illegible](4)	The PRC	RMB200,000	[redacted]	90%	Manufacture and trading of sofas and furniture products
Chongqing Zhitian Furniture Co., Ltd.*(4) [illegible](4)	The PRC	RMB1,000,000	[redacted]	90%	Manufacture and trading of sofas and furniture products
Chongqing Ruimak Brand Management Co., Ltd.*(4) [illegible](4)	The PRC	RMB1,000,000	[redacted]	82.08%	Trading of furniture components
Chongqing Ruipuslin Intelligent Technology Co., Ltd.*(4) [illegible](4)	The PRC	RMB10,000,000	[redacted]	82.08%	Trading of furniture components
Huizhou Ruipuslin Intelligent Technology Co., Ltd.*(4) [illegible](4)	The PRC	RMB1,000,000	[redacted]	82.08%	Manufacture of furniture components
Chongqing Minhua Brand Management Co., Ltd.*(4) [illegible](4)	The PRC	RMB5,000,000	[redacted]	100%	Trading of sofas, bedding products, other furniture and foam

35 SUBSIDIARIES – continued

Details of the Company's principal subsidiaries as at 31 March 2025 and 2024 are as follows: – continued

Name of subsidiary	Place of incorporation/establishment and operation	Issued and fully paid share capital/registered capital	Attributable equity interest held by the Group 31 March 2025	2024	Principal activities
Indirectly held subsidiaries					
Shanghai Qingzhu Trading Co., Ltd.*(4) [illegible] (4)	The PRC	RMB25,349,501	[redacted]	66%	Manufacture and trading of bedding products, other furniture and foam
Man Wah Internet Retail (Huizhou) Co., Ltd.*(4) [illegible] (4)	The PRC	RMB500,000,000	[redacted]	100%	Internet sales of furniture
Minhai Co., Limited*(4) [illegible] (4)	The PRC	RMB10,000,000	[redacted]	100%	Trading of sofas, bedding products, other furniture
Timberland Company Limited*	Republic of Vietnam	US$12,000,000	[redacted]	100%	Manufacture and trading of sofas
Shanxi Minhua Furniture Intelligent Manufacture Co., Ltd.*(4) [illegible] (4)	The PRC	RMB150,000,000	[redacted]	100%	Manufacture and trading of sofas, bedding products, other furniture and foam
Home Group Ltd.(3)	Cayman Islands	EUR6,000	[redacted]	50%(4)	Investment holding
Home Group Holdings Ltd.(3)	Hong Kong	HK$1	[redacted]	50%(4)	Investment holding
Minhua (Shenzhen) Modern Logistics Service Co., Ltd.*(1) [illegible] (1)	The PRC	US$100,000,000	[redacted]	100%	Logistic services
Superb Creation Limited [illegible]	Hong Kong	HK$55,000,000	[redacted]	55%	Trading of sofas
Superb Creation Furniture (Shenzhen) Co., Ltd*(1) [illegible] (1)	The PRC	US$4,000,000	[redacted]	55%	Manufacture and trading of sofa
Man Wah Superb Creation Intelligent Technology (Huizhou) Co., Ltd*(1) [illegible] (1)	The PRC	RMB10,000,000	[redacted]	55%	Manufacture and trading of furniture
Gold Sands Investment Company Limited	Hong Kong	HK$10,000	[redacted]	49.25%	Manufacture and trading of furniture components
Lion Rock Group Holdings Limited	Hong Kong	HK$10,000	[redacted]	49.25%	Trading of furniture component
Shenzhen Style Household Co., LTD*(4) [illegible] (4)	The PRC	RMB32,600,000	[redacted]	51%	Manufacture and trading of furniture products

35 SUBSIDIARIES – continued

Details of the Company's principal subsidiaries as at 31 March 2025 and 2024 are as follows: – continued

[illegible]	[illegible]	[illegible]	[illegible] 31 Ma[illegible] 2025	2024	[illegible]
[illegible]			[redacted]		
Tianjin Style Furniture Co., Ltd.*[4] Â9ǫFÐ[4]	The PRC	RMB5,000,000	[redacted]	51%	Manufacture and trading of furniture products
Chongqing Gesheng Furniture Co., Ltd.*[4] EǫFÐ[4]	The PRC	RMB5,000,000	[redacted]	51%	Manufacture and trading of furniture products
Chongqing Style Mercure Business Co. , Ltd.*[4] EÕÐ[4]	The PRC	RMB1,000,000	[redacted]	51%	Providing business management service, advertising service and warehouse service
Changchun Man Wah Intelligent Home Co., LTD*[4] F6ÞÐ[4]	The PRC	RMB500,000,000	[redacted]	100%	Manufacture and trading of furniture products
Man Wah Smart Home (Wuhan) Co., LTD*[4] Ȩ¢[4]	The PRC	USD100,000,000	[redacted]	100%	Manufacture and trading of furniture
Shenzhen Huating Meiju Furniture Co., Ltd.*[4] 96'ÇFÐ[4]	The PRC	RMB50,000,000	[redacted]	51%	Manufacture and trading of sofa and bedding products
Suzhou Huating Meiju Furniture Manufacture Co., Ltd.*[4] =È:ÇFÐ[4]	The PRC	RMB10,000,000	[redacted]	51%	Manufacture and trading of sofa and bedding products
Tianjin Huating Meiju Furniture Co., Ltd.*			[redacted]		

[illegible]	[illegible]	[illegible]	[illegible] 31 Ma[illegible]		[illegible]
			2025	2024	
[illegible]					
Xinjiang Man Wah Business Service Co.*[4]	The PRC	RMB10,000,000	[redacted]	[illegible]	[illegible]
[illegible][4]					

[illegible]	[illegible]	[illegible]	[illegible] 31 Ma[illegible] 2025	2024	[illegible]
[illegible]			[redacted]		
Remacro Technology (ZHANGJIAGANG) Limited* (1), (2), (4) [illegible] (1), (2), (4)	The PRC	RMB50,000,000		N/A	Manufacture and trading of furniture components
Rui Ma Ke Technology (Hong Kong) Co., Ltd.* (1), (2) [illegible] (1), (2)	Hong Kong	HK$1,000,000		N/A	Trading of furniture components
Rui Ma Ke Machinery Technology (Suzhou) Co., Ltd.* (1), (2), (4) [illegible] (1), (2), (4)	The PRC	RMB3,000,000		N/A	Manufacture and trading of furniture components

* English translated name is for identification only.

1 These companies were established in the PRC in the form of wholly foreign-owned enterprise.

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35 SUBSIDIARIES – continued

The above table only lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any loan capital subsisting at the end of the year or at any time during the year.

Set out below is summarised financial information for a subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed are before inter-company eliminations.

	[illegible]	
	2025	2024
	HK$'000	HK$'000
[illegible]		
Non-current assets	[redacted]	336,115
Current assets	[redacted]	353,976
Non-current liabilities	[redacted]	28,160
Current liabilities	[redacted]	148,835
Total equity	[redacted]	513,096
[illegible]		
Revenue	[redacted]	674,136
Total comprehensive income for the year	[redacted]	20,615
Profit attributable to owners of the Company	[redacted]	15,649
Profit attributable to the non-controlling interests	[redacted]	4,966
[illegible]		
Net cash inflow from operating activities	[redacted]	31,798
Net cash outflow from investing activities	[redacted]	(24,957)
Net cash outflow from financing activities	[redacted]	(13,777)
Net increase/(decrease) in cash and cash equivalents	[redacted]	(6,936)

36 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 HK$'000	2024 HK$'000
ASSETS	[redacted]	
Non-current assets	[redacted]	
Interests in subsidiaries	[redacted]	3,711,080
	[redacted]	3,711,080
Current assets	[redacted]	
Cash and bank balances	[redacted]	541,243
Deposits, prepayment and other receivables	[redacted]	6,921
Financial assets at fair value through profit or loss	[redacted]	117,386
Amount due from a subsidiary	[redacted]	360
	[redacted]	665,910
Current liabilities	[redacted]	
Amount due to a subsidiary	[redacted]	25,597
Other payables and accruals	[redacted]	120,555
	[redacted]	146,152
Net current (liabilities)/assets	[redacted]	519,758
Net assets	[redacted]	4,230,838
EQUITY	[redacted]	
Equity attributable to owners of the Company	[redacted]	
Share capital	[redacted]	1,551,015
Reserves (Note)	[redacted]	2,679,823
Total equity	[redacted]	4,230,838

36 STATEMENT OF FINANCIAL POSITION OF THE COMPANY – continued

Note: Movement in reserves of the Company are as follows:

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000

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37 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

(a) Directors' and chief executive's emoluments

Details of the emoluments paid to the directors of the Company for the year are as follows:

F[illegible] 31 Ma[illegible] 2025

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	HK$'000	HK$'000	HK$'000 (N[illegible])	HK$'000	HK$'000	HK$'000
Executive Directors:	[redacted]					
Mr. Wong Man Li *(Chairman and Chief Executive Officer)*						
Ms. Hui Wai Hing						
Mr. Alan Marnie						
Mr. Dai Quanfa						
Ms. Wong Ying Ying						
Independent non-executive Directors:						
Mr. Yang Siu Shun (Note i)						
Mr. Chau Shing Yim David						
Mr. Kan Chung Nin, Tony						
Mr. Ding Yuan						

37 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) – continued

(a) Directors' and chief executive's emoluments – continued

For the year ended 31 March 2024

Name of directors	Directors' fee HK$'000	Salaries and other allowances HK$'000	Discretionary bonus HK$'000 (Note ii)	Share-based payment HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
Executive Directors:						
Mr. Wong Man Li *(Chairman and Chief Executive Officer)*	380	1,525	121	93	18	2,137
Ms. Hui Wai Hing	380	–	–	83	–	463
Mr. Alan Marnie	380	5,417	1,661	–	–	7,458
Mr. Dai Quanfa	380	3,053	295	299	29	4,056
Ms. Wong Ying Ying	380	980	111	95	6	1,572
Independent non-executive Directors:						
Mr. Yang Siu Shun (Note i)	430	–	–	–	–	430
Mr. Chau Shing Yim David	430	–	–	–	–	430
Mr. Kan Chung Nin, Tony	430	–	–	–	–	430
Mr. Ding Yuan	430	–	–	–	–	430
	3,620	10,975	2,188	570	53	17,406

Notes:

(i)

37 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) – continued

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year (2024: Nil).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year (2024: Nil).

(d) Consideration provided to third parties for making available directors' services

During the year ended 31 March 2025, the Company did not pay consideration to any third parties for making available directors' services (2024: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There is no other loans, quasi-loans and other dealing arrangements in favour of directors, bodies corporate controlled by and entities connected with all directors of the Company as at 31 March 2025 (2024: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a materia(f24: anes and ich alygem

38 FINANCIAL GUARANTEES

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within an average period of two to three months upon the completion of guarantee registration; or (ii) the full repayment of mortgaged loan by the purchasers of properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to retain the legal title and take over possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages. As at 31 March 2025 and 2024, no outstanding guarantees for mortgages. The directors consider that the likelihood of default in payments by purchasers is minimal and as the Group is entitled to retain the ownership of the properties, the valuation of which is significantly higher than the guaranteed amounts, the financial guarantees measured at fair value is immaterial.

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39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.1 Principles of consolidation and equity accounting – continued

(b) J a a

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Man Wah Holdings Limited has both joint operations and joint ventures.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 39.11.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.1 Principles of consolidation and equity accounting – continued

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39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.2 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.2 Business combinations – continued

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree at the acquisition date is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

39.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

39.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors (the "Board") that makes strategic decisions.

39.5 Foreign currency translation

(a) F a a a

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is HK$. The functional currency of the Group's overseas subsidiaries is US$. The Company's primary subsidiaries are incorporated in the PRC and for these subsidiaries, RMB is the functional currency. The consolidated financial statements are presented in Hong Kong dollar ("HK$"), which is the Group's presentation currency.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.5 Foreign currency translation – continued

(b) T a a a ba a

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statements of comprehensive income.

All foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within “other losses, net”.

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The results and financial positions of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold land and buildings and leasehold improvements, the shorter lease term as follows:

Leasehold land and buildings	50 years or over the term of the relevant lease for land, whichever is shorter
Leasehold improvements	5 years or over the term of the relevant lease, whichever is shorter
Plant and machinery	10%–20%
Furniture, fittings and office equipment	20%–33%
Motor vehicles	12.5%–20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.7 Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties.

Leasehold land is accounted for as investment properties when the rest of the definition of an investment property is met and carried at fair value.

Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, and adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the income statement as part of a valuation gain or loss in “other losses, net”.

39.8 Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

39.9 Properties under development

When the leasehold land and buildings are in the course of development for sale, the leasehold land component included in properties under development is amortised over a straight-line basis over the lease term. During the

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.10 Intangible assets

(a) G

Goodwill is measured as described in Note 39.2. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(b) T a a , a a

Separately acquired trademarks are shown at historical cost. Trademarks, technology knowhow and customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

( ) R a a

Development costs that are directly attributable to the design and testing of identifiable and unique intangible assets controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use,
- management intends to complete the intangible asset and use or sell it,
- there is an ability to use or sell the intangible asset,
- it can be demonstrated how the intangible asset will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available, and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.10 Intangible assets – continued

( ) R a a

Directly attributable costs that are capitalised include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

( ) A a a

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Trademarks	7%–12.5%
Technology knowhow	10%
Customer relationship	9%–20%

39.11 Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.12 Investments and other financial assets – continued

( ) M a

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other losses. Interest income from these financial assets is included in finance income using the effective interest rate method. Net foreign exchange gains and losses are presented in general and administrative expenses and impairment expenses are presented as separate line item in the consolidated statement of comprehensive income.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other losses in the period in which it arises.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.12 Investments and other financial assets – continued

( ) I a

The Group assesses on a forward-looking basis the expected credit losses (“ECL”) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and bills receivable, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1 for further details.

For other financial assets at amortised cost, the Group measures the impairment as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

To assess whether there is a significant increase in credit risk, the Group compares the risk of default as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtors’ ability to meet its obligations;
- actual or expected significant changes in the operating results of debtors;
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the expected performance and behaviour of debtors, including changes in the payment status of the debtor in the Group and changes in the operating results of the debtor.

Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and there is no reasonable expectation of recovery of the balances.

39

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.18 Trade, bills and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade, bills and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

39.19 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated statement of comprehensive income as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.20 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

39.21 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive (loss)/income or directly in equity. In this case, the tax is also recognised in other comprehensive (loss)/income or directly in equity, respectively.

(a) C a

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company’s subsidiaries and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) D a

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.21 Current and deferred income tax – continued

(b) D a

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for joint ventures. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the joint venture's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

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Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.22

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.24 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

39.25 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.25 Leases – continued

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

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39 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES – continued

39.27 Earnings per share

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Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

( ) D a a

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

39.28 Share-based payments

Share-based compensation benefits are provided to employees via the share options granted to employees.

The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

– including any market performance conditions (e.g. the entity’s share price),

– excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

– including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Particulars of Major Properties

Location	Existing use	Lease term	Attributable interest of the Group
Investment properties			
1. All the portion of Ground Floor and whole of 1st Floor (and the flat roof appertaining thereto), Circle Court, Nos. 3 & 5 Java Road, North Point, Hong Kong	Commercial	Medium	100%
2. Flat B (with A/C Room(s) pertaining thereto which is/are accessible from the flat itself) on 36th Floor of Tower 8, The Palazzo, No. 28 Lok King Street, Shatin, New Territories	Commercial	Medium	100%
3. Praca Wong Chio L19, Alameda Dr. Carlos D' Assumpção Nºs 411–417, Em Macau	Commercial	Medium	100%
4. Praca Wong Chio J19, Alameda Dr. Carlos D' Assumpção Nºs 411–417, Em Macau	Commercial	Medium	100%
5. Praca Wong Chio K19, Alameda Dr. Carlos D' Assumpção Nºs 411–417, Em Macau	Commercial	Medium	100%
6. Unit 1904, Tower 1, Huiyang World Trade Plaza, Baiyun Er Road, Danshui Town, Huiyang District, Huizhou City, Guangdong Province, the PRC	Commercial	Medium	100%
7. Industrial Complex located at Man Wah Industrial Zone No. 189 Industrial District, Henggang Town, Longgang, Shenzhen City, Guangdong Province, the PRC	Industrial	Medium	100%

[illegible]	[illegible]	[illegible]	[illegible]
8. CHEERS Exhibition Hall Julongge Sales Department, No. 199 Yundong Avenue, Wujiang Economic and Technological Development Zone,			

Location	Existing use	Lease term	Attributable interest of the Group
16. No. 5555, TongJin Road, Economic Development Zone, Wujiang City, Jiangsu Province, the PRC	Industrial	Long	100%
17. No. 888, Xingrui Road, Economic Development Zone, Wujiang City, Jiangsu Province, the PRC	Industrial	Long	100%
18. No. 1111, Xingrui Road, Economic Development Zone, Wujiang City, Jiangsu Province, the PRC	Industrial	Long	100%
19. No. 199 Yundong Avenue, Wujiang Economic and Technological Development Zone, Suzhou City, Jiangsu Province, the PRC	Commercial	Long	100%
20. CHEERS Flagship Store, CBD International Famous Store Street, 21 North Avenue, Hankou District, Wuhan City, Hubei Province, the PRC	Commercial	Long	100%
21. 78 Fuyuan Road, Wuqing Development Zone, Tianjin, the PRC	Industrial	Long	100%
22. 82 Fuyuan Road, Wuqing Development Zone, Tianjin, the PRC	Industrial	Long	100%
23. A08, Mingdian Street, Jinma Kaixuan Home, Intersection of West Fourth Ring, Longhai West Road, Zhong Yuan District, Zhengzhou City, Henan Province, the PRC	Commercial	Long	100%

	Location	Existing use	Lease term	Attributable interest of the Group
24.	No. 808, Park Avenue, Luohuang Town, Jiangjin District, Chongqing, the PRC	Industrial	Long	100%
25.	11 Zhangba Second Road, High-tech Zone, Xi'an, Shaanxi Province, the PRC	Commercial	Medium	100%
26.	Man Wah Shaanxi Home Manufacturing Base, 1 Xihuan Road, Xingping City, Shaanxi Province, the PRC	Industrial	Long	100%
27.	Group No. 2 Binh Chanh Quarter, Khanh Binh Ward, Tan Uyen Town, Binh Dicong Province, Vietnam	Industrial	Long	100%
28.	Calle Puerto Grande 200, Parque Industrial Hofusen, Salinas Victoria, Mexico	Industrial	Long	100%
29.	Kopli St. 68/Volta St. 1 &/Kopli St. 70, Tallinn, Estonia	Industrial	Long	40%
30.	Kolejowa Street 13–100, Nidzica, Poland	Industrial	Long	40%
31.	Lesna Street 13–100, Nidzica, Poland	Industrial	Long	40%
32.	Silutės pl. 95, Klaipeda, Lithuania	Industrial	Long	40%
33.	Kriukai, Darbininku street 14A and 20A, Sakiai, Lithuania	Industrial	Long	40%
34.	Industrialna 12, Kvasyliv, Rivne, Ukraine	Industrial	Long	40%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March

	2021 HK$'000	2022 HK$'000	2023 HK$'000	2024 HK$'000	**2025** **HK$'000**
Revenue and other income	16,945,965	21,787,920	17,788,864	18,798,633	[redacted]
Revenue	16,434,071	21,496,783	17,351,106	18,411,197	[redacted]
Cost of goods sold	(10,504,964)	(13,606,188)	(10,672,839)	(11,163,170)	[redacted]
Gross profit	5,929,107	7,890,595	6,678,267	7,248,027	[redacted]
Other income	511,894	291,137	437,758	387,436	[redacted]
Other losses, net	(93,713)	(49,350)	(241,416)	(304,195)	[redacted]
Selling and distribution expenses	(3,118,564)	(4,189,944)	(3,317,923)	(3,314,346)	[redacted]
Administrative and other expenses	(778,071)	(1,052,908)	(1,046,952)	(956,000)	[redacted]
Share of results of joint ventures	5,707	9,651	9,995	4,053	[redacted]
Finance costs	(96,046)	(79,692)	(164,857)	(200,500)	[redacted]
Profit before income tax	2,360,314	2,819,489	2,354,872	2,864,475	[redacted]
Income tax expense	(336,908)	(502,929)	(496,694)	(468,473)	[redacted]
Profit for the year	2,023,406	2,316,560	1,858,178	2,396,002	[redacted]
Other comprehensive (loss)/income:					
Item that may be subsequently reclassified to profit or loss					
Currency translation differences	546,805	386,330	(793,431)	(582,038)	[redacted]
Item that will not be reclassified to profit or loss					
Currency translation differences	–	–	(44,764)	(39,434)	[redacted]
Other comprehensive income/(loss) for the year	546,805	386,330	(838,195)	(621,472)	[redacted]
Total comprehensive income for the year	2,570,211	2,702,890	1,019,983	1,774,530	[redacted]

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March

	2021 HK$'000	2022 HK$'000	2023 HK$'000	2024 HK$'000	**2025** **HK$'000**
Profit for the year attributable to:					
Owners of the Company	1,924,513	2,247,491	1,914,914	2,302,366	[redacted]

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March

	2021 HK$'000	2022 HK$'000	2023 HK$'000	2024 HK$'000	**2025** **HK$'000**
Non-current assets					
Property, plant and equipment	4,774,294	6,051,190	6,743,332	7,227,927	[redacted]
Investment properties	482,067	495,827	464,734	442,044	[redacted]
Right-of-use assets	2,324,072	2,931,906	2,657,316	2,548,190	[redacted]
Other intangible assets	166,517	276,525	215,914	171,517	[redacted]
Interests in joint ventures	55,812	67,773	72,912	22,695	[redacted]
Deferred tax assets	42,678	41,025	29,174	8,132	[redacted]
Deposit paid for a land lease	167,311	30,070	3,860	310,868	[redacted]
Prepayments and deposits paid for acquisition of property, plant and equipment	126,926	280,882	220,612	202,417	[redacted]
Deposits paid for acquisition of subsidiaries	244,585	–	–	–	[redacted]
Financial assets at fair value through profit or loss	1,894	1,973	1,826	1,725	[redacted]
Goodwill	560,519	1,003,331	816,174	767,394	[redacted]
Total non-current assets	8,946,675	11,180,502	11,225,854	11,702,909	[redacted]
Current assets					
Inventories	2,003,605	2,698,697	1,449,689	1,553,474	[redacted]
Properties held for sale	254,779	209,623	151,716	135,907	[redacted]
Properties under development	164,498	178,751	167,681	158,443	[redacted]
Trade receivables and bills receivable	1,680,529	2,245,088	1,598,310	1,746,892	[redacted]
Other receivables and prepayments	700,841	775,074	943,908	981,488	[redacted]
Financial assets at fair value through profit or loss	372,750	386,919	343,608	246,430	[redacted]
Tax recoverable	6,854	10,986	14,094	4,361	[redacted]
Restricted bank balances	12,237	4,045	7,394	3,786	[redacted]
Cash and bank balances	3,296,093	2,831,559	3,738,234	3,273,830	[redacted]
Total current assets	8,492,186	9,340,742	8,414,634	8,104,611	[redacted]
Total assets	17,438,861	20,521,244	19,640,488	19,807,520	[redacted]

Total assets Current assets

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March

	2021 HK$'000	2022 HK$'000	2023 HK$'000	2024 HK$'000	**2025** **HK$'000**
Current liabilities					[redacted]
Trade payables and bills payable	971,142	1,155,911	950,941	710,214	
Other payables and accruals	746,883	1,224,626	974,682	1,090,960	
Contract liabilities	363,145	354,907	363,867	274,813	
Bank borrowing – current portion	3,588,713	4,335,016	4,176,079	4,113,203	
Tax payable	185,864	266,724	241,208	185,925	
Lease liabilities	26,419	106,493	79,243	52,520	
Total current liabilities	5,882,166	7,443,677	6,786,020	6,427,635	
Non-current liabilities					
Lease liabilities	20,308	161.85I11 Td (Non-current liabilities)Tj 1. [redacted] 024 0 8,020			