

主席報告 Chairman's Statement

本人謹代表董事會欣然向閣下呈報永嘉集團控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）上市後截至二零零六年十二月三十一日止年度首份年度業績。

成就

本公司於二零零六年九月六日上市，為本集團籌得所得款項淨額約738,400,000港元。年內此顯著成績為本集團提供強大動力，推動整體業務發展。

憑藉對運動服與活動及戶外服裝行業的專門技術及知識，本集團一直以集團的最佳利益為出發點，致力作出策略性行動。緊接年度結束後，本集團於二零零七年三月完成認購嘉運額外25%權益，使本集團於該公司的持股比例增至75%。嘉運現時在本港經營14家零售店，包括近期於旺角朗豪坊開業的首家大型足球商店Futbol Trend。作為本集團另一重要里程碑，該項認購使本集團取得運動服零售業務的營運控制權，同時亦鞏固本集團的策略性平台，以擴展本集團於香港以至中國的零售及批發業務。本集團預期該分類業務自二零零八起會為本集團帶來積極貢獻。

此外，Umbro集團於二零零七年三月將其於天運洋行（為本公司附屬公司）的權益由25%增加至40%，因此本集團與Umbro集團的夥伴關係變得更加密切。本集團合夥人亦延長本集團就UMBRO產品於大中華的獨家分銷權至二零二零年。該等行動均證明雙方均致力促成雙贏局面。本集團將與品牌持有人緊密合作，積極推廣品牌，並創作更多別出心裁的設計及優質產品，進一步鞏固UMBRO品牌於大中華的地位。

On behalf of the Board, I am pleased to present to you the first annual results for the year ended 31 December 2006 after the listing of Win Hanverky Holdings Limited (the "Company") and its subsidiaries (collectively the "Group").

Achievements

Our listing on 6 September 2006 had raised net proceeds of approximately HK\$738.4 million for the Group. This most notable achievement during the year has provided the Group with a strong impetus to accelerate overall business development.

Drawing on our expertise and knowledge in the sportswear and active and outer wear industry, we constantly strive to make strategic moves in the best interest of the Group. Shortly after the year-end, in March 2007, the Group completed the subscription of an additional 25% stake in Win Sports, increasing our shareholding interest in this company to 75%. Win Sports currently has 14 retail shops in Hong Kong, including the first soccer mega store, Futbol Trend, recently opened in Langham Place, Mongkok. Another important milestone for the Group, the subscription has given us operational control over our Sportswear Retail Business and a strengthened strategic platform to expand our retail and wholesale business in Hong Kong, and subsequently the PRC. We expect the segment to bring in positive contribution to the Group starting from 2008.

Moreover, Umbro Group's has increased its stake in T&S HK, a subsidiary of the Company, from 25% to 40% in March 2007, thereby we have a tightened partnership with Umbro Group. Our partner also extended the term of the Group's exclusive distributorship of UMBRO Products in the Greater China to 2020. These moves evidenced the commitment of both parties to achieving win-win results. We will work more closely with the brand owner to actively promote the brand and come up with more innovative designs and supreme quality products so as to strengthen the standing of the UMBRO brand in the Greater China.

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營業額增長

在擴充產量及運動服分銷業務持續增長的同時，本集團得利於大中華地區利好的市場狀況，包括強勁經濟增長、消費者購買力上升及對運動的熱衷與日俱增，截至二零零六年十二月三十一日止年度營業額較去年增加21.1%，達2,487,500,000港元。而本公司股權持有人應佔溢利則增加7.9%，達260,600,000港元。

運動服生產業務及運動服分銷業務為收益增長最高類別，分別較去年上升33.3%及24.9%。然而，由於二零零六年最後一季全球氣候不尋常暖化，以致本集團運動服分銷與活動及戶外服裝業務出現季節性倒退。否則，本集團相信運動服分銷業務會錄得更高收益增長，活動及戶外服裝業務亦可有所增長，而非度過平庸的一年。

中國市場的滲透

乘著中國市場的強勁消費意欲及抓緊運動服類別正處於全盛時期的機遇，本集團於二零零四年在中國開展特許經營品牌運動服分銷業務。其後兩年，本集團於國內設立約890個由分銷商經營的銷售點，使包括香港、台灣及澳門在內的大中華區多達約1,050個銷售點。儘管面對競爭及受到意料之外的氣候轉變影響，中國運動服分銷市場於過去數年持續有所增長。為鞏固市場地位，本集團將與品牌持有人通力合作，針對中國市場需求，建立環環緊扣的供應鏈及發揮優秀的產品設計功能。

憑藉既有分銷網絡及環環緊扣的供應鏈支援，本集團有信心能在發展迅速的中國運動服市場上脫穎而出。

Growth in Turnover

On the back of our capacity expansion and continuous growth of Sportswear Distribution Business, supplemented by favorable market conditions in the Greater China region including strong economic growth, rising consumer purchasing power and a growing passion for sports, for the year ended 31 December 2006, the Group's turnover increased by 21.1% year-on-year to HK\$2,487.5 million, while profit attributable to equity holders of the Company increased by 7.9% to HK\$260.6 million.

Sportswear Manufacturing Business and Sportswear Distribution Business were areas reporting the most revenue growth, 33.3% and 24.9% year-to-year respectively. The unexpected global warm weather in the last quarter of 2006, however, brought seasonal setback to the Group's Sportswear Distribution Business and Active and Outer Wear Business. Otherwise, we believe Sportswear Distribution Business would have reported a higher revenue growth and Active and Outer Wear Business would register a growth versus having a flat year.

Penetration of the PRC Market

To ride on the strong consumption sentiment in the PRC market and seize opportunities in its flourishing sportswear sector, we expanded into the business of distributing licensed branded sportswear in the PRC in 2004. In the two years since then, we have set up approximately 890 points of sales operated by our distributors in the country, resulted in a total number of approximately 1,050 points of sales in the Greater China, including Hong Kong, Taiwan and Macau. Although ridden with competition and affected by unexpected weather changes, the sportswear distribution market in the PRC has been constantly growing in the past few years. To strengthen the Group's position in the market, we are going to work with brand owners to set up strong supply chains and product design functions pinpointing the demands of the PRC market.

With an established distribution network and strong supply chain support, we are confident of enhancing our competitiveness in the fast-growing sportswear market in the PRC.

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展望

展望未來，本集團運動服生產業務及運動服分銷業務營業額將持續增長。透過與本集團客戶緊密合作，本集團相信本集團運動服生產業務將接到更多及更大的訂單。本集團的「足球中心」加上已擴建的越南廠房，使本集團的產能增加30.8%，由二零零六年每月約2,600,000件增至二零零七年每月約3,400,000件。本集團將繼續提升產能，並以在三年內達致二零零六年產能的兩倍為目標。本集團致力維持毛利率及控制營業開支，以提高本集團的營業毛利率。

本集團運動服分銷業務及新運動服零售業務尤其受惠於即將來臨的二零零八年北京奧運。為把握該項盛事衍生的機遇，本集團將於中國增設更多零售店，於二零零七年底前由現時約890家增至1,200家，並於二零零八年增至1,500家。大部分新零售店將座落鄰近舉辦奧運項目的二、三線城市或鄰近地區。本集團亦會嘗試增加售價一般較高的鞋履在產品組合中的比例，從而增加平均售價。此外，本集團亦會透過實施更佳的供應鏈管理，加強UMBRO品牌推廣及品質監控藉以改善UMBRO品牌的形象。

本集團相信活動及戶外服裝業務將保持平穩發展。倘北美國家天氣或貿易保護狀況不會急遽變化，活動及戶外服裝業務可錄得個位數字增長。此業務分部方面，本集團相信現行模式簡單有效，既可透過創立新品牌來創造增長空間，亦可與不同品牌持有人合作。

最後，本人希望藉此機會答謝管理人員及職員於年內努力不懈、全心全意地為本集團效力。本集團將繼續竭盡所能為本集團股東爭取更佳回報。

主席
李國棟

Prospects

Looking ahead, we see persistent growth in turnover for the Group in Sportswear Manufacturing Business and Sportswear Distribution Business. In close collaboration with our customers, we believe our Sportswear Manufacturing Business will receive more and larger orders. Our "Soccer Center" and expanded Vietnam plant together have boosted our production capacity by 30.8% from about 2.6 million piece per month in 2006 to about 3.4 million pieces per month in 2007. We will continue to boost our production capacity and our target is to double our current capacity in 2006 within three years. The Group will also step up effort in maintaining its gross profit margin and controlling operating expenses, and in turn boost its operating profit margin.

The impending 2008 Beijing Olympics has favored in particular the Group's Sportswear Distribution Business and new Sportswear Retail Business. To capture as many as possible the opportunities bred by the event, we will add more retail outlets in the PRC to bring the total from the current of approximately 890 to 1,200 outlets by end of 2007 and to 1,500 outlets in 2008. New outlets will be located primarily in the second and third tier cities and cities where, or near, where Olympic events will be held. We will also try to increase our average selling price by increasing the proportion of shoes, which normally command a higher selling price, in the product mix. Furthermore, the Group will enhance UMBRO's brand image by investing in promotion and strengthening quality control via better supply chain management.

We believe Active and Outer Wear Business will remain stable with single digit growth in revenue provided that weather conditions or trade protection status in North American countries do not change drastically. This business segment, we believe, has a simple yet effective model that can give us opportunities to grow by creating new brands and allow us to work with different brand owners at the same time.

Lastly, I would like to take this opportunity to thank the management and our staff for their dedication and contribution during the year. We will continue to give our best and push for yet better returns to our shareholders.

Chairman
LI Kwok Tung Roy