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 AND BUSINESS UPDATE

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 Future 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 2019, despite that revenue of the Group from continuing operations would be increased by HK$399 million (or 21%) to approximately HK$2,265 million (30 June 2018: HK$1,866 million), it is still expected to record a decrease in profit attributable to equity holders of the Company by approximately 60% as compared to HK$63 million in the corresponding period in 2018. The decrease was mainly due to the absence of a substantial gain arising from disposal of a subsidiary which owned a piece of land in Mainland China amounting to HK$104 million (after taxation) in 2018 while gain on disposal of another subsidiary in 2019 was approximately HK$19 million (after taxation).

MANUFACTURING BUSINESS

Our Manufacturing Business comprises "*Sportswear Manufacturing Business*", "*High-end Functional Outerwear Manufacturing Business*" and "*e.dye Business*".

Sportswear Manufacturing Business

Revenue from Sportswear Manufacturing Business increased by HK$118 million to approximately HK$1,273 million (30 June 2018: HK$1,155 million), representing an increment of 10%. The increase in revenue was mainly due to rebounding orders from a major customer since the fourth quarter of 2018 and also the introduction of certain new customers which had already generated revenue in the first half of 2019 after continuous efforts in product developments and penetration of the sportswear manufacturing market.

Operating profit decreased to approximately HK$25 million (30 June 2018: HK$135 million) which included a gain (before taxation) arising from disposal of a subsidiary amounting to approximately HK$20 million (30 June 2018: HK$124 million). Excluding the impact of disposal gain of a subsidiary as mentioned above, operating profit would have been decreased to approximately HK$5 million (30 June 2018: HK$11 million). The decrease in operating profit was mainly due to the development costs and expenses incurred for conversion of production lines for new customers while the factory had yet to achieve economies of scale to cover the running costs.

High-end Functional Outerwear Manufacturing Business

Since the acquisition of Sport Field Group in the first half of 2018, High-end Functional Outwear Manufacturing Business has become one of our major segments in Manufacturing Business. In order to develop the business of this new segment, we have invested in setting up a new factory in Mainland China and conversion of existing production facilities in Vietnam.

Revenue from High-end Functional Outerwear Manufacturing Business increased by HK$4 million to approximately HK$151 million (30 June 2018: HK$147 million) while operating loss was approximately HK$40 million (30 June 2018: loss of HK$29 million). The increase in operating loss was mainly attributable to additional costs incurred for production lines setup in new factory as mentioned above while the factory had yet to achieve optimal production efficiency.

e.dye Business

Revenue from e.dye Business decreased by HK$1 million to approximately HK$14 million (30 June 2018: HK$15 million) while operating loss was approximately HK$24 million (30 June 2018: loss of HK$22 million). We are centralising our resources and actively working with certain renowned brands in seeking a revenue breakthrough to achieve economies of scale to cover the development and running costs.

HIGH-END FASHION RETAILING BUSINESS

Revenue from High-end Fashion Retailing Business increased by HK$278 million to approximately HK$827 million (30 June 2018: HK$549 million), representing an increment of 51%. In the first half of 2019, High-end Fashion Retailing Business continued to expand its presence in the market by opening new stores particularly in Mainland China. As at 30 June 2019, the total number of offline stores increased to 209 (30 June 2018: 154), of which 164 stores were in Mainland China, 35 stores were in Hong Kong and Macau, 9 stores were in Taiwan and 1 store was in Singapore.

Operating profit increased by HK$89 million to approximately HK$122 million (30 June 2018: HK$33 million), representing an increment of 270%.

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 2019, which is expected to be published by the end of August 2019. 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, 7 August 2019

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