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MANWAH

MAN WAH HOLDINGS LIMITED

敏華控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 01999)

INSIDE INFORMATION

LEGAL PROCEEDINGS IN RELATION TO SOUTHERN MOTION, INC.

This announcement is made by Man Wah Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company refers to the announcements of the Company dated 18 December 2025 (the “**Announcement**”) and 24 December 2025 in relation to the acquisition (the “**Acquisition**”) of Gainline Recline Intermediate Corp. (the “**Acquired Company**”, together with its subsidiaries, the “**Acquired Group**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as in the Announcement.

As disclosed in the Announcement, the Acquired Group is principally engaged in the manufacturing and trading of upholstered furniture in the United States and operates eight manufacturing facilities in northern Mississippi. Six of these facilities are leased from the same landlord (the “**Landlord**”). The revenue contribution from the Acquired Group since the Acquisition in December 2025 represented approximately 2% of the Group’s total revenue for the financial year ended 31 March 2026 (“**FY2026**”). On a pro forma basis, had the Acquisition taken place at the beginning of FY2026, the revenue contribution of the Acquired Group would have been approximately 8%.

Southern Motion, Inc., a direct wholly-owned subsidiary of the Acquired Company (that in turn holds the remaining entities within the Acquired Group), is currently involved in commercial disputes with the Landlord and certain other creditors. In light of the Acquired Group's operating loss and to safeguard the interests of its employees, key suppliers and customers, Southern Motion, Inc. has filed for Chapter 11 bankruptcy proceedings in the United States. Pending the resolution of such disputes, the Acquired Group will continue to carry on its business under applicable law.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 31 August 2026

As at the date of this announcement, the executive Directors are Mr. Wong Man Li, Ms. Hui Wai Hing, Mr. Alan Marnie, Mr. Dai Quanfa and Ms. Wong Ying Ying; and the independent non-executive Directors are Mr. Ding Yuan, Mr. Yang Siu Shun, Mr. Lam Yin Shing, Donald and Mr. Chan Hak Kan.