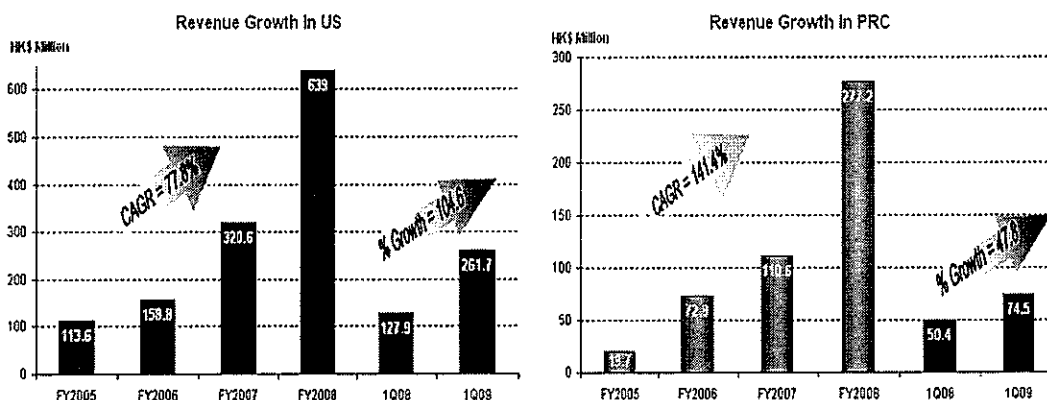




Man Wah Holdings Limited
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Man Wah establishes China and US dominance with 65.3% jump in net profit to HK\$62.6m

Singapore – 8th August 2008, Main Board-listed Man Wah Holdings Limited (Bloomberg Ticker: MWH.SP, "Man Wah", "敏华控股有限公司" or "the Group"), the PRC-based producer of the award-winning "Cheers" brand of motion sofas, once again presents a commendable set of 1QFY2009 results with net profit surging 65.3% to HK\$62.6 million. This is attributable to the Group's continued success in marketing to both export and local markets, driving revenue growth by 40.7% to HK\$474.9 million.



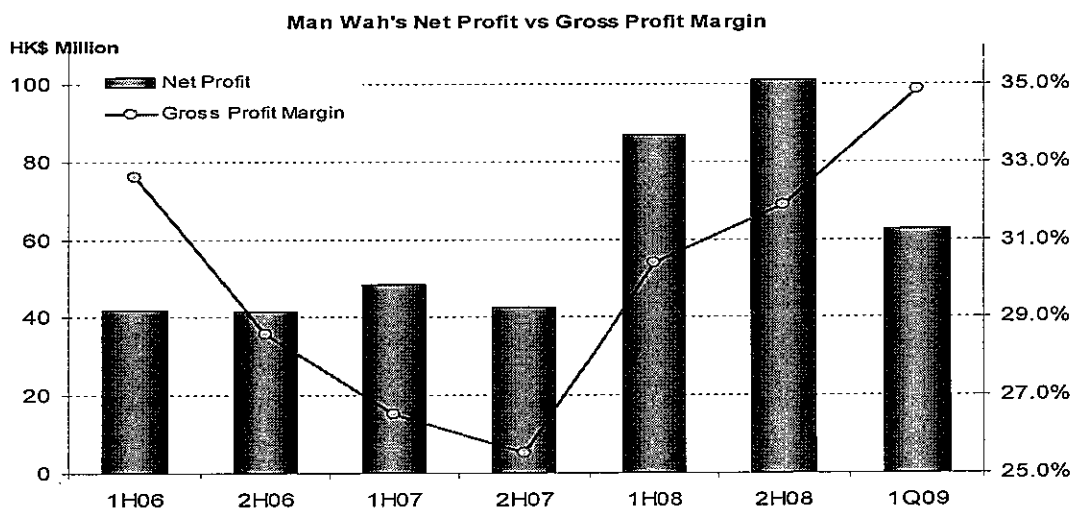
"While the overall furniture sector may be seen as riding against the tide given the relatively tame consumer sentiments and economic outlook, we continue to overcome these obstacles with a well-planned marketing strategy, product mix and cost efficient operations.

As such, since FY2005, our US market has been growing at an annualized rate of 77.8% while our domestic market did even better with 141.4% on average.

Our 2 pronged growth strategy of marketing to both our export and domestic markets is still the key to our success."

Mr Wong Man Li (黄敏利), Managing Director of Man Wah

Enhancing Margins



Sharp hikes in commodity prices, including the Group's key raw material leather, over the last few years has affected the Group's margins as early as 1HFY2006. To meet this challenge, Man Wah has proactively introduced measures such as product mix adjustment, direct sales to large US retailers instead of via intermediary distributors, as well as the streamlining of its operations to achieve greater economies of scale. The consistent execution of these measures helped to improve gross profit margin tremendously from 25.5% in 2HFY2007 to the current 34.9% in 1QFY2009.

The US segment spearheaded the Group's revenue growth by 104.6% to HK\$261.7 million. The revenue achieved in the first quarter already represents 41% of the total FY2008 US sales of HK\$639 million. Man Wah's US clientele are the larger US retailers which are relatively able to weather through the current slowdown, compared to smaller scale furniture retailers and distributors.

Relative to Man Wah's production capacity, the demand from Man Wah's US customers are extremely sufficient, with the Group yet to see any slowdown in their orders in 1QFY2009.

With 230 specialty stores at the end of 1QFY2009 (FY2008: 213 stores), the Group's effort to increase its retail network of "Cheers" specialty stores in the PRC paid off with a 47.8% jump in sales to HK\$74.5 million. The Group is targeting to have 300 "Cheers" specialty stores by the end of FY2009.

Export sales to European market decreased by HK\$24 million to HK\$77.5 million. The slower sales could be attributed to the general economic slowdown in the European market particularly in the United Kingdom. The Group is currently spending more effort to secure more orders from other furniture retailers in this market segment whom the Group identifies as potential customers.

Cautiously Optimistic Outlook

"Competitive market conditions, volatility in raw material costs and foreign exchange fluctuation will remain as constant challenges to us. Having said that, we are familiar with these challenges, and as can be seen from our track record, well-prepared to mitigate their impact to our performance. We maintain a cautiously optimistic outlook for FY2009."

Mr Wong Man Li (黄敏利), Managing Director of Man Wah

-- The End --

About Man Wah Holdings Limited (Bloomberg Code: MWH.SP)

Established in 1992, Man Wah Holdings Ltd. ("Man Wah") is a home furnishing group, primarily engaged in the design, manufacture and sale of a broad range of mid to high-end motion sofas (specialty sofas with features such as recline and footrests), which are sold through extensive distribution channels in Hong Kong and the PRC, and direct export to the international market under its well-known brand - "Cheers".

The "Cheers" brand had received the prestigious China Top Brand award in September 2007 from the PRC authorities. The Group currently operates three sofa production facilities in the PRC. With the completion of Phase II of its Huizhou Daya Bay plant in December 2007, production capacity has enhanced to 500,000 sofa sets per annum to meet the growing demand from its expanding clientele base.

For more information, please log on www.manwahholdings.com

Issued for and on behalf of Man Wah Holdings Limited

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