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)

PROFIT WARNING

This announcement is made by Win Hanverky 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company and potential investors that based on the information currently available and the unaudited consolidated management accounts of the Group for the six months ended 30 June 2017, the Group is expected to record a profit attributable to the shareholders of the Company for the six months ended 30 June 2017 of approximately HK$25 million as compared to HK$105.7 million for corresponding period in 2016. The decrease was mainly attributable to the following factors:

(i) decrease in revenue of our manufacturing business by approximately HK$194 million or 12% to approximately HK$1,392 million (30 June 2016: HK$1,586.3 million) while the production cost remained high. We have been experiencing management changes of our main Vietnam factory. Moreover, we have been facing challenges in the management of the enlarged Vietnam factory especially under the old processes and systems. These resulted in the significant decrease of production efficiency and output of our Vietnam factory. The Vietnam factory accounted for more than 40% of the Group's manufacturing capacity and therefore its underperformance has impacted the Group's results significantly. We have already recruited new management talents for the Vietnam factory. In addition, we are also in the process of engaging external consulting company to conduct a thorough review to enhance our processes and systems with an aim to turnaround the performance of our manufacturing business;

(ii) costs incurred for the closure of a factory in Wuzhou, Guangxi province of Mainland China, including redundancy expenses and impairment of assets, amounted to approximately HK$24 million; and

(iii) continuous decrease in same-store sales and store contributions of the Group's sportswear retail business.

The information contained in this announcement is only a preliminary assessment by the management of the Company based on the consolidated management accounts of the Group which have not yet been audited or reviewed by the auditor and audit committee of the Company. The shareholders of the Company and potential investors are advised to refer to the details in the interim results announcement of the Company for the six months ended 30 June 2017, which is expected to be published by the end of August 2017. There may be changes or adjustments following the review of the consolidated management accounts by the auditor and audit committee of the Company.

The shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 4 August 2017

As at the date of this announcement, the Directors are Li Kwok Tung Roy, Lai Ching Ping, Lee Kwok Leung, Wong Chi Keung, Chan Kwong Fai[#], Ma Ka Chun[#], Kwan Kai Cheong[#] and Chau Pui Lin[#].

[#] *Independent non-executive Directors*