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 2017

FINANCIAL HIGHLIGHTS

	2017	2016	***Change***
	HK$'000	*HK$'000*	***%***
Revenue	**3,724,328**	4,033,381	**-7.7%**
Gross profit	**1,031,094**	1,149,586	**-10.3%**
Gross profit margin	**27.7%**	28.5%	**-0.8% pt**
Operating profit	**37,311**	194,607	**-80.8%**
Operating profit (excluding impact of factory closure)	**62,742**	199,617	**-68.6%**
Profit attributable to equity holders	**21,045**	143,494	**-85.3%**
Profit attributable to equity holders (excluding impact of factory closure)	**46,476**	148,504	**-68.7%**
Basic EPS *(HK cents)*	**1.6**	11.2	**-85.7%**
Dividends *(HK cents)*			
— Interim	**2.0**	4.0	
— Final (proposed)	**2.0**	3.0	
	4.0	7.0	**-42.9%**

OPERATIONAL HIGHLIGHTS

— Decrease in revenue was due to 16.0% drop in revenue from Manufacturing Business which was partially compensated by 34.0% increase in revenue from High-end Fashion Retailing Business.

— Profit attributable to equity holders (excluding impact of factory closure) decreased from HK$148.5 million to HK$46.5 million primarily due to (i) drop in gross profit from Manufacturing Business resulting from decreased production utilisation and output of the main Vietnam factory and (ii) continued decreasing trend of store contributions from Sportswear Retailing Business.

— Healthy cash and bank balances of HK$424.8 million (2016: HK$414.2 million) and dividends for the full financial year totalled HK4.0 cents (2016: HK7.0 cents) per Share.

The board of directors (the "**Board**" or "**Directors**") of Win Hanverky Holdings Limited (the "**Company**") is pleased to present the audited consolidated results of the Company and its subsidiaries (together the "**Group**") for the year ended 31 December 2017, together with the comparative amounts for 2016 and the relevant explanatory notes.

CHAIRMAN'S STATEMENT

Business and Financial Highlights

2017 was a challenging year for us. The Group has recorded a decline in revenue mainly due to the decrease in production output from Manufacturing Business, despite the remarkable growth of our High-end Fashion Retailing Business. The Group has recorded revenue of HK$3.7 billion for the year 2017 (2016: HK$4.0 billion), representing a decrease of 7.7% as compared to the year 2016.

In view of growing consumerism and improving living standards in Mainland China, we accelerated our pace to open stores selling high-end fashion products and obtained distribution rights of three more brands in Mainland China during the year, including "***Tara Jarmon***", "***Champion***" and "***DAKS***". At the end of 2017, the number of high-end fashion retail stores in Mainland China increased significantly to 95 (2016: 66). Owing to greater economies of scale, operating profit margin of High-end Fashion Retailing Business increased to 7.1% in 2017 (2016: 3.2%).

Overall production output of Manufacturing Business inevitably dropped because of management changes in our main Vietnam factory. Combined with rising manufacturing costs in Southeast Asia and Mainland China, and costs incurred for factory closure, operating profit margin of Manufacturing Business contracted to 1.2% in 2017 (2016: 7.3%). As a result, profit attributable to equity holders reduced significantly to HK$21.0 million in 2017 from HK$143.5 million in 2016.

Five-year Strategic Plan

In response to the declining performance of Manufacturing Business in 2017, our management has promptly implemented a five-year strategic plan to tackle key challenges facing the business and set group targets for the years 2018 to 2022. According to the plan, Manufacturing Business is expected to make a recovery in the fourth quarter of 2018 and will begin to grow again in 2019. And our targets for the years 2020 to 2022 will not only focus on revenue growth in garment production, but also on vertical integration to expand the manufacturing business into material supplier.

Aiming at the targets of 2018 and 2019, firstly we have new management talents to improve and stabilise Vietnam factory operation in order to fulfill the expectation and requirements of existing customers. Secondly, we will enhance overall product development capability and enrich our product profile for our target new customers. Thirdly, we will endeavor to integrate the newly acquired business operated by the Sport Field Group to effectively leverage its know-how to expand our business into outdoor wear as well as more high-end complex garment products. For the targets of 2020 to 2022, we need to further expand our production capacity and we have already commenced a feasibility study for establishing new factories in Vietnam to meet the growing demand from customers in both sportswear and outdoor wear. Also, we plan to invest more on innovative textile technology aiming to become a vertical supplier and manufacturer of high-tech garments.

Another key focus of the strategic plan is driving down manufacturing costs. We are re-evaluating the cost components of our manufacturing process and tracing the key cost driver of each component. Management believes that employment of automation technology and advanced information technology with precise costing information can enhance and optimise overall production utilisation. Correspondingly, our factory management has established a center of excellence to drive innovative initiatives and application of automation.

Outlook

Despite the underperformance of the Vietnam factory in 2017, resulting in drop in revenue of Manufacturing Business, we have confidence in new management team to stabilise overall output and improve the manufacturing operation in Vietnam. They have a detailed refinement plan and promptly implement various measures to strengthen the planning capability and production utilisation of the factory. We believe that overall utilisation of factory capacity would be back to planned level to fulfill customer's orders by the end of 2018, but the situation will remain hard and tough in the first half of 2018.

With the completion of acquisition of the Sport Field Group in February 2018, we have expanded our manufacturing business to include outdoor wear and supplemented our customer portfolio. The Sport Field Group possesses technologies and licensed facilities to produce high-end functional wear and outdoor wear for certain renowned international sports and fashion brands. We anticipate that the business of the Sport Field Group will grow at a faster pace going forward as its production capacity and financial position are enhanced instantly. By leveraging the know-how of the Sport Field Group, it is believed that we can improve overall product development capability and quality, thereby bringing more business opportunities in the future.

Regarding the retail business, the Hong Kong market remains highly competitive, especially the retailing of sportswear product. We expect that the high rental environment in Hong Kong will persist in the coming years. Our strategy will therefore be to scale down the retail network of sportswear products and maintain retail network of high-end fashion products in Hong Kong to retain a market presence for different brands.

Looking at the retail market in Mainland China, we expect solid demand for high-end fashion products in view of rising disposable income and growing trend for fashion and lifestyle products. Our strategy will therefore be to expand our retail network of high-end fashion products and work closely with brand owners to strengthen the product design and brand images.

Dividends

To thank our Shareholders for their long-term support, the Board recommends the payment of a final dividend of HK2.0 cents per Share. Together with an interim dividend of HK2.0 cents per Share paid during the year, total dividend for 2017 financial year amounts to HK4.0 cents per Share, representing a total payment of HK$51.4 million. The Group has always strived to deliver a steady return to its Shareholders. Considering the capital expenditure needs, future business opportunities and cash position of the Group, the Board may adjust the dividend payout in the future.

Acknowledgement

On behalf of the Group, I would like to thank all our dedicated employees for their unwavering loyalty, diligence, professionalism and invaluable contributions throughout last year. Also, I wish to take this opportunity to express my sincere appreciation and gratitude to all our customers, suppliers and Shareholders for their continuous support and recognition of our aspirations and strategies.

LI Kwok Tung Roy
Chairman

Hong Kong, 22 March 2018

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 HK$'000	2016 HK$'000
Revenue	3	**3,724,328**	4,033,381
Cost of sales		**(2,693,234)**	(2,883,795)
Gross profit		**1,031,094**	1,149,586
Selling and distribution costs		**(579,925)**	(515,750)
General and administrative expenses		**(423,363)**	(444,360)
Other (expenses)/income — net	4	**(16,653)**	2,905
Other gains — net	5	**26,158**	2,226
Operating profit		**37,311**	194,607
Finance income		**3,924**	6,243
Finance costs		**(3,297)**	(2,485)
Finance income — net		**627**	3,758
Share of profits/(losses) of associates		**1,335**	(2,839)
Profit before income tax		**39,273**	195,526
Income tax expense	6	**(14,373)**	(55,890)
Profit for the year		**24,900**	139,636
Attributable to:			
Equity holders of the Company		**21,045**	143,494
Non-controlling interests		**3,855**	(3,858)
		24,900	139,636
Earnings per share attributable to equity holders of the Company (expressed in HK cents per share)	7		
Basic		**1.6**	11.2
Diluted		**1.6**	11.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	HK$'000	*HK$'000*
Profit for the year	**24,900**	139,636
Other comprehensive income		
Items that may be reclassified to profit or loss		
Currency translation differences	**51,405**	(50,573)
Share of other comprehensive income of associates	**432**	(2,699)
Item that has been reclassified to profit or loss		
Realisation of accumulated exchange gain upon liquidation of a subsidiary	**(4,841)**	—
Total comprehensive income for the year	**71,896**	86,364
Total comprehensive income for the year attributable to:		
Equity holders of the Company	**59,011**	95,972
Non-controlling interests	**12,885**	(9,608)
	71,896	86,364

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	**2017** **HK$'000**	2016 *HK$'000*
Non-current assets			
Land use rights		**22,699**	108,668
Property, plant and equipment		**709,484**	679,012
Intangible assets	*8*	**164,793**	169,861
Investments in associates		**12,105**	9,438
Deferred tax assets		**62,816**	37,319
Deposits, prepayments and other receivables		**104,241**	94,856
Pledged bank deposits		**1,201**	1,116
Total non-current assets		**1,077,339**	1,100,270
Current assets			
Inventories		**802,867**	783,963
Trade and bills receivable	*9*	**382,908**	516,495
Current tax recoverables		**5,021**	3,998
Deposits, prepayments and other receivables		**169,579**	118,080
Pledged bank deposits		**—**	6,116
Cash and bank balances		**424,809**	414,210
		1,785,184	1,842,862
Non-current assets classified as held for sale		**92,735**	—
Total current assets		**1,877,919**	1,842,862
Current liabilities			
Trade and bills payable	*10*	**154,491**	251,516
Accruals and other payables		**277,517**	275,877
Current tax liabilities		**76,040**	90,261
Borrowings		**177,106**	75,530
Total current liabilities		**685,154**	693,184
Non-current liabilities			
Deferred tax liabilities		**5,517**	5,311
Net assets		**2,264,587**	2,244,637

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2017

	Note	2017 HK$'000	2016 HK$'000
Equity			
Equity attributable to equity holders of the Company			
Share capital		**128,440**	128,440
Reserves		**2,097,977**	2,100,940
		2,226,417	2,229,380
Non-controlling interests		**38,170**	15,257
Total equity		**2,264,587**	2,244,637

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Attributable to equity holders of the Company				
	Share capital *HK$'000*	**Reserves** *HK$'000*	**Total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total equity** *HK$'000*
Balance at 1 January 2017	**128,440**	**2,100,940**	**2,229,380**	**15,257**	**2,244,637**
Comprehensive income					
Profit for the year	—	**21,045**	**21,045**	**3,855**	**24,900**
Other comprehensive income					
Currency translation differences	—	**42,375**	**42,375**	**9,030**	**51,405**
Share of other comprehensive income of associates	—	**432**	**432**	—	**432**
Realisation of accumulated exchange gain upon liquidation of a subsidiary	—	**(4,841)**	**(4,841)**	—	**(4,841)**
Total other comprehensive income for the year	—	**37,966**	**37,966**	**9,030**	**46,996**
Total comprehensive income for the year	—	**59,011**	**59,011**	**12,885**	**71,896**
Transactions with owners					
Employee share option scheme — value of services provided	—	**2,246**	**2,246**	—	**2,246**
Dividends paid					
— 2016 final	—	**(38,532)**	**(38,532)**	—	**(38,532)**
— 2017 interim	—	**(25,688)**	**(25,688)**	—	**(25,688)**
Capital contribution by non-controlling interest of a subsidiary	—	—	—	**9,547**	**9,547**
Others	—	—	—	**481**	**481**
Total transactions with owners	—	**(61,974)**	**(61,974)**	**10,028**	**(51,946)**
Balance at 31 December 2017	**128,440**	**2,097,977**	**2,226,417**	**38,170**	**2,264,587**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

	Attributable to equity holders of the Company				
	Share capital *HK$'000*	Reserves *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
Balance at 1 January 2016	128,340	2,147,669	2,276,009	30,417	2,306,426
Comprehensive income					
Profit for the year	—	143,494	143,494	(3,858)	139,636
Other comprehensive income					
Currency translation differences	—	(44,823)	(44,823)	(5,750)	(50,573)
Share of other comprehensive income of associates	—	(2,699)	(2,699)	—	(2,699)
Total other comprehensive income for the year	—	(47,522)	(47,522)	(5,750)	(53,272)
Total comprehensive income for the year	—	95,972	95,972	(9,608)	86,364
Transactions with owners					
Employee share option scheme					
— value of services provided	—	4,159	4,159	—	4,159
— exercise of share options	100	846	946	—	946
Dividends paid to non-controlling interest of a subsidiary	—	—	—	(5,552)	(5,552)
Dividends paid					
— 2015 final	—	(96,330)	(96,330)	—	(96,330)
— 2016 interim	—	(51,376)	(51,376)	—	(51,376)
Total transactions with owners	100	(142,701)	(142,601)	(5,552)	(148,153)
Balance at 31 December 2016	128,440	2,100,940	2,229,380	15,257	2,244,637

NOTES:

1. BASIS OF PREPARATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) New and amended standards have been issued and effective for the financial year beginning 1 January 2017

HKAS 7 (Amendment)	Statement of Cash Flows
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 12 (Amendment)	Disclosure of Interest in Other Entities

The adoption of these new standards and amendments to standards did not have any impact on the current period or any prior periods.

(b) New and amended standards have been issued but are not effective for the financial year beginning 1 January 2017 and have not been early adopted

		Effective for accounting period beginning on or after
Annual Improvements Projects	Annual Improvements 2014–2016 cycle	1 January 2018
Annual Improvements Projects	Annual Improvements 2015–2017 cycle	1 January 2019
HKFRS 2 (Amendment)	Classification and Measurement of Share-Based Payment Transactions	1 January 2018
HKFRS 4 (Amendment)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 9 (Amendment)	Prepayment Features with Negative Compensation	1 January 2019
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets Between an Investor and its Associate and Joint Venture	To be determined
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 15 (Amendment)	Clarifications to HKFRS 15	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 17	Insurance Contracts	1 January 2021
HKAS 28 (Amendment)	Long-term Interests in Associates and Joint Ventures	1 January 2019
HKAS 40 (Amendment)	Transfers of Investment Property	1 January 2018
HK (IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
HK (IFRIC)-Int 23	Uncertainty Over Income Tax Treatments Issued	1 January 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) New and amended standards have been issued but are not effective for the financial year beginning 1 January 2017 and have not been early adopted (CONTINUED)

The Group is assessing the impacts of these new standards and interpretations in the period of initial application. So far the Group has identified some aspects of the new standards which may have impacts on the consolidated financial statements. Further details of the expected impacts are to be discussed in these consolidated financial statements. While preliminary assessment has been completed for HKFRS 9, HKFRS 15 and HKFRS 16, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on information currently available to the Group, and further impacts may be identified when the standards are initially applied.

3. SEGMENT INFORMATION

The chief operating decision-maker has been identified collectively as the executive Directors. The executive Directors review the Group's internal reporting in order to assess performance and allocate resources and report segment performance based on internal reporting.

In prior years, the Group's reportable and operating segments were Manufacturing and Distribution and Retail. The management changed the strategy to cope with the rapid expansion in High-end Fashion Retailing and decided to separate Distribution and Retail into High-end Fashion Retailing and Sportswear Retailing to align with internal review process. The comparative segment information for the year ended 31 December 2016 has been restated to align with the presentation of the current year's segment information disclosure.

The executive Directors review the performance of the Group mainly from a business operation perspective. The Group has three major business segments, namely (i) Manufacturing, (ii) High-end Fashion Retailing, and (iii) Sportswear Retailing. The Manufacturing segment represents manufacturing and sales of sportswear primarily under OEM arrangements to customers mainly in Europe, the United States, Mainland China and other countries. The High-end Fashion Retailing segment represents the retail of high-end fashion products in Mainland China, Hong Kong, Macau, Taiwan and Singapore. The Sportswear Retailing segment represents the retail of sportswear products in Mainland China and Hong Kong.

The executive Directors assess the performance of the business segments based on a measure of operating results of each segment, which excludes finance income and finance costs in the result for each operating segment. Other information provided to the executive Directors is measured in a manner consistent with that in the consolidated financial statements.

3. SEGMENT INFORMATION (CONTINUED)

The segment results for the year ended 31 December 2017 are as follows:

	Manufacturing *HK$'000*	High-end Fashion Retailing *HK$'000*	Sportswear Retailing *HK$'000*	Total *HK$'000*
Total segment revenue	**2,620,874**	**884,719**	**227,829**	**3,733,422**
Inter-segment revenue	**(7,813)**	**(1,281)**	**—**	**(9,094)**
Revenue	**2,613,061**	**883,438**	**227,829**	**3,724,328**
Operating profit/(loss) and segment results	**31,351**	**63,216**	**(57,256)**	**37,311**
Finance income				**3,924**
Finance costs				**(3,297)**
Share of profits of associates	**1,335**	**—**	**—**	**1,335**
Profit before income tax				**39,273**
Income tax expense				**(14,373)**
Profit for the year				**24,900**

Other segment items included in the consolidated income statement for the year ended 31 December 2017 are as follows:

	Manufacturing *HK$'000*	High-end Fashion Retailing *HK$'000*	Sportswear Retailing *HK$'000*	Total *HK$'000*
Amortisation of land use rights	**2,603**	**—**	**—**	**2,603**
Depreciation of property, plant and equipment	**79,105**	**31,143**	**2,742**	**112,990**
Amortisation of intangible assets	**3,801**	**698**	**—**	**4,499**
Impairment of property, plant and equipment, net	**—**	**—**	**1,269**	**1,269**
Provision for/(write-back of) inventories, net	**25,911**	**34,833**	**(10,770)**	**49,974**
Provision for onerous leases	**—**	**—**	**344**	**344**
Reversal of impairment of trade receivables, net	**(298)**	**—**	**—**	**(298)**
(Gain)/loss on disposal of property, plant and equipment	**(3,726)**	**84**	**1,172**	**(2,470)**

3. **SEGMENT INFORMATION (CONTINUED)**

The segment results for the year ended 31 December 2016 are as follows:

	Manufacturing	High-end Fashion Retailing	Sportswear Retailing	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Total segment revenue	3,121,392	660,310	262,861	4,044,563
Inter-segment revenue	(11,182)	—	—	(11,182)
Revenue	3,110,210	660,310	262,861	4,033,381
Operating profit/(loss) and segment results	226,466	21,130	(52,989)	194,607
Finance income				6,243
Finance costs				(2,485)
Share of losses of associates	(2,839)	—	—	(2,839)
Profit before income tax				195,526
Income tax expense				(55,890)
Profit for the year				139,636

Other segment items included in the consolidated income statement for the year ended 31 December 2016 are as follows:

	Manufacturing	High-end Fashion Retailing	Sportswear Retailing	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amortisation of land use rights	2,832	—	—	2,832
Depreciation of property, plant and equipment	117,892	22,855	6,021	146,768
Amortisation of intangible assets	3,801	698	—	4,499
Impairment of property, plant and equipment, net	—	5,346	7,594	12,940
(Write-back of)/provision for inventories, net	(2,354)	24,771	7,679	30,096
Provision for onerous leases	—	2,957	9,795	12,752
Impairment of trade receivables	76	—	—	76

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

3. SEGMENT INFORMATION (CONTINUED)

Segment assets exclude current tax recoverables, deferred tax assets and assets for corporate use which are managed on a group basis.

Segment liabilities exclude current tax liabilities and deferred tax liabilities which are managed on a group basis.

Capital expenditure comprises additions to 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 2017 and capital expenditure for the year ended are as follows:

	Manufacturing *HK$'000*	**High-end Fashion Retailing** *HK$'000*	**Sportswear Retailing** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Assets	**2,122,965**	**641,479**	**110,872**	**67,837**	**2,943,153**
Associates	**12,105**	**—**	**—**	**—**	**12,105**
Total assets	**2,135,070**	**641,479**	**110,872**	**67,837**	**2,955,258**
Total liabilities	**359,676**	**214,199**	**35,239**	**81,557**	**690,671**
Capital expenditure	**89,341**	**52,832**	**982**	**—**	**143,155**

The segment assets and liabilities as at 31 December 2016 and capital expenditure for the year ended are as follows:

	Manufacturing *HK$'000*	High-end Fashion Retailing *HK$'000*	Sportswear Retailing *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Assets	2,265,495	461,143	165,739	41,317	2,933,694
Associates	9,438	—	—	—	9,438
Total assets	2,274,933	461,143	165,739	41,317	2,943,132
Total liabilities	432,456	143,803	26,664	95,572	698,495
Capital expenditure	118,654	32,681	6,322	—	157,657

3. SEGMENT INFORMATION (CONTINUED)

The Group's revenue from external customers by geographical location is as follows:

	2017	2016
	HK$'000	*HK$'000*
Revenue		
Europe	**928,099**	1,343,488
Mainland China	**881,502**	650,942
United States	**633,261**	641,875
Hong Kong	**616,549**	606,250
Other Asian countries	**454,826**	482,195
Canada	**53,884**	76,131
Others	**156,207**	232,500
	3,724,328	4,033,381

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

	2017	2016
	HK$'000	*HK$'000*
Analysis of revenue by category		
Sales of goods	**3,715,851**	4,026,637
Provision of services	**8,477**	6,744
	3,724,328	4,033,381

The total of non-current assets other than deferred tax assets by geographical location is as follows:

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**295,446**	307,299
Mainland China	**264,875**	317,477
Other countries	**454,202**	438,175
	1,014,523	1,062,951

For the year ended 31 December 2017, revenues of approximately HK$2,292,180,000 (2016: HK$2,796,633,000), representing 61.5% (2016: 69.3%) of the Group's total revenue, were derived from a single group of external customers. These revenues are attributable to the Manufacturing segment.

4. OTHER (EXPENSES)/INCOME — NET

	2017 *HK$'000*	2016 *HK$'000*
Other income		
Rental income	**2,266**	2,930
Others	**6,512**	4,985
	8,778	7,915
Other expenses		
Factory closure costs *(Note)*	**(25,431)**	(5,010)
	(16,653)	2,905

Note: During the year ended 31 December 2017, the Group closed down a factory in Mainland China and recognised costs of approximately HK$25,431,000, including redundancy costs and impairment of assets (2016: redundancy costs of HK$5,010,000).

5. OTHER GAINS — NET

	2017 *HK$'000*	2016 *HK$'000*
Net exchange gains	**10,240**	2,016
Gain on disposal of interest in a subsidiary	**8,607**	—
Gain on disposal of property, plant and equipment	**2,470**	210
Realisation of accumulated exchange gain upon liquidation of a subsidiary	**4,841**	—
	26,158	2,226

6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits which are subject to Hong Kong profits tax.

Mainland China Corporate Income Tax ("**CIT**") has been provided at the rate of 25% (2016: 25%) on the estimated assessable profits which are subject to CIT.

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

The amounts of income tax expense charged/(credited) to the consolidated income statement represent:

	2017	2016
	HK$'000	*HK$'000*
Current tax		
— Hong Kong profits tax	**26,011**	27,090
— Mainland China taxes	**11,417**	25,027
— Overseas income tax	**2,447**	5,484
— (Over)/under provision in prior years	**(418)**	1,909
	39,457	59,510
Deferred tax	**(25,084)**	(3,620)
	14,373	55,890

7. 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$21,045,000 (2016: HK$143,494,000) and on the weighted average number of approximately 1,284,400,000 (2016: 1,284,375,000) ordinary shares in issue during the year.

	2017	2016
Profit attributable to equity holders of the Company *(HK$'000)*	**21,045**	143,494
Weighted average number of ordinary shares in issue *('000)*	**1,284,400**	1,284,375
Basic earnings per share *(HK cents)*	**1.6**	11.2

(b) Diluted

Diluted earnings per share is calculated by 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 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.

	2017	2016
Profit attributable to equity holders of the Company *(HK$'000)*	**21,045**	143,494
Weighted average number of ordinary shares in issue *('000)*	**1,284,400**	1,284,375
Adjustment for:		
— Share options *('000)*	**2,115**	4,768
Weighted average number of ordinary shares for diluted earnings per share *('000)*	**1,286,515**	1,289,143
Diluted earnings per share *(HK cents)*	**1.6**	11.1

8. INTANGIBLE ASSETS

	Goodwill *HK$'000*	Know-how *HK$'000*	Trademarks *HK$'000*	Licence rights *HK$'000*	Total *HK$'000*
At 1 January 2016					
Cost	124,385	37,471	13,966	88,522	264,344
Accumulated amortisation and impairment	—	(625)	(1,513)	(87,846)	(89,984)
Net book amount	124,385	36,846	12,453	676	174,360
Year ended 31 December 2016					
Opening net book amount	124,385	36,846	12,453	676	174,360
Amortisation	—	(3,747)	(698)	(54)	(4,499)
Closing net book amount	124,385	33,099	11,755	622	169,861
At 31 December 2016					
Cost	124,385	37,471	13,966	88,522	264,344
Accumulated amortisation and impairment	—	(4,372)	(2,211)	(87,900)	(94,483)
Net book amount	124,385	33,099	11,755	622	169,861
Year ended 31 December 2017					
Opening net book amount	**124,385**	**33,099**	**11,755**	**622**	**169,861**
Disposal of interest in a subsidiary	**—**	**—**	**—**	**(569)**	**(569)**
Amortisation	**—**	**(3,747)**	**(699)**	**(53)**	**(4,499)**
Closing net book amount	**124,385**	**29,352**	**11,056**	**—**	**164,793**
At 31 December 2017					
Cost	**124,385**	**37,471**	**13,966**	**87,722**	**263,544**
Accumulated amortisation and impairment	**—**	**(8,119)**	**(2,910)**	**(87,722)**	**(98,751)**
Net book amount	**124,385**	**29,352**	**11,056**	**—**	**164,793**

9. TRADE AND BILLS RECEIVABLE

	2017	2016
	HK$'000	*HK$'000*
Trade receivables		
— from third parties	**372,165**	504,762
— from a related party	**8,275**	8,234
Bills receivable	**3,996**	5,383
	384,436	518,379
Less: impairment of trade receivables	**(1,528)**	(1,884)
	382,908	516,495

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

Majority of trade receivables are with customers having good credit history. The Group grants its customers credit terms within 90 days. Most of the Group's sales are on open account, while sales made to a small number of customers are covered by letters of credit issued by banks or settled by documents against payment issued by banks. The ageing of trade and bills receivable based on invoice date is as follows:

	2017	2016
	HK$'000	*HK$'000*
0–90 days	**344,061**	511,901
91–180 days	**21,064**	4,454
181–365 days	**17,570**	207
Over 365 days	**1,741**	1,817
	384,436	518,379

10. TRADE AND BILLS PAYABLE

	2017	2016
	HK$'000	*HK$'000*
Trade payables		
— to third parties	**144,217**	238,210
— to related parties	**7,682**	13,164
Bills payable	**2,592**	142
	154,491	251,516

The ageing of the trade and bills payable based on invoice date is as follows:

	2017	2016
	HK$'000	*HK$'000*
0–90 days	**149,184**	245,576
91–180 days	**1,279**	3,793
181–365 days	**1,657**	181
Over 365 days	**2,371**	1,966
	154,491	251,516

11. DIVIDENDS

	2017	2016
	HK$'000	*HK$'000*
Interim dividend paid of HK2.0 cents (2016: HK4.0 cents) per ordinary share	**25,688**	51,376
Proposed final dividend of HK2.0 cents (2016: HK3.0 cents) per ordinary share	**25,688**	38,532
	51,376	89,908

The Board proposed a final dividend of HK2.0 cents (2016: HK3.0 cents) per ordinary share, amounting to a total dividend of HK$25,688,000 (2016: HK$38,532,000), and is to be proposed at the upcoming annual general meeting. These financial statements do not reflect this dividend payable.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL REVIEW

For the year ended 31 December 2017, the Group has recorded revenue of HK$3,724.3 million (2016: HK$4,033.4 million), representing a decrease of 7.7%. The decrease was mainly due to the drop in revenue from Manufacturing Business which was partially compensated by the increase in revenue from High-end Fashion Retailing Business.

Gross profit margin of the Group reduced to 27.7% in 2017 (2016: 28.5%). The drop was mainly due to the significant decrease in production utilisation and output of the main Vietnam factory of Manufacturing Business. As a result, gross profit decreased by HK$118.5 million to HK$1,031.1 million (2016: HK$1,149.6 million), representing a decrease of 10.3%.

Operating profit of the Group decreased significantly by HK$157.3 million to HK$37.3 million (2016: HK$194.6 million). Such decrease was mainly due to the drop in gross profit as mentioned above and costs incurred from Manufacturing Business for a factory closure in Mainland China. Continued decreasing trend of store contributions from Sportwear Retailing Business also further reduced operating profit during the year.

As a result, profit attributable to equity holders for the year ended 31 December 2017 also decreased significantly by HK$122.5 million to HK$21.0 million (2016: HK$143.5 million). Excluding the impact of factory closure mentioned above, profit attributable to equity holders would have decreased by HK$102.0 million to HK$46.5 million (2016: HK$148.5 million).

The Board has declared and paid an interim dividend of HK2.0 cents per Share during the year. In consideration of the healthy cash position and continued cash inflow from operations, the Board has proposed the payment of a final dividend of HK2.0 cents per Share for the year ended 31 December 2017. The interim and final dividends represent a total payment of HK$51.4 million (2016: HK$89.9 million).

BUSINESS REVIEW

The Group is an integrated manufacturer, distributor and retailer for renowned sports and fashion brands. The financial performances of the three business segments, namely "**Manufacturing Business**", "**High-end Fashion Retailing Business**" and "**Sportswear Retailing Business**" are summarised below.

Manufacturing Business

The Group's Manufacturing Business operates mainly through OEM arrangements for a number of renowned sports brands. Most of the Group's products are exported and sold to Europe, the United States, Mainland China and other countries. The Group has a long history and a distinctive position in sportswear garment manufacturing, thus it has established long-term business relationships with its key customers.

During the year under review, we have been experiencing management changes of our main Vietnam factory which have in turn resulted in significant decrease in production utilisation 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 revenue and profit margin significantly. As a result, revenue from Manufacturing Business decreased by 16.0% to HK$2,620.9 million for the year ended 31 December 2017 (2016: HK$3,121.4 million), accounting for 70.2% (2016: 77.2%) of the Group's total revenue.

With the continuing expansion of our factories and growing production capacity in Southeast Asia, a factory in Wuzhou, Guangxi province of Mainland China, has ceased operation during the year. As a result, costs and provision for factory closure amounting to HK$25.4 million (2016: HK$5.0 million), including redundancy expenses and impairment of assets, incurred during the year. Operating profit of the Manufacturing Business decreased by HK$195.1 million to HK$31.4 million (2016: HK$226.5 million). Excluding the impact of costs and provision for factory closure, operating profit would have decreased by HK$174.7 million to HK$56.8 million (2016: HK$231.5 million). The decrease was mainly due to drop in revenue and decreased profit margin resulting from decreased production utilisation and output of our main Vietnam factory.

High-end Fashion Retailing Business

The Group's High-end Fashion Retailing Business is operated under the Shine Gold Group. It has fashion retail networks of "***D-mop***" and "***J-01***" stores to sell several self-owned brands, as well as imported brands, in Hong Kong, Macau, Mainland China and Taiwan. In addition, it has exclusive distribution rights for brands including "***Y-3***" in Mainland China (excluding Beijing), Hong Kong, Taiwan, Macau and Singapore, "***Thomas Sabo***" and "***Tara Jarmon***" in Mainland China, Hong Kong and Macau and certain Japanese brands in Hong Kong. It has also commenced to operate licensed stores in Mainland China for the brands "***Champion***" and "***DAKS***" and in Hong Kong for the brands "***New Era***" and "***Marcelo Burlon***".

As at 31 December 2017, the Shine Gold Group had 150 (2016: 116) high-end fashion retail stores, of which 95 stores were in Mainland China, 44 stores were in Hong Kong and Macau, 10 stores were in Taiwan and 1 store was in Singapore.

For the year ended 31 December 2017, revenue of the Shine Gold Group recorded a significant growth of 34.0% to HK$884.7 million (2016: HK$660.3 million). With our collection of existing and newly-obtained well-known brands, the Shine Gold Group has continued to expand its presence in the market by opening new stores and introducing new brands in the Greater China. During the year, 47 new stores were opened, including 19 Thomas Sabo stores, 14 Y-3 stores, 5 Champion stores, 5 Tara Jarmon stores and 4 other stores, which are mainly located in Mainland China. While newly opened stores brought additional revenue to the Group, the continuous growth of same-store sales, especially in the Mainland China market, also contributed a significant portion to the revenue growth.

The Shine Gold Group generated operating profit of HK$63.2 million (2016: HK$21.1 million) during the year. In addition to the aforementioned, the increase in operating profit was also contributed by the improving store efficiency due to greater economies of scale in 2017.

Sportswear Retailing Business

The retail of sportswear products is operated under the Win Sports Group. As at 31 December 2017, it had 20 (2016: 25) sportswear retail stores in Hong Kong, of which 2 stores were under the name of "***Futbol Trend***", 9 stores were under the name of "***Sports Corner***" or "***Little Corner***" and 9 stores were under the names of several international sports brands. In 2017, we had ceased all operation in Mainland China and closed all retail stores.

Revenue from the Win Sports Group for the year ended 31 December 2017 decreased by HK$35.1 million to HK$227.8 million (2016: HK$262.9 million), representing a decrease of 13.4%. Facing the intense competition of the sportswear retailing market, we have closed underperforming stores to streamline our retail network.

To alleviate the pressure from excess inventory, more discounts were offered through bargain sales and outlet stores, resulting in a decrease in gross profit margin and store contributions. The Win Sports Group's operating loss increased by HK$4.3 million to HK$57.3 million (2016: HK$53.0 million) for the year ended 31 December 2017.

PROSPECTS

Manufacturing Business

Facing with both market and internal challenges, we have refined our strategic plan. In our five-year strategic plan, Manufacturing Business is expected to make a recovery in the fourth quarter of 2018 and will return to the growth track from 2019. And our targets for 2020 to 2022 will not only focus on organic revenue growth in garment production, but also focus on vertical integration to expand the manufacturing business into material supplier. In the next five years, we aim to up-hold our manufacturing production utilisation level of existing facilities, maintain existing customer's relationship to achieve organic sales growth, develop new product types from internal resources and through collaboration with business partners, and further expand customer portfolio. According to the strategic plan, we expect that existing production capacity in Vietnam would be fully utilised in 2020. To secure future order growth from customers, we are conducting a feasibility study on the location of a new factory in Vietnam and establishment of facilities is planned to commence at the end of 2018.

Relocating our major production facility to Southeast Asia is one of our major directions on raising production capacity. We believe our strategy is correct, but there have been challenges in execution. The performance of our main Vietnam garment factory was not satisfactory in 2017. Overall production output and utilisation of factory capacity failed to meet targets set. The Vietnam issue was an experience and opportunity for the management to review ourselves and we will be better equipped to face the up-coming challenges. New management talents for the Vietnam factory have been recruited and they are on the track of improving production utilisation, however, rectification is expected to take time. Also, our Vietnam printing factory has commenced operation in 2018 to support garment production in Southeast Asia region, enabling us to produce high quality products in shorter production lead-time. We expect that it would remain difficult in the first half of 2018, production output and utilisation level are estimated to recover by the last quarter of 2018.

In September 2017, the Group entered into an agreement to dispose the entire interest of a wholly-owned PRC subsidiary which owns a piece of land in He Yuan city, Guangdong province of Mainland China, at a consideration of RMB178 million (approximately HK$206 million). A deposit of RMB20 million was received in September 2017 upon signing of the agreement and we expect to receive the balance payment of RMB158 million on or before 30 April 2018. Upon the completion of disposal, the Group will recognise a gain (before taxation) on disposal of approximately HK$115 million. The date of completion is subject to obtaining approvals from relevant government authorities in respect of the equity transfer after settling the balance payment.

Alongside with the strategy of expanding our customer base to establish additional growth driver, we have started vertical integration through investment in new textile technology, which will be further detailed below. We are, in the meanwhile, seeking and investigating other business opportunities for expanding and widening our customer portfolio. Since 2016, we had started co-operation with the Sport Field Group on the high-end outdoor apparel manufacturing business. In February 2018, we have acquired the Sport Field Group. The acquisition is not merely to supplement our customer portfolio and market penetration, but also equip the Group with technologies and licensed facilities in producing high-end functional wear and outerwear. We will leverage the solid business relationship with certain renowned sports and fashion brands and know-how on the high-end outdoor apparel manufacturing of the Sport Field Group. We target to create synergy effect of the business operation and further accelerate the pace of our business growth.

Innovative Textile Technology — e.dye

Aside from developing the garment manufacturing business, it has always been the Group's intention to seek out and seize opportunities for vertical integration. With rising concerns for protecting the environment, the Group is fully aware of the importance of manufacturing non-hazardous textiles, a practice that is lacking in the market. The Group has met and joined forces with a partner that possesses an innovative textile technology to further develop the technology and associated production business. The technology and production business are developing and operating under the Win Success Group using the trademark "***e.dye***".

A pilot factory has been established in Kunshan, Jiangsu province of Mainland China, to demonstrate this revolutionary production process. We have planned to establish production facilities in Vietnam for e.dye product manufacturing and will continue to expand our strategic partnership with international brands to create eco-friendly production of textiles that helps the world in various ways.

High-end Fashion Retailing Business

Multi-branding is one of the key strategies of the Group to tap the potential market in the Greater China. Over the past few years, the Group has endeavored to enhance and broaden our existing brand portfolio in the young and light luxury fashion segment, consequently obtaining distribution rights for several renowned international fashion brands, namely, "***Champion***", "***Tara Jarmon***", "***DAKS***", "***Thomas Sabo***", "***New Era***" and "***Macelo Burlon***". Going forward, the Group will continue to approach and gain distribution rights for young and light luxury fashion brands to further strengthen our brand portfolio.

Seeing the strong demand for fashion and sportswear products from the rapidly expanding young affluent middle class segment in Mainland China, the country remains the Group's major target market. Correspondingly, the Group will further expand its retail network across the country to capture the fast-growing market. Apart from the abovementioned new brands, the Group also has existing "***Y-3***" and certain Japanese brands in its portfolio. Moreover, the Group will continue its efforts to promote the retail presence of its own brand stores "***J-01***". On the other hand, due to the persisting high level of operating costs which imposing pressures on the store contributions in Hong Kong, we will keep existing market presence while cautiously review our store plan. The Group will at the same time strive to enhance shopping experience for its customers, especially at the newly opened stores, by offering attractive product mix and enhancing shop efficiency and in-store customer services.

Last but not least, online shopping has become increasingly popular among consumers over the past several years. This trend is now accounting for a greater share of total retail sales in Mainland China. The Group will therefore continue to develop its e-commerce channel to tap this fast-growing market.

Sportswear Retailing Business

Due to the keen competition in the sportswear retailing market, the Group has closed all its retail stores in Mainland China and scaled down its retail network in Hong Kong. Although the Hong Kong retail market has improved during the year, it nonetheless faced a tough operating environment highlighted by high rental costs. The Group will therefore continue to closely monitor market developments and will prudently close non-performing stores and convert store channels to bargain and outlet stores. According to our plans, there will be only 4 regular stores in Hong Kong by the end of 2018.

FINANCIAL POSITION AND LIQUIDITY

The Group generally finances its operations with internally generated cashflow and bank facilities and has maintained a healthy financial position during the year under review. As at 31 December 2017, it had cash and bank balances amounting to HK$424.8 million (2016: HK$414.2 million). The net increase was mainly attributable to the cash generated from operating activities and bank borrowings, net with cash used in capital expenditures, repayment of bank loans and payment of dividends.

As at 31 December 2017, the Group had bank borrowings amounting to HK$177.1 million (2016: HK$75.5 million), which were on floating rates. The Group did not enter into any interest rate swap to hedge against risks associated with interest rates. As at 31 December 2017, the Group still had unutilised banking facilities amounting to HK$419.0 million (2016: HK$500.3 million). The gearing ratio, being total borrowings divided by total equity, as at 31 December 2017, was 8.0% (2016: 3.5%).

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2017, the Group had approximately 16,000 employees (2016: approximately 17,000 employees). The Group remunerates employees based on their performance, working experience and prevailing market conditions. Other employee benefits include retirement benefits, insurance, medical coverage and share option schemes.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2017, bank deposit of HK$1.2 million was pledged as security deposit at Custom Department for a subsidiary of the Group. As at 31 December 2016, bank deposit of HK$7.2 million were pledged to secure certain banking facilities of the Group and as security deposit at Custom Department for certain subsidiaries of the Group.

FOREIGN CURRENCY EXPOSURE

The Group's revenue and purchases were mostly denominated in US Dollars, RMB and Hong Kong Dollars. During the year, approximately 58.6%, 22.8% and 15.5% of revenue were denominated in US Dollars, RMB and Hong Kong Dollars respectively, whereas approximately 75.2%, 13.3% and 7.2% of purchases were denominated in US Dollars, Hong Kong Dollars and RMB respectively.

As at 31 December 2017, approximately 49.1%, 33.6% and 6.8% of cash and bank balances were denominated in RMB, US Dollars and Hong Kong Dollars respectively, and approximately 68.9% and 31.1% of bank borrowings were denominated in Hong Kong Dollars and US Dollars respectively.

Hong Kong Dollar serves as the Company's functional currency and the Group's presentation currency. The Group considers its foreign currency exchange exposure arising from US Dollar transactions and US Dollar cash balances to be minimal during the year given that Hong Kong Dollar was pegged against US Dollar. The recent appreciation of RMB against US Dollars during the year was manageable. The Group will closely monitor its foreign currency position and fluctuation of RMB and, when necessary, will consider using derivative instruments to hedge against foreign currency exposure.

CONTINGENT LIABILITIES

The Group has no significant contingent liabilities, litigation or arbitration of material importance as at 31 December 2017.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions or disposals of subsidiaries or associates during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct regarding directors' securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Having made enquiry to all Directors, they all have confirmed that they have complied with the required standards as set out in the Model Code 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 HK2.0 cents per share for the year ended 31 December 2017, subject to Shareholders' approval at the forthcoming annual general meeting to be held on Thursday, 14 June 2018, payable to the Shareholders whose names appear on the register of members of the Company on Thursday, 21 June 2018. The dividend will be paid on or about Friday, 29 June 2018.

CLOSURES OF REGISTER OF MEMBERS

(a) Entitlement to attend and vote at the forthcoming annual general meeting

The register of members of the Company will be closed from Friday, 8 June 2018 to Thursday, 14 June 2018 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for attendance and voting at the forthcoming annual general meeting of the Company, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar and transfer office of the Company, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 7 June 2018.

(b) Entitlement to the proposed final dividend

The register of members of the Company will be closed on Thursday, 21 June 2018, during which no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar and transfer office of the Company, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 20 June 2018.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with the code provisions in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules during the year.

PUBLICATION OF RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company (http://www.winhanverky.com). The annual report for the year ended 31 December 2017 will be dispatched to the Shareholders and will be available on the aforesaid websites 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 consolidated financial statements for the year ended 31 December 2017. It has also reviewed the consolidated financial statements for the year ended 31 December 2017 with the management and the auditor of the Company and recommended them to the Board for approval.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Thursday, 14 June 2018. The notice of the annual general meeting, which constitutes part of the circular to the Shareholders, will be published on the aforesaid websites and despatched to the Shareholders together with the Company's annual report 2017 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. LEE Kwok Leung and Mr. WONG Chi Keung being the executive Directors, and Dr. CHAN Kwong Fai, Mr. MA Ka Chun, Mr. KWAN Kai Cheong and Ms. CHAU Pui Lin being the independent non-executive Directors.

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

Hong Kong, 22 March 2018