Win Hanverky Holdings Limited
永 嘉 集 團 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3322)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

HIGHLIGHTS

- Revenue in 2007 increased by 33.6% to HK$3,322.4 million compared with HK$2,487.5 million in 2006.
- Operating profit in 2007 increased by 13.4% to HK$400.1 million compared with HK$352.9 million in 2006.
- Profit attributable to equity holders of the Company in 2007 increased by 11.4% to HK$290.3 million compared with HK$260.6 million in 2006.
- Net profit margin for 2007 was 10.1%.
- The Board has resolved to recommend the payment of a final dividend of HK3.5 cents (interim dividend of HK3.3 cents per share in 2007).

The board of directors (the "Board") of Win Hanverky Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2007, together with the comparative amounts for 2006.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 HK$'000	2006 HK$'000
Revenue	3	**3,322,400**	2,487,519
Cost of sales	4	**(2,248,231)**	(1,624,022)
Gross profit		**1,074,169**	863,497
Selling and distribution costs	4	**(374,538)**	(280,038)
General and administrative expenses	4	**(334,260)**	(241,258)
Other income and gains	5	**34,752**	10,766
Operating profit		**400,123**	352,967
Finance income	6	**24,821**	29,914
Finance costs	6	**(6,019)**	(21,602)
Finance income - net	6	**18,802**	8,312
Share of profit of associates		**2,647**	131
Share of loss of jointly controlled entities		**(11,353)**	(605)
Profit before income tax		**410,219**	360,805
Income tax expense	7	**(75,525)**	(77,385)
Profit for the year		**334,694**	283,420
Attributable to:			
Equity holders of the Company		**290,259**	260,600
Minority interest		**44,435**	22,820
		334,694	283,420
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in HK$ per share)			
- basic	8	**0.231**	0.259
- diluted	8	**0.228**	0.255
Dividends	9	**86,251**	—

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007

	Note	2007	2006
		HK$'000	*HK$'000*
Non-current assets			
Leasehold land and land use rights		**53,086**	31,476
Property, plant and equipment		**547,028**	345,907
Intangible assets	*5*	**52,324**	150,296
Investments in associates		**25,184**	21,589
Investments in jointly controlled entities		**—**	14,395
Deferred income tax assets		**13,717**	3,058
Other receivables		**28,599**	17,596
		719,938	584,317
Current assets			
Inventories		**486,155**	282,725
Trade and bills receivable	*10*	**704,067**	478,536
Deposits, prepayments and other receivables		**125,980**	36,160
Cash and cash equivalents		**580,280**	567,387
		1,896,482	1,364,808
Current liabilities			
Trade and bills payable	*11*	**376,877**	228,393
Accruals and other payables		**174,097**	96,522
Current income tax liabilities		**79,330**	48,559
Borrowings	*12*	**68,242**	10,749
Licence fees payable	*5*	**4,036**	58,748
		702,582	442,971
Net current assets		**1,193,900**	921,837
Total assets less current liabilities		**1,913,838**	1,506,154

	Note	**2007**	2006
		HK$'000	*HK$'000*
Non-current liabilities			
Borrwings	*12*	**11,509**	—
Licence fees payable	*5*	**—**	131,266
Deferred income tax liabilities		**1,231**	2,741
		12,740	134,007
Net assets		**1,901,098**	1,372,147
Equity			
Capital and reserves attributable to equity holders of the Company			
Share capital		**126,840**	124,500
Reserves		**1,686,336**	1,211,463
		1,813,176	1,335,963
Minority interest in equity		**87,922**	36,184
Total equity		**1,901,098**	1,372,147

NOTES:

1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

2. ADOPTION OF NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS OF HKFRS

(a) Standards, amendment and interpretations effective in 2007

The following standards, amendment to standard and interpretations are mandatory for financial year ended 31 December 2007:

- HKFRS 7, 'Financial instruments: Disclosures';
- HKAS 1 (Amendment), 'Presentation of financial statements - Capital disclosures';
- HK(IFRIC) - Int 8, 'Scope of HKFRS 2'; and
- HK(IFRIC) - Int 10, 'Interim financial reporting and impairment'.

The adoption of these new standards, amendment and interpretations does not have any significant impact to the results, financial position and accounting policies of the Group. However, the adoption of HKFRS 7 and HKAS 1 (Amendment) requires additional disclosures relating to financial instruments in the financial statements.

(b) Interpretations effective in 2007 but not relevant to the Group's operations

The following interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the Group's operations:

- HK(IFRIC) - Int 7, 'Applying the restatement approach under HKAS 29, Financial reporting in hyper-inflationary economies'; and
- HK(IFRIC) - Int 9, 'Re-assessment of embedded derivatives'.

(c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2008 or later periods, but the Group has not early adopted them:

- HKAS 1 (Revised), 'Presentation of financial statements' (effective from 1 January 2009);
- HKAS 23 (Revised), 'Borrowing costs' (effective from 1 January 2009);
- HKFRS 8, 'Operating segments' (effective from 1 January 2009);
- HK(IFRIC) - Int 11, 'HKFRS 2 - Group and treasury share transactions' (effective for annual periods beginning on or after 1 March 2007); and
- HK(IFRIC) - Int 13, 'Customer loyalty programmes' (effective from 1 July 2008).

(d) Interpretations to existing standards which are not yet effective and not relevant for the Group's operations

The following interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2008 or later periods but are not relevant for the Group's operations:

- HK(IFRIC) - Int 12, 'Service concession arrangements' (effective from 1 January 2008); and
- HK(IFRIC) - Int 14, 'HKAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008).

3. SEGMENT INFORMATION

(a) Primary reporting format - business segments

At 31 December 2007, the Group is organised on a worldwide basis into three main business segments:

(1) Sportswear manufacturing

(2) Sportswear distribution and retail

(3) Active and outer wear

The segment results for the year ended 31 December 2007 are as follows:

	Sportswear manufacturing *HK$'000*	Sportswear distribution and retail *HK$'000*	Active and outer wear *HK$'000*	Unallocated *HK$'000*	Group *HK$'000*
Total segment revenue	**2,148,032**	**669,850**	**542,513**	**—**	**3,360,395**
Inter-segment revenue	**(37,995)**	**—**	**—**	**—**	**(37,995)**
Revenue	**2,110,037**	**669,850**	**542,513**	**—**	**3,322,400**
Operating profit/segment result	**241,507**	**137,914**	**28,032**	**(7,330)**	**400,123**
Finance income					**24,821**
Finance costs					**(6,019)**
Share of profit of associates	**2,647**				**2,647**
Share of loss of jointly controlled entities		**(11,353)**			**(11,353)**
Profit before income tax					**410,219**
Income tax expense					**(75,525)**
Profit for the year					**334,694**

Other segment items included in the consolidated income statement are as follows:

	Sportswear manufacturing *HK$'000*	Sportswear distribution and retail *HK$'000*	Active and outer wear *HK$'000*	Unallocated *HK$'000*	Group *HK$'000*
Amortisation of leasehold land and land use rights	**(832)**	**—**	**—**	**—**	**(832)**
Depreciation of property, plant and equipment	**(50,873)**	**(10,523)**	**(2,888)**	**—**	**(64,284)**
Amortisation of intangible assets	**—**	**(11,473)**	**—**	**—**	**(11,473)**
Impairment of inventories	**(796)**	**(111)**	**—**	**—**	**(907)**
Reversal of inventory impairment	**—**	**368**	**—**	**—**	**368**
Impairment of receivables	**(1,667)**	**(5,081)**	**—**	**—**	**(6,748)**
Reversal of receivable impairment	**—**	**362**	**—**	**—**	**362**

The segment results for the year ended 31 December 2006 are as follows:

	Sportswear manufacturing *HK$'000*	**Sportswear distribution and retail** *HK$'000*	**Active and outer wear** *HK$'000*	**Unallocated** *HK$'000*	**Group** *HK$'000*
Total segment revenue	1,488,350	416,048	639,675	—	2,544,073
Inter-segment revenue	(56,554)	—	—	—	(56,554)
Revenue	1,431,796	416,048	639,675	—	2,487,519
Operating profit/segment result	151,376	111,791	100,653	(10,853)	352,967
Finance income					29,914
Finance costs					(21,602)
Share of profit of associates	131				131
Share of loss of jointly controlled entities		(605)			(605)
Profit before income tax					360,805
Income tax expense					(77,385)
Profit for the year					283,420

Other segment items included in the consolidation income statement are as follows:

Amortisation of leasehold land and land use rights	(643)	—	—	—	(643)
Depreciation of property, plant and equipment	(37,930)	(1,579)	(4,715)	—	(44,224)
Amortisation of intangible assets	—	(30,298)	—	—	(30,298)
Impairment of inventories	(213)	(1,082)	—	—	(1,295)
Impairment of receivables	(44)	(156)	—	—	(200)
Reversal of receivable impairment	—	2,433	—	—	2,433

Inter-segment transactions are conducted at terms mutually agreed among group companies.

Segment assets consist primarily of leasehold land and land use rights, property, plant and equipment, intangible assets, investments in associates, investments in jointly controlled entities, inventories, trade, bills and other receivables, and cash and cash equivalents. Unallocated assets mainly comprise cash and cash equivalents held for corporate uses, tax recoverable and deferred income tax assets.

Segment liabilities comprise mainly operating liabilities. Unallocated liabilities mainly comprise deferred income tax liabilities, current income tax liabilities and corporate borrowings.

Capital expenditure comprises additions to leasehold land and land use rights, property, plant and equipment and intangible assets, including additions resulting from acquisitions through business combinations.

The segment assets and liabilities as at 31 December 2007 and capital expenditure for the year then ended are as follows:

	Sportswear manufacturing	Sportswear distribution and retail	Active and outer wear	Unallocated	Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets	**1,441,326**	**635,845**	**240,850**	**273,214**	**2,591,235**
Associates	**25,185**	**—**	**—**	**—**	**25,185**
Total assets	**1,466,511**	**635,845**	**240,850**	**273,214**	**2,616,420**
Total liabilities	**365,139**	**225,979**	**43,643**	**80,561**	**715,322**
Capital expenditure	**238,748**	**47,965**	**348**	**—**	**287,061**

The segment assets and liabilities as at 31 December 2006 and capital expenditure for the year then ended are as follows:

	Sportswear manufacturing	Sportswear distribution and retail	Active and outer wear	Unallocated	Group
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets	825,199	430,232	252,930	404,780	1,913,141
Associates	21,589	—	—	—	21,589
Jointly controlled entities	—	14,395	—	—	14,395
Total assets	846,788	444,627	252,930	404,780	1,949,125
Total liabilities	228,811	249,389	47,478	51,300	576,978
Capital expenditure	178,863	13,076	1,677	—	193,616

(b) Secondary reporting format - geographical segments

The Group primarily operates in Hong Kong and Mainland China. Sales are made to overseas customers as well as customers in Hong Kong and Mainland China.

	2007	2006
	HK$'000	*HK$'000*
Revenue		
Europe	**1,361,338**	988,886
United States of America	**521,952**	609,857
Canada	**109,335**	107,181
Hong Kong	**132,572**	98,162
Mainland China	**829,466**	475,895
Other Asian countries	**230,075**	181,369
Others	**137,662**	26,169
	3,322,400	2,487,519

The Group's revenue by geographical location is determined by the final destination of delivery of the products.

	2007	2006
	HK$'000	*HK$'000*
Total assets		
Hong Kong	**1,123,153**	1,080,188
Mainland China	**1,369,460**	749,989
Other Asian countries	**123,807**	118,948
	2,616,420	1,949,125

Total assets are allocated based on where the assets are located.

	2007	2006
	HK$'000	*HK$'000*
Capital expenditure		
Hong Kong	**18,582**	5,889
Mainland China	**258,759**	165,322
Other Asian countries	**9,720**	22,405
	287,061	193,616

Capital expenditure is allocated based on where the assets are located.

(c) Analysis of revenue by category

	2007	2006
	HK$'000	*HK$'000*
Sales of goods	**3,313,616**	2,477,411
Provision of subcontracting services	**8,784**	10,108
	3,322,400	2,487,519

4. EXPENSES BY NATURE

	2007	2006
	HK$'000	*HK$'000*
Raw materials and consumables used	**1,153,640**	823,080
Purchase of finished goods	**621,257**	438,588
Processing and subcontracting charges	**182,169**	132,393
Manufacturing overheads and sample expenses	**89,691**	57,369
Changes in inventories of finished goods and work in progress	**(120,935)**	(54,807)
Depreciation of property, plant and equipment	**64,284**	44,224
Amortisation of leasehold land and land use rights	**832**	643
Amortisation of intangible assets	**11,473**	30,298
Employment benefit expense	**471,307**	324,635
Freight, delivery and insurance expenses	**125,118**	94,737
Sales commission	**49,647**	83,464
Marketing, advertising and promotion expenses	**29,317**	29,842
Quota charges	**27,907**	22,844
Operating lease rental in respect of office equipment and land and buildings		
- minimum lease payments	**42,265**	16,859
- contingent rent	**13,938**	1,394
Auditors' remuneration	**4,592**	4,061
Impairment of receivables	**6,748**	200
Reversal of impairment of receivables	**(362)**	(2,433)
Share options granted to a consultant	**327**	1,201
Write-down of inventories	**907**	1,295
Reversal of inventory impairment	**(368)**	—
Royalty expenses	**53,561**	—
Loss/(gain) on disposal of property, plant and equipment	**31**	(706)
Exchange loss/(gain), net	**8,870**	(4,614)
Others	**120,813**	100,751
Total cost of sales, selling and distribution costs and general and administrative expenses	**2,957,029**	2,145,318

5. OTHER INCOME AND GAINS

	2007	2006
	HK$'000	*HK$'000*
Gain on derecognition of licence rights and related licence fees payable (Note)	**33,526**	—
Gain from change in estimated licence fees payable	**655**	9,227
Others	**571**	1,539
	34,752	10,766

NOTE:

In February 2007, Team & Sports Limited, a subsidiary of the Company, entered into a new agreement to act as an exclusive distributor of the Umbro branded products in Mainland China, Hong Kong, Macau and Taiwan from March 2007 to December 2020. Consequently, the agreement for the aforementioned licence rights was terminated. Under the new distribution agreement, the Group is required to pay Umbro International Limited, a shareholder of Team & Sports Limited, royalty on all Umbro branded products sold at an agreed rate ranging from 6% to 25% based on the selling price, but is not obligated to any fixed periodic royalty payment. Consequently, the aforementioned licence rights and the related licence fees payable were derecognised. The excess of the carrying amount of the licence fees payable over the carrying value of the licence rights of HK$33,526,000 was recognised as other gains in the consolidated income statement.

6. FINANCE INCOME AND COSTS

	2007	2006
	HK$'000	*HK$'000*
Interest income from		
- Bank deposits	**20,367**	10,007
- Customers for extended credit terms	**2,541**	465
- Other receivables from disposal of interest in a subsidiary	**1,913**	4,229
- Deposits relating to the share subscription (Note)	**—**	15,213
Finance income	**24,821**	29,914
Interest expense on		
- bank borrowings and overdrafts	**(2,549)**	(6,306)
- balances with directors	**—**	(582)
- licence fees payable	**(3,470)**	(14,714)
Finance costs	**(6,019)**	(21,602)
Net finance income	**18,802**	8,312

Note:

In accordance with the share subscription agreements relating to the issue of 300,000,000 shares of HK$ 0.1 each through a placing and public offering at HK$ 2.28 per share by the Company in September 2006, the Company is entitled to the interest income earned from bank deposits relating to the share subscription, including over subscription, during the subscription period.

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year.

Subsidiaries, associates and jointly controlled entities established and operated in Mainland China are subject to Mainland China Enterprise Income Tax at rates ranging from 15% to 33% for the year (2006: 27% to 33%). In accordance with the applicable tax regulations, subsidiaries, associates and jointly controlled entities established in Mainland China as wholly-owned foreign enterprises or sino-foreign joint ventures are entitled to full exemption from Enterprise Income Tax for the first two years and a 50% reduction in Enterprise Income Tax for the next three years, commencing from the first profitable year after offsetting all unexpired tax losses carried forward from previous years.

Taxation on overseas (other than Hong Kong and Mainland China) profits has been calculated on the estimated assessable profit for the year at the applicable rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the consolidated income statement represent:

	2007	2006
	HK$'000	*HK$'000*
Current income tax		
Hong Kong profits tax	**50,012**	46,884
Mainland China enterprise income tax	**37,682**	33,553
Overseas taxation	**—**	16
Deferred income tax	**(12,169)**	(3,068)
	75,525	77,385

8. EARNINGS PER SHARE

(a) Basic

The calculation of basic earnings per share is based on the consolidated profit attributable to equity holders of the Company of approximately HK$290,259,000 (2006:HK$260,600,000) and on the weighted average number of approximately 1,254,676,000 (2006: 1,007,671,000) ordinary shares in issue during the year.

	2007	2006
Profit attributable to equity holders of the Company (HK$'000)	**290,259**	260,600
Weighted average number of ordinary shares in issue ('000)	**1,254,676**	1,007,671
Basic earnings per share (HK$)	**0.231**	0.259

(b) Diluted

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Shares issuable under the share option schemes are the only dilutive potential ordinary shares. A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares in the relevant periods) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2007	2006
Profit attributable to equity holders of the Company (HK$'000)	**290,259**	260,600
Weighted average number of ordinary shares in issue ('000)	**1,254,676**	1,007,671
Adjustment for share options ('000)	**19,815**	15,835
Weighted average number of ordinary shares for diluted earnings per share ('000)	**1,274,491**	1,023,506
Diluted earnings per share (HK$)	**0.228**	0.255

9. DIVIDENDS

	2007	2006
	HK$'000	*HK$'000*
Interim dividend paid of HK3.3 cents (2006: Nil) per ordinary share	**41,857**	—
Proposed final dividend of HK3.5 cents (2006:Nil) per ordinary share	**44,394**	—
	86,251	—

At a meeting held on 26 March 2008, the Directors proposed a final dividend of HK3.5 cents (2006: Nil) per share. The proposed dividends are not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2008.

10. TRADE AND BILLS RECEIVABLE

	2007	2006
	HK$'000	*HK$'000*
Trade receivables		
- from third parties	**687,422**	468,905
- from related parties	**8,556**	12,201
Bills receivable	**23,776**	7,327
	719,754	488,433
Less: provision for impairment of trade receivables	**(15,687)**	(9,897)
	704,067	478,536

The carrying amounts of trade and bills receivable approximate their fair values.

Majority of trade receivables are with customers having an appropriate credit history and at credit terms of 7 to 90 days. Most of the Group's sales are on open account, while sales made to a small number of customers are covered by letter of credit issued by banks or settled by documents against payment issued by banks. The ageing analysis (from date of invoice) of trade receivables is as follows:

	2007	2006
	HK$'000	*HK$'000*
0-30 days	**339,833**	248,965
31-60 days	**248,517**	119,295
61-90 days	**38,792**	35,015
91-120 days	**43,906**	38,277
121-180 days	**19,616**	17,268
181- 365 days	**12,485**	19,332
Over 365 days	**16,605**	10,281
	719,754	488,433
Less: Provision for impairment of trade receivables	**(15,687)**	(9,897)
	704,067	478,536

11. TRADE AND BILLS PAYABLE

	2007	2006
	HK$'000	*HK$'000*
Trade payables		
- to third parties	**342,112**	206,079
- to related parties	**29,613**	20,210
Bills payable	**5,152**	2,104
	376,877	228,393

The ageing analysis of the trade and bills payable is as follows:

	2007	2006
	HK$'000	*HK$'000*
0-30 days	**205,255**	112,702
31-60 days	**101,575**	76,613
61-90 days	**43,107**	30,413
91-120 days	**17,502**	4,585
121-365 days	**6,331**	3,549
Over 365 days	**3,107**	531
	376,877	228,393

12. BORROWINGS

	2007	2006
	HK$'000	*HK$'000*
Current		
Current portion of long-term bank loans	526	—
Short-term bank loans	60,990	10,000
Trust receipts import bank loans	6,726	749
	68,242	10,749
Non-current		
Non-current portion of long-term bank loans	11,509	—
Total borrowings	79,751	10,749

13. SUBSEQUENT EVENT

The following significant event has taken place subsequent to 31 December 2007:

In December 2007, the Group entered into conditional agreements to acquire 100% interest in Union Garment Company Limited, a wholly foreign owned enterprise incorporated in Mainland China, and certain garment business, at an estimated cash consideration of approximately HK$10.2 million (equivalent of approximately US$1.3 million), which is to be adjusted based on the total after-tax profits of Union Garment Limited and the acquired business for the year ending 31 December 2008. Union Garment Limited and the acquired business are engaged in manufacturing and trading of garments in Mainland China and Hong Kong. The Group expects to complete these acquisitions in 2008, and is in the process of assessing the fair values of assets, liabilities, contingent liabilities and identified intangible assets, if any, of Union Garment Limited and the acquired garment business and it is impracticable to disclose their respective amounts together with the goodwill so arising at the current stage.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2007, the Group's sales increased by 33.6% to HK$3,322.4 million from HK$2,487.5 million in 2006. The rise in sales was mainly attributable to satisfactory performance of Sportswear Manufacturing Business and Sportswear Distribution and Retail Business. The Group's gross profit amounted to HK$1,074.2 million, representing an increase of 24.4%; while gross profit margin decreased to 32.3% against 34.7% last year resulting mainly from the decreased gross profit margin of Active and Outer Wear Business.

Operating profit increased by HK$47.2 million, or 13.4%, to HK$400.1 million, as compared with 2006. This reflected primarily the increase in operating profit of HK$90.1 million and HK$26.1 million from Sportswear Manufacturing Business and Sportswear Distribution Business respectively. The increase, however, was significantly offset by the decrease in operating profit of HK$72.6 million from Active and Outer Wear Business.

During the year under review, finance income decreased to HK$24.8 million from HK$29.9 million in 2006, mainly because of the absence of the one-off interest income in relation to the IPO over subscription in 2006 this year, although more interest income has been derived from a higher average level of bank deposits in 2007. Finance costs decreased from HK$21.6 million to HK$6.0 million mainly because of the decrease in interest on licence fees payable by HK$11.2 million after de-recognition of licence fees payable in March 2007. Income tax decreased to HK$75.5 million from HK$77.4 million in 2006 and the effective tax rate also decreased to 18.4 % in 2007 from 21.4% in 2006. Minority interest increased to HK$44.4 million from HK$22.8 million in 2006 mainly due to the significant increase in net profit after tax in Sportswear Distribution Business together with the further dilution of interest from the disposal of an additional 15% equity interest in Team & Sports Limited ("T&S HK") to Umbro International Limited ("Umbro Group"), the other shareholder of T&S HK in March 2007.

The Group's profit attributable to its equity holders increased by 11.4% to HK$290.3 million, achieving a net profit margin of 10.1%.

The Board of Directors recommends the payment of a final dividend of HK3.5 cents per share for the year ended 31 December 2007.

BUSINESS REVIEW

The Group is an integrated manufacturer, distributor and retailer for renowned international sports brands and active and outer wear. It runs three broad lines of business that serve diverse geographical markets. Sales performances of different business lines are summarised below:

Sportswear Manufacturing Business

The Group's Sportswear Manufacturing Business mainly manufactures sportswear products on an OEM basis for international sports brands, including but not limited to adidas, Reebok, Umbro, Diadora, Puma and Jako. Most of the goods it made are exported to Europe. For the year ended 31 December 2007, Sportswear Manufacturing Business achieved satisfactory growth, sales from the segment increased by 44.3% to HK$2,148.0 million when compared with last year. The main reasons behind the sales growth were the Group's expanded production capacity and top quality products, which stimulated orders from key customers who have kept the Group on their consolidated supplier base. The segment's contribution accounted for 63.9% of the Group's total sales, up from 58.5% in 2006.

During the year under review, efforts were made by the Group to enhance productivity. These included enhancing capacity utilisation of all factories in the PRC and closing the under performing factory in the Philippines. The Group also managed to expand production capacity from 2.6 million pieces of garments per month in 2006 to 3.4 million pieces in 2007. Continuous trust and support from customers, enhanced productivity and utilisation of major factories and a strengthened management team together have boosted the operating profit of the segment.

The operating environment of the segment, however, was highly challenging in 2007. The Group had to cope with continuous inflation and the appreciation of RMB. Since the inflated cost could not be fully transferred to our customers, gross profit margin of the segment had a slight decrease to 26.9% with gross profit at HK$577.2 million this year (2006: 27.6% at HK$410.2 million).

The segmental operating expense increased by 29.2%, or at HK$75.9 million, which was lower than the 44.3% growth in sales. Segmental operating profit margin therefore increased to 11.2% with operating profit at HK$241.5 million (2006: 10.2% at HK$151.4 million). The higher operating margin mainly comes from the mere 21.8% increase of general and administrative expenses. This reflected the improvement of management efficiency of the Group.

Breakdown of sales of our Sportswear Manufacturing Business by geographical locations

	2007		2006	
	HK$'000	**%**	*HK$'000*	%
Export Sales *(Note 1)*				
Europe	**1,361,338**	**64.5**	988,886	69.1
North America	**101,628**	**4.8**	80,447	5.6
Asia excluding PRC and Hong Kong	**229,292**	**10.9**	181,369	12.7
Others *(Note 2)*	**136,425**	**6.5**	26,168	1.8
	1,828,683	**86.7**	1,276,870	89.2
Domestic Sales				
PRC	**246,428**	**11.7**	93,239	6.5
Hong Kong	**34,926**	**1.6**	61,687	4.3
	281,354	**13.3**	154,926	10.8
	2,110,037	**100.0**	1,431,796	100.0
Inter-segment sales	**37,995**		56,554	
Total	**2,148,032**		1,488,350	

Notes:

1. The geographical location of our sales is determined by the final destination to where our products are delivered.

2. Others include Australia, Central America and Middle East.

Although Europe still accounted for the largest sales in 2007, sales to the PRC has increased by HK$153.2 million to HK$246.4 million from HK$93.2 million in 2006. The higher RMB income allowed the Group to hedge to some extent against the increase in RMB expenses resulting from appreciation of the currency.

Sportswear Distribution and Retail Business

This segment includes the distribution of Umbro Products under T&S HK, retail of multi-brand products and distribution of merchandise of four European soccer teams ("Four Soccer Teams"), namely Manchester United Football Club, Barcelona Football Club, Juventus Football Club and Paris Saint-Germain Football Club under Win Sports. T&S HK and Win Sports are 60%-owned and 75%-owned by the Group respectively starting from March 2007.

Overall sales of Sportswear Distribution and Retail Business increased by 61.0% to HK$669.8 million, accounting for 20.0% of the Group's total sales as compared to 16.4% in 2006. The segment's gross profit margin increased to 46.2% with gross profit at HK$309.7 million (2006: 39.1% at HK$162.7 million).

Segmental operating profit increased to HK$137.9 million, with operating profit margin at 20.6%, against (2006: HK$111.8 million at 26.9%). The increase in operating profit has included other gains amounting HK$33.5 million arising from the de-recognition of licence rights and licence fees payables in March 2007 (as described below), provision for unrealised profit of HK$13.5 million in relation to sales of Umbro Products from T&S HK to Win Sports (of which the inventories remained unsold as at the year end of 2007) and inclusion of Win Sports starting from March 2007, which created a total loss of HK$18.9 million (as described below). As it is the first year to include Win Sports' results into the Group, the impact of unrealised profit, building up from zero in 2007, and operating loss arising from operation and network reengineering and termination of the business associated with the Four Soccer Teams will not be as significant in 2008 as in 2007. The impact arising from operation loss and termination of Four Soccer Teams will not recur in 2009.

Distribution of UMBRO Brand

T&S HK has the exclusive rights to distribute sportswear, footwear, accessories and sports equipment under the UMBRO brand in the PRC, Hong Kong, Macau and Taiwan. Sales from this Business increased by 37.7% to HK$573.0 million in 2007. The steady segmental growth was mainly the result of increased demand for Umbro Products in the PRC and the addition of approximately 240 points-of-sale of the brand during the year under review. At the end of the year, the Group had approximately 1,280 points-of-sale in operation of which approximately 1,110 were in the PRC (2006: 890 points-of-sales) while others were in Hong Kong, Macau and Taiwan.

In March 2007, T&S HK entered into a new agreement (the "Distributor Agreement") with Umbro International Limited ("Umbro International") giving it exclusive distributorship of Umbro products in the PRC, Hong Kong, Macau and Taiwan from March 2007 and December 2020. Under the Distributor Agreement, the requirement to pay a fixed minimum royalty amount has been removed, instead the Group is only required to pay royalty on all the Umbro Products sold at an fixed rate during the new contract term. Licence rights and licence fees payable previously recognised as assets and liabilities were de-recognised in March 2007, resulting in a gain of HK$33.5 million. As the Distributor Agreement was signed in March 2007, the impact of amortisation resulting from license rights and interest expense on licence fees payable for the period from January 2007 and March 2007, amounted HK$8.8 million and HK$3.2 million respectively, were charged to the consolidated income statement. Royalty expense as an item in selling and distribution costs came into effect starting from April 2007 amounted to HK$53.6 million. For comparative purpose, assuming the Distributor Agreement was valid from the beginning of 2006 and 2007, there would only be royalty expense without amortisation on licence rights, interest expense on licence fees payable and other gain on de-recognition, the gross profit and gross profit margin of Umbro distribution business would then have increased from HK$192.9 million in 2006 to HK$274.9 million in 2007 and 46.4% in 2006 to 48.0% in 2007 respectively. The operating profit and operating profit margin would have been increased from HK$93.1 million in 2006 to HK$117.5 million in 2007 and decreased from 22.4% in 2006 to 20.5% in 2007 respectively.

At the time the Distributorship Agreement was signed, the Group also disposed of an additional 15% equity interest in its subsidiary T&S HK to Umbro Group for a cash consideration of US$16.5 million (equivalent to HK$128.6 million). Consequently, the Group's equity interest in T&S HK and its subsidiaries decreased from 75% to 60%. Resulting from such dilution of interest, profit attributable to minority interest increased by HK$10.2 million.

Retail of Multi Brands

Also in March 2007, the Group completed subscription of an additional 25% stake (the "Subscription") in Win Sports Limited ("Win Sports"), a previously 50%-owned jointly-controlled entity, increasing its equity interest in Win Sports to 75%. Win Sports is engaging in the sportswear retail business selling products of many sportswear brands in the PRC and Hong Kong. The Subscription has given the Group a strengthened strategic platform to expand its sportswear retail and wholesale business. During the year under review, the Group had begun to re-engineer the operation and network of Win Sports, including terminating the loss making exclusive distribution business associated with the Four Soccer Teams. Before the Subcription, Win Sports was equity accounted for and the Group shared its loss of HK$11.4 million in the first quarter of 2007, resulting from clearance of old inventories, provision of doubtful debts and consolidation of the operation networks and organizational structure in Hong Kong and the PRC. After the Subcription, sales of this segment has been fully consolidated into the Group. Its sales contribution to the Group's results thereafter amounted to HK$156.7 million, while gross profit margin at 37.5% and operating loss of HK$7.6 million.

In January 2007, the Group made a critical step forward for its Sportswear Retail Business by opening its first soccer concept mega store "Futbol Trend" in Mongkok, Hong Kong. The store mainly carries products of world famous soccer brands such as adidas, Nike and Umbro, and other football clubs in the FA Premier League. The concept store also received the 2006 European Golden Boot winner Luca Toni, team members of the Liverpool Football Club and Portsmouth Football Club last summer, making it a real "mecca" for football fans. Furthermore, the Group expanded its sales network by adding 10 self-managed "Sport Corners" retail shops in Hong Kong and 130 mono-brand shops for Umbro in the PRC.

Breakdown of sales of the Sportswear Distribution and Retail Business by product categories

	2007		2006	
	HK$'000	***%***	*HK$'000*	*%*
Distribution of UMBRO brand				
Apparel	**323,736**	**44.4**	277,440	66.7
Footwear	**219,336**	**30.0**	118,790	28.6
Accessories	**27,404**	**3.8**	16,640	4.0
Sports equipment	**2,537**	**0.3**	3,178	0.7
Sub-total	**573,013**	**78.5**	416,048	100.0
Retail of multi brands				
Apparel	**98,317**	**13.5**	—	—
Footwear	**48,928**	**6.7**	—	—
Accessories	**9,486**	**1.3**	—	—
Sports equipment	**—**	**—**	—	—
Sub-total	**156,731**	**21.5**	—	—
	729,744	**100.0**	416,048	100.0
Intra-segment sales	**(59,894)**		—	
Total	**669,850**		416,048	

Note: The results of Win Sports were consolidated to the Group when it became a subsidiary in April 2007 and therefore reflected in the total sales of Sportswear Distribution and Retail Business.

Breakdown of sales of the Sportswear Distribution and Retail Business by geographical regions

	2007		2006	
	HK$'000	***%***	*HK$'000*	*%*
Distribution of UMBRO brand				
PRC *(Note 1)*				
Eastern region	**191,586**	**26.3**	143,529	34.5
Northern region	**160,788**	**22.0**	90,445	21.7
Southern region	**69,745**	**9.6**	57,615	13.8
Western region	**114,618**	**15.7**	85,536	20.6
	536,737	**73.6**	377,125	90.6
Hong Kong and Macau *(Note 2)*	**32,764**	**4.5**	36,476	8.8
Taiwan	**3,512**	**0.5**	2,447	0.6
Sub-total	**573,013**	**78.6**	416,048	100.0
Retail of multi brands				
PRC *(Note 1)*				
Eastern region	**53,091**	**7.2**	—	—
Southern region	**34,872**	**4.8**	—	—
	87,963	**12.0**	—	—
Hong Kong	**68,768**	**9.4**		
Sub-total	**156,731**	**21.4**	416,048	100.0
	729,744	**100.0**	416,048	100.0
Intra-segment sales	**(59,894)**		—	
Total	**669,850**		416,048	

Notes:

1. Eastern region included Anhui Province, Jiangsu Province, Shanghai Municipal and Zhejiang Province.

   Northern region included Beijing Municipal, Gansu Province, Hebei Province, Heilongjiang Province, Jilin Province, Liaoning Province, Inner Mongolia Autonomous Region, Qinghai Province, Shandong Province, Shanxi Province, Shaanxi Province, Tianjin Municipal, Ningxia Hui Autonomous Region and Xinjiang Uygur Autonomous Region.

   Southern region included Fujian Province, Guangdong Province, Guangxi Zhuang Autonomous Region, Hainan Province, Henan Province, Hubei Province, Jiangxi Province and Hunan Province.

   Western region included Guizhou Province, Sichuan Province, Yunnan Province, Tibet Autonomous Region and Chongqing Municipal.

2. Sales generated in Macau were minimal and hence, were grouped under sales generated in Hong Kong.

We have an extensive distribution network for Umbro Products in the Greater China region. As at 31 December 2007, we had a total of over 110 Umbro Product distributors operating a network of approximately 1,100 retail outlets across the PRC (of which 130 outlets are owned by Win Sports). Additionally, we also sell Umbro Products at over 170 retail outlets and concession counters in Hong Kong, Macau and Taiwan. This network of retail outlets includes stand-alone stores selling exclusively Umbro Products and sports specialty stores or concession counters selling Umbro Products and products of other brands. The following map shows the locations of these retail outlets as at 31 December 2007:

The following table sets forth the geographical distribution of the retail outlets and concession counters selling Umbro Products in the Greater China as at 31 December 2006 and 2007:

	Approximate number of retail outlets and concession counters	
	2007	2006
Retail outlets operated by our distributors		
PRC		
Eastern region	**397**	316
Northern region	**309**	263
Southern region	**184**	146
Western region	**223**	163
	1,113	888
Hong Kong	**143**	140
Macau	**3**	3
Taiwan	**18**	10
Concession counters operated under concession arrangement		
Hong Kong *(Note)*	**8**	5
Total	**1,285**	1,046

Note: The concession counters are operated in department stores or sports specialty stores under concession arrangements.

Active and Outer Wear Business

The Group is the dominant manufacturer and wholesaler of active wear for the NYL brand (a brand owned by “Martin Stuart Limited”) to about 30 department stores and retail store chains, comprising a total of approximately 5,000 stores, across the U.S. The Group is also engaged in sourcing outer wear and other apparels for Sears Canada.

For the year under review, sales of the segment dropped by 15.2 % to HK$542.5 million. The retarded results of segment is mainly attributable to the economic downturn in the U.S., where customers experiencing drop in sales or were pessimistic about the future pressured the Group to offer them special discounts. The segment's contribution to the Group's total sales decreased from 25.1% to 16.1% and the offer of special discounts to customers dragged down gross profit margin to 34.5% from last year's 45.4%.

Segmental operating profit margin decreased to 5.2% with operating profit at HK$28.0 million (2006: HK$100.7 million). The decrease was mainly the result of the significant decrease of gross profit margin together with the general inflation of production cost, general and administrative expenses and the transportation cost for fabric and finished goods. As the operating profit became a relatively small portion to the Group, it will not significantly affect the Group as a whole.

Breakdown of sales of our Active and Outer Wear Business by business activities

	2007		2006	
	HK$'000	***%***	*HK$'000*	*%*
Business activities				
NYL Business	**445,053**	**82.0**	532,494	83.2
Outer Wear Business	**97,459**	**18.0**	107,181	16.8
Total	**542,512**	**100.0**	639,675	100.0

FINANCIAL POSITION AND LIQUIDITY

As at 31 December 2007, the total assets of the Group were HK$2,616.4 million, representing an increase of approximately 34.2% as compared the year ended 31 December 2006. The Group maintained a strong and healthy financial position.

During the year under review, the Group's net cash generated from operating activities amounted to HK$92.6 million, compared to net cash used of HK$40.9 million in 2006. The change was mainly the result of settlement made to related parties in 2006. Excluding this factor, net cash generated from operating activities remained stable for both years. Net cash (cash and cash equivalents less bank borrowings) of the Group as at 31 December 2007 amounted to HK$500.3 million, a decrease of HK$56.1 million compared to a year ago. The stable cash balances in 2006 and 2007 reflected the Group's ability to finance its investment activities (net of divesting activities) by net cash inflow from operating activities.

As at 31 December 2007, the Group's average trade receivables turnover was 66.4 days (2006: 62.3 days) and average trade payables turnover was 54.1 days (2006: 53.5 days). Average inventory turnover was 63.3 days (2006: 53.9 days).

The Group generally finances its operations and business development with internally generated resources. As at 31 December 2007, the Group's net current assets amounted to HK$1,193.9 million (2006: HK$921.8 million). The current ratio decreased from 3.1 times as at 31 December 2006 to 2.7 times as at 31 December 2007.

As at 31 December 2007, the capital structure of the Company constituted exclusively of 1,268,400,000 ordinary shares of HK$0.1 each. The total amount of outstanding borrowings was HK$79.8 million (2006: HK$10.7 million), including short-term loans of HK$67.8 million and long-term loans of HK$12.0 million. All the borrowings were subject to interest payable at floating rates. The Group did not enter into any interest rate swap to hedge against risks associated with interest rates. And the gearing ratio of the Group stood at a low of 4.2% (2006: 0.8%).

The Group's sales and major materials purchase are mostly denominated in US Dollars, while certain purchases or expenses, e.g. staff cost and China domestic raw material cost, are settled in other currencies, such as HK Dollars and RMB. During the review period, the Group did not use any derivative instruments to hedge against foreign currency exposure as the Directors considered such exposure to be insignificant.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2007, the Group had approximately 17,000 employees (31 December 2006: approximately 13,000 employees). The Group remunerates employees based on their performance, working experience and prevailing market conditions. Other employee benefits include mandatory provident fund, insurance, medical coverage and a share option scheme.

PROSPECTS

Year 2008 will be a year for investment for the Group with the China market as the primary focus and less emphasis on the stagnant U.S. market. To sustain growth momentum, the Group will (1) work closely with customers owning international sports brands to expand its Sportswear Manufacturing Business; (2) capture the growth prospects of Sportswear Distribution Business for Umbro in the PRC by continuing to expand the distribution network there, enhancing product designs and expanding sales of Umbro Products through the 130 mono-brand shops and replicating the multi-brand Futbol Trend to seize the thriving China sportswear market; and (3) work even more closely with brand owners and customers to assure income from the Active and Outer Wear Business will not be further deteriorated.

Sportswear Manufacturing Business

Anticipating growth for its Sportswear Manufacturing Business, the Group plans to increase monthly production capacity from approximately 3.4 million pieces of garments currently to 4.3 million pieces by the end of 2008, representing about a 25% increase year-on-year. It will seek to further enhance productivity and utilisation of its factories particularly the one in Vietnam, which is expected to help in partly mitigating the pressure from labour cost and production overhead and also the impact of RMB appreciation. In addition, the Group will increase the sales proportion of Sportswear Manufacturing Business in its manufacturing segment by exploiting the fast growing domestic retail market in the PRC. It will seek to derive maximum benefit, though indirectly, from the rising domestic sportswear market and diversify the income source of the manufacturing segment. The Group will also manufacture by itself the products covered by the Umbro Products distribution business in the PRC to enhance return, as well as assure quality and timely delivery, reaping the benefit of vertical integration.

Despite the laggard U.S. economy, current orders from major customers in export markets have been satisfactory. And, since the export business segment includes customers in Asian countries, the negative impact from the uncertain U.S. economy was mitigated. Taking that into consideration, the Group remains optimistic about the business segment in the near future.

Furthermore, efforts will be made to strengthen the management team and effectively control material, human and transportation costs. The overall profit margin will be heightened through controlling general and administrative expenses. We expect our Sportswear Manufacturing Business to maintain satisfactory growth and provide the Group with stable cash flow in coming years.

Sportswear Distribution and Retail Business

The Umbro Group had increased its stake in T&S HK, a subsidiary of the Company, from 25% to 40% in March 2007. It also extended the term of the Group's exclusive distributorship of Umbro Products in the Greater China region to 2020. These moves have enhanced the relationship between the Group and Umbro Group and are evidence of commitment of both parties to growing the distribution business of Umbro in the PRC.

With the Chinese population gaining spending power and the 2008 Beijing Olympics approaching, public interest in and awareness of sports and fitness is expected to increase notably. To capitalise on these trends, the Group will:

- increase points-of-sales to 1,500 in the PRC by the end of 2008;
- continue to invest resources of amount equivalent to a certain proportion of sales into advertising, marketing and sponsorship to enhance brand awareness and customer loyalty to licensed brands;
- acquire new brands for distribution in the PRC;
- open mono-brand soccer concept stores for adidas and Nike and multi-brand "Futbol Trend" in the PRC in 2008; and
- increase self-manufactured Umbro Products to ensure product quality and time-to-market.

The Umbo Group has been recently acquired and privatised by Nike Group. The Group hasn't started the dialogue with Nike's management. However, the Group believes that Nike's strength in the marketing aspect may help the brand to extend its coverage even further and enhance brand recognition in the PRC region.

The Group will put more effort into developing its retail business especially in the operation of mono-brand shops of UMBRO. The management expects sales orders for Spring and Summer 2008 to be promising given the lucrative sportswear retail market in the PRC. Moreover, the Group will continue to set up soccer concept shops in major Chinese cities and open new retail shops for brands such as Umbro, Nike and adidas. The Group expects its retail arm Win Sports to achieve a turnaround in business by 2009.

Active and Outer Wear Business

Given the weak U.S. economy, the Group expects sales of this segment will be further reduced. The Group has started dialogue with Martin Stuart Limited, owner of the NYL brand, about how to keep margins at reasonable levels for parties concerned. Orders for the first half year of 2008 are 10% lower than the sales of the corresponding period in 2007. The Group's target is to maintain margin of the business amidst the tough and uncertain business environment in the U.S.

CONTINGENT LIABILITIES

The Group did not have significant contingent liabilities as at 31 December 2007.

CAPITAL COMMITMENTS

The Group had total capital commitments in respect of acquisition of property, plant and equipment of HK$37,000,000 as at 31 December 2007.

PLEDGE OF ASSETS

The Group did not have any assets pledged as at 31 December 2007.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. Following a specific enquiry, each of the Directors confirmed that he has complied with the required standards of dealings as set out in the code of conduct for transactions in the Company's securities during the year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

DIVIDENDS

The Board recommended a payment of final dividend of HK3.5 cents per share of the Company for the year ended 31 December 2007, subject to Shareholders' aproval at the forthcoming annual general meeting to be held on Tuesday, 13 May 2008, payable to the Shareholders whose name appear on the register of members of the Company at the close of business on Wendnesday, 7 May 2008. The final dividend will be paid on or about Friday, 30 May 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday 8, May 2008 to Tuesday, 13 May 2008 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the final dividend for the year ended 31 December 2007, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 7 May 2008.

CORPORATE GOVERNANCE

The Board adopted its own code of corporate governance, which covered all the code provisions and most of the recommended best practices of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules.

The Company had complied with all the code provisions of the CG Code as set out in the Listing Rules during the year.

PUBLICATION OF RESULTS AND ANNUAL REPORT

This result announcement is published on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://www.winhanverky.com). The annual report for the year ended 31 December 2007 will be dispatched to the Shareholders and will be available on the websites of the Stock Exchange and the Company in due course.

AUDIT COMMITTEE REVIEW

The Audit Committee has discussed with the management of the Company the internal control and financial reporting matters related to the preparation of the audited consolidated financial information for the year ended 31 December 2007. It has also reviewed the audited financial information for the year ended 31 December 2007 with the management and the auditors of the Company and recommended them to the Board for approval.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the Company will be held on Tuesday, 13 May 2008. The Notice of the annual general meeting will be published on the Stock Exchange's and the Company's website on or about 11 April 2008 and will be despatched to the shareholders together with the Company's annual report 2007 in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Mr. LI Kwok Tung Roy, Mr. LAI Ching Ping, Mr. CHEUNG Chi, Mr. CHOW Chi Wai and Mr. LEE Kwok Leung being the Executive Directors, and Dr. Chan Kwong Fai, Mr. WUN Kwang Vincent, Mr. MA Ka Chun and Mr. KWAN Kai Cheong being the Indepednent Non-Executive Directors.

By order of the Board
Win Hanverky Holdings Limited
LI Kwok Tung Roy
Chairman

Hong Kong, 26 March 2008