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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 year ended 31 December 2017, it is expected that the profit attributable to the shareholders of the Company for the year ended 31 December 2017 may decrease by approximately 90% as compared to HK\$143.5 million for 2016. The decrease was mainly attributable to the following factors:

- (i) decrease in revenue of our manufacturing business by approximately HK\$500 million or 16% to approximately HK\$2,621 million (2016: HK\$3,121.4 million). We have been experiencing management changes of our main Vietnam factory which have resulted in the significant decrease of production efficiency and output of our main 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 and they are in the right track of mastering the production process. It is expected that the rectification will take time;

- (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 annual results announcement of the Company for the year ended 31 December 2017, which is expected to be published by the end of March 2018. 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, 13 February 2018

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*