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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL HIGHLIGHTS

	2019	2018	***Change***
	HK$'000	*HK$'000*	*%*
Continuing operations			
Revenue	**5,069,728**	4,137,949	**+22.5%**
Gross profit	**1,442,282**	1,144,522	**+26.0%**
Gross profit margin	**28.4%**	27.7%	**+0.7% pt**
Operating profit	**163,560**	165,805	**−1.4%**
Operating profit (excluding impact of subsidiary disposals and factory relocation)	**132,512**	34,323	**+286.1%**
Profit attributable to equity holders	**64,214**	42,253	**+52.0%**
Profit/(loss) attributable to equity holders (excluding impact of subsidiary disposals and factory relocation)	**30,181**	(69,750)	**N/A**
Basic EPS *(HK cents)*	**5.0**	3.3	**+51.5%**
Dividends *(HK cents)*			
— Interim	**1.0**	3.0	
— Final (proposed)	**—**	1.0	
	1.0	4.0	**−75.0%**

OPERATIONAL HIGHLIGHTS

— Revenue from continuing operations increased by 22.5% mainly attributable to rebounding orders from a major customer as well as revenue brought in from several new internationally renowned customers under Sportswear Manufacturing Business, increased domestics sales in Mainland China under High-end Functional Outerwear Manufacturing Business and rapid expansion of retail networks in Mainland China under High-end Fashion Retailing Business.

— Profit attributable to equity holders increased from HK$42.3 million to HK$64.2 million. Excluding the impact of disposal gain of subsidiaries and costs of factory relocation, profit attributable to equity holders would have been HK$30.2 million (2018: loss of HK$69.8 million).

— The Board does not recommend the payment of final dividend so as to conserve our financial resources under the highly uncertain market situation. Dividend for the full financial year of 2019 was HK1.0 cent, representing a payment of HK$12.8 million.

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 2019, together with the comparative amounts for 2018 and the relevant explanatory notes.

CHAIRMAN'S STATEMENT

Business and Financial Highlights

In 2019, the global economy was impacted by the China-US trade disputes and the uncertainties of Brexit. The market sentiment in Mainland China was also affected by the trade tension but overall it remained stable. The contracting retail market in Hong Kong was intensified by local social unrest in particular during the second half of the year. Despite operating in an increasingly challenging environment, we were able to sustain a strong growth momentum. This continued growth in revenue can be attributed to the effectiveness of our resilient operating structure and diversified businesses.

The Group reported total revenue of HK$5,069.7 million (2018: HK$4,137.9 million) from continuing operations in 2019, representing an increase of 22.5%.

Manufacturing Business experienced another challenging year. Sportswear Manufacturing Business is back on the right track despite the tough journey, as orders increased from both our major customer and new customers. High-end Functional Outerwear Manufacturing Business has successfully developed its domestic sales in the Mainland China market. Revenue recorded from Manufacturing Business amounted to HK$3,316.7 million (2018: HK$2,917.3 million), representing an increment of 13.7%.

High-end Fashion Retailing Business delivered another high growth year in the Mainland China market although it was extremely challenging for the Hong Kong retail market. Our retail stores further increased to 252 at the end of 2019 (2018: 181) of which 206 stores were situated in Mainland China. Revenue recorded from High-end Fashion Retailing Business amounted to HK$1,753.0 million (2018: HK$1,220.7 million), representing a splendid year-on-year increment of 43.6%.

Gross profit margin of the Group increased to 28.4% in 2019 (2018: 27.7%). We have successfully increased the proportion of the higher margin retail business which has driven the gross profit margin upward.

As a result, profit attributable to equity holders was HK$64.2 million (2018: HK$42.3 million) for 2019, representing a 52.0% increase over the previous year.

Outlook

The global economic uncertainties, exacerbated by the outbreak of coronavirus around the globe, have been adversely affecting the production, supply chain and demand throughout the world. We foresee that both Manufacturing Business and High-end Fashion Retailing Business will be impacted in 2020.

In order to prepare for the severe business environment ahead, we will enforce cost reduction initiatives and further streamline the operations as well as slow down the new factory development. Our long-term well-established relationships with existing customers will favor us in battling against this stiff headwind. Meanwhile we will deepen our collaboration with the business partners to further widen the customer base.

Despite a deep impact from the outbreak of coronavirus epidemic, we are optimistic about the business opportunities in the long term and will continue to invest in the Mainland China retail market once the situation is stabilised. The Group will continue to expand High-end Fashion Retailing Business in Mainland China through broadening its retail network in strategic cities.

Notwithstanding the signs of economic slowdown around the world, we will maintain a cautiously optimistic view and closely monitor the developments in order to achieve sustainable growth of our diversified businesses. While we are watchful of the challenges in the short term, our long-established foundation will allow us to weather the difficult period ahead.

Dividends

An interim dividend of HK1.0 cent was declared and paid during the year 2019. We are committed to continuing to provide returns to our shareholders and it is our goal to maintain a flexible dividend payout policy, without prejudice to the development of the Company. After considering the highly uncertain market situation we need to tackle, the Board considers to conserve our financial resources and does not recommend the payment of final dividend and dividend for the full financial year of 2019 was HK1.0 cent, representing a payment of HK$12.8 million.

Acknowledgement

The Group will continue to pursue opportunities to keep up with the evolving marketplace and optimise its corporate strategy of creating long term value for our shareholders.

Finally, I would like to extend my utmost appreciation to our Directors, and the whole team for their consistent hard work, dedication and commitment. I also would like to express my sincere gratitude to all our clients, shareholders and business partners for their continued confidence and support.

LI Kwok Tung Roy
Chairman

Hong Kong, 26 March 2020

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	**2019** **HK$'000**	2018 HK$'000
Continuing operations			
Revenue	*3*	**5,069,728**	4,137,949
Cost of sales		**(3,627,446)**	(2,993,427)
Gross profit		**1,442,282**	1,144,522
Selling and distribution costs		**(788,965)**	(588,823)
General and administrative expenses		**(506,637)**	(507,875)
Other net income	*4*	**16,880**	117,981
Operating profit		**163,560**	165,805
Finance costs — net	*5*	**(43,713)**	(7,785)
Share of profits/(losses) of associates		**3,225**	(1,226)
Profit before income tax		**123,072**	156,794
Income tax expense	*6*	**(49,324)**	(52,205)
Profit from continuing operations		**73,748**	104,589
Discontinued operations			
Loss from discontinued operations	*11(b)*	**—**	(47,361)
Profit for the year		**73,748**	57,228
Profit for the year attributable to:			
— Equity holders of the Company		**64,214**	42,253
— Non-controlling interests		**9,534**	14,975
		73,748	57,228
Earnings per share (basic and diluted) attributable to:			
(expressed in HK cents per share)	*7*		
— Equity holders of the Company from continuing operations		**5.0**	6.8
— Equity holders of the Company		**5.0**	3.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	HK$'000	*HK$'000*
Profit for the year	**73,748**	57,228
Other comprehensive income		
Items that may be reclassified to profit or loss		
Currency translation differences	**(20,101)**	(32,792)
Share of other comprehensive income of associates	**125**	352
Item that has been reclassified to profit or loss		
Realisation of accumulated exchange differences upon disposal/liquidation of subsidiaries	**(57,979)**	(12,168)
Item that will not be reclassified to profit or loss		
Change in the fair value of financial assets at fair value through other comprehensive income	**31**	—
Total comprehensive income for the year	**(4,176)**	12,620
Total comprehensive income for the year attributable to:		
Equity holders of the Company		
— Continuing operations	**(13,217)**	49,973
— Discontinued operations	**—**	(44,497)
	(13,217)	5,476
Non-controlling interests	**9,041**	7,144
	(4,176)	12,620

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	2019 HK$'000	2018 HK$'000
Non-current assets			
Property, plant and equipment		**1,330,091**	838,917
Land-use-rights		—	79,227
Intangible assets		**248,828**	255,403
Investments in associates		**13,867**	10,517
Other receivables and financial assets		**90,038**	86,780
Deferred tax assets		**70,935**	46,971
Pledged bank deposits		**1,114**	—
		1,754,873	1,317,815
Current assets			
Inventories		**1,224,202**	872,094
Trade and bills receivable	*8*	**637,524**	544,029
Other receivables and financial assets		**215,923**	251,388
Current tax recoverables		**24,780**	22,677
Pledged bank deposits		—	1,139
Cash and bank balances		**486,623**	355,053
		2,589,052	2,046,380
Assets classified as held for sale	*11(a)(i)*	—	30,295
		2,589,052	2,076,675
Current liabilities			
Trade and bills payable	*9*	**252,248**	226,482
Accruals and other payables		**414,372**	425,603
Borrowings	*10*	**874,876**	478,904
Lease liabilities		**179,300**	—
Current tax liabilities		**89,709**	65,325
		1,810,505	1,196,314
Liabilities directly associated with assets classified as held for sale	*11(a)(i)*	—	2,017
		1,810,505	1,198,331
Non-current liabilities			
Other payables		**38,933**	—
Borrowings	*10*	**146,250**	—
Lease liabilities		**227,204**	—
Deferred tax liabilities		**7,708**	11,505
		420,095	11,505
Net assets		**2,113,325**	2,184,654

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2019

	2019	2018
	HK$'000	*HK$'000*
Equity attributable to equity holders of the Company		
Share capital	**128,440**	128,440
Reserves	**2,028,707**	2,037,360
	2,157,147	2,165,800
Non-controlling interests	**(43,822)**	18,854
Total equity	**2,113,325**	2,184,654

NOTES:

1. BASIS OF PREPARATION

The financial information relating to the years ended 31 December 2019 and 2018 included in this preliminary announcement of annual results 2019 does not constitute the Group's statutory annual consolidated financial statements for those years but is derived from those financial statements.

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2018 consolidated financial statements, except for the adoption of all relevant new and amendments to HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations, which are first effective for the current reporting period. Details of the changes in accounting policies are set out in Note 2.

The figures in respect of the Group's consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2019 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in the respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagement or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a new HKFRS, HKFRS 16 *Leases*, and a number of new amendments that became applicable for the current reporting period.

Except for HKFRS 16, none of the developments have had a material effect on the Group's result and financial position for the current or prior periods have been prepared or presented in this financial information.

The Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 January 2019.

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(a) The Group's leasing activities and practical expedients applied

The Group is a lessee of its retail shops, offices, warehouses, plant and equipment which were classified as operating leases. Payments made under operating leases were charged to income statement on a straight-line basis over the period of the lease. Rental contracts are typically made for fixed periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From 1 January 2019, lease liabilities in relation to leases which had previously been classified as operating leases have been recognised except for short-term leases. These liabilities were measured at the present value of the remaining lease payments. As at 1 January 2019, the Group recognised and measured right-of-use assets at the carrying amounts as if HKFRS 16 had been applied since commencement dates, but discounted using the lessee's incremental borrowing rate at the date of initial application, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.74%.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of HKFRS 16 are only applied after that date.

The Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) Initial impact on adoption of HKFRS 16

The following table shows the adjustments on the Group's consolidated statement of financial position:

	31 December 2018 *HK$'000*	Initial adoption HKFRS 16 *HK$'000*	1 January 2019 *HK$'000*
Non-current assets			
Property, plant and equipment	838,917	494,956	1,333,873
Land-use-rights	79,227	(79,227)	—
Deferred tax assets	46,971	3,979	50,950
Current liabilities			
Accruals and other payables	425,603	(4,299)	421,304
Lease liabilities	—	150,666	150,666
Non-current liabilities			
Lease liabilities	—	286,882	286,882
Equity			
Reserves	2,037,360	(11,474)	2,025,886
Non-controlling interests	18,854	(2,067)	16,787

The reconciliation of operating lease commitment to lease liabilities is set out below:

	HK$'000
Operating lease commitment at 31 December 2018	498,677
Discounted effect using the lessee's incremental borrowing rates at the date of initial application	(54,248)
Less: short-term leases recognised on a straight-line basis as expense	(6,881)
Lease liabilities at 1 January 2019	437,548

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of HKFRS 16.

The Group has not applied any new standard or interpretation that is not yet effective for the current reporting period. The Group is in the process of making an assessment of what the impact of those developments is expected to be in the period of initial adoption. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements.

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.

The executive directors review the performance of the Group mainly from a business operation perspective. The major business segments of the Group for the year ended 31 December 2019 are Manufacturing and High-end Fashion Retailing.

- The Manufacturing segment represents manufacturing and sales of (i) sportswear and (ii) high-end functional outerwear of which both primarily under OEM arrangements to customers mainly in Europe, the United States, Mainland China and other countries; and (iii) manufacturing and sales of fabric and yarn products under "**e.dye**".

- The High-end Fashion Retailing segment represents retail of high-end fashion products in Mainland China, Hong Kong, Macau, Taiwan and Singapore.

In order to further refine the management of the Manufacturing Business for better resources allocation and performance assessment, the executive directors have decided to re-divide Manufacturing into (i) Sportswear Manufacturing (ii) High-end Functional Outerwear Manufacturing and (iii) e.dye to align with the internal review process. The Sportswear Retailing segment which represented the retail of sportswear products was discontinued during the year ended 31 December 2018.

The executive directors assess the performance of the business segments based on a measure of operating results of each segment, which excludes net 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.

Disaggregation of revenue from contracts with customer by products or service lines is as follows:

	2019 ***HK$'000***	2018 *HK$'000*
Continuing operations		
Sales of goods	**5,055,787**	4,124,682
Provision of services	**13,941**	13,267
	5,069,728	4,137,949

For the year ended 31 December 2019, revenues from continuing operations of approximately HK$2,562,897,000 (2018: HK$2,314,222,000), representing 50.6% (2018: 55.9%) of the Group's total revenue, were derived from a single group of external customers. These revenues were attributable to the Manufacturing segment.

3. **SEGMENT INFORMATION (CONTINUED)**

The segment results for the year ended 31 December 2019 are as follows:

	Manufacturing				
	Sportswear Manufacturing *HK$'000*	**High-end Functional Outerwear Manufacturing** *HK$'000*	**e.dye** *HK$'000*	**High-end Fashion Retailing** *HK$'000*	**Total Continuing Operations** *HK$'000*
Total segment revenue	2,842,694	444,140	35,532	1,753,018	5,075,384
Inter-segment revenue	(3,133)	(2,360)	(163)	—	(5,656)
Revenue	2,839,561	441,780	35,369	1,753,018	5,069,728
Operating profit/(loss) and segment results	98,249	(62,012)	(45,908)	173,231	163,560
Finance costs — net					(43,713)
Share of profits of associates	3,225	—	—	—	3,225
Profit before income tax					123,072
Income tax expense					(49,324)
Profit for the year					73,748

Other segment items included in the consolidated income statement for the year ended 31 December 2019 are as follows:

	Manufacturing				
	Sportswear Manufacturing *HK$'000*	**High-end Functional Outerwear Manufacturing** *HK$'000*	**e.dye** *HK$'000*	**High-end Fashion Retailing** *HK$'000*	**Total Continuing Operations** *HK$'000*
Depreciation and amortisation of property, plant and equipment, and leased assets	98,292	16,479	6,901	215,205	336,877
Amortisation of intangible assets	—	2,130	3,747	698	6,575
Impairment of property, plant and equipment, net	—	—	—	5,431	5,431
Loss on disposal of property, plant and equipment, net	1,360	2,168	29	18	3,575
Provision for inventories, net	6,130	2,525	2,140	62,818	73,613
Impairment of trade receivables, net	7	651	—	—	658
Staff compensation and factory relocation costs	46,075	—	—	—	46,075
Gain on disposal and liquidation of subsidiaries, net	(77,123)	—	—	—	(77,123)

3. SEGMENT INFORMATION (CONTINUED)

The segment results for the year ended 31 December 2018 are as follows:

	Manufacturing						
	Sportswear Manufacturing HK$'000	High-end Functional Outerwear Manufacturing HK$'000	e.dye HK$'000	High-end Fashion Retailing HK$'000	Total Continuing Operations HK$'000	Discontinued Operations – Sportswear Retailing HK$'000	Total HK$'000
Total segment revenue	2,531,342	366,806	28,377	1,220,675	4,147,200	132,053	4,279,253
Inter-segment revenue	(7,737)	(452)	(1,062)	—	(9,251)	—	(9,251)
Revenue	2,523,605	366,354	27,315	1,220,675	4,137,949	132,053	4,270,002
Operating profit/(loss) and segment results	147,937	(70,410)	(48,790)	137,068	165,805	(47,371)	118,434
Finance costs — net					(7,785)	10	(7,775)
Share of losses of associates	(1,226)	—	—	—	(1,226)	—	(1,226)
Profit/(loss) before income tax					156,794	(47,361)	109,433
Income tax expense					(52,205)	—	(52,205)
Profit/(loss) for the year					104,589	(47,361)	57,228

Other segment items included in the consolidated income statement for the year ended 31 December 2018 are as follows:

	Manufacturing						
	Sportswear Manufacturing HK$'000	High-end Functional Outerwear Manufacturing HK$'000	e.dye HK$'000	High-end Fashion Retailing HK$'000	Total Continuing Operations HK$'000	Discontinued Operations – Sportswear Retailing HK$'000	Total HK$'000
Depreciation and amortisation of property, plant and equipment, and land-use-rights	76,024	11,773	5,404	43,044	136,245	1,303	137,548
Amortisation of intangible assets	—	1,952	3,747	698	6,397	—	6,397
Impairment of property, plant and equipment, net	—	—	—	1,699	1,699	—	1,699
(Gain)/loss on disposal of property, plant and equipment, net	(4,948)	19	—	129	(4,800)	—	(4,800)
Provision/(write-back of provision) for inventories, net	27,417	(10,544)	3,893	38,349	59,115	(13,680)	45,435
Provision for onerous leases	—	—	—	1,124	1,124	—	1,124
Impairment of trade receivables, net	—	78	—	—	78	196	274
Gain on disposal and liquidation of subsidiaries, net	(131,482)	—	—	—	(131,482)	—	(131,482)

3. SEGMENT INFORMATION (CONTINUED)

The segment assets and liabilities are as follows:

	Manufacturing							
	Sportswear Manufacturing *HK$'000*	High-end Functional Outerwear Manufacturing *HK$'000*	e.dye *HK$'000*	High-end Fashion Retailing *HK$'000*	Total Continuing Operations *HK$'000*	Discontinued Operations – Sportswear Retailing *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Assets								
31 December 2019	2,058,851	451,485	107,096	1,630,778	4,248,210	—	95,715	4,343,925
31 December 2018	1,851,209	407,880	108,059	937,203	3,304,351	19,999	70,140	3,394,490
Liabilities								
31 December 2019	982,068	246,230	15,299	889,586	2,133,183	—	97,417	2,230,600
31 December 2018	567,315	203,084	8,671	352,371	1,131,441	1,565	76,830	1,209,836

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

The Group's revenue by geographical location is determined by the final destination of delivery of the products. The Group's revenue from external customers by geographical location is as follows:

	2019 *HK$'000*	2018 *HK$'000*
Continuing operations		
Mainland China	**2,196,864**	1,279,046
Europe	**1,098,319**	1,103,082
United States	**735,394**	727,308
Other Asian countries	**511,250**	443,714
Hong Kong	**310,921**	391,167
Canada	**87,095**	79,895
Others	**129,885**	113,737
	5,069,728	4,137,949

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

	2019 *HK$'000*	2018 *HK$'000*
Mainland China	**601,938**	309,615
Hong Kong	**546,218**	447,433
Vietnam	**286,170**	265,794
Cambodia	**221,286**	238,266
Others	**28,326**	9,736
	1,683,938	1,270,844

4. OTHER NET INCOME

	2019 HK$'000	2018 HK$'000
Continuing operations		
Gain on disposal and liquidation of subsidiaries, net *(Note 11(a))*	**77,123**	131,482
Rental income	**1,373**	1,326
(Loss)/gain on disposal of property, plant and equipment, net	**(3,575)**	4,800
Net exchange losses	**(7,781)**	(28,893)
Staff compensation and factory relocation costs *(Note)*	**(46,075)**	—
Loss on disposal of an associate	**—**	(713)
Others	**(4,185)**	9,979
	16,880	117,981

Note: In August 2019, the Group's factory in Heyuan city, Mainland China, was relocated to another site within Heyuan city due to the expiry of the existing lease. To facilitate the relocation, the Group had agreed with most of the factory's employees to terminate their existing employment contracts and enter into new ones simultaneously. Accordingly, staff compensation for termination of existing employment contracts and other relocation costs totaling HK$46,075,000, which were non-recurring and one-off in nature, were incurred during the year ended 31 December 2019.

5. FINANCE COSTS — NET

	2019 HK$'000	2018 HK$'000
Continuing operations		
Finance income		
— Interest income from bank deposits and receivables from a landlord	**1,669**	4,245
— Others	**1,253**	940
	2,922	5,185
Finance cost		
— Interest on bank borrowings	**(29,412)**	(12,756)
— Interest on lease liabilities	**(19,066)**	—
— Others	**—**	(214)
Less: interest expense capitalised	**1,843**	—
	(46,635)	(12,970)
	(43,713)	(7,785)

6. INCOME TAX EXPENSE

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

	2019	2018
	HK$'000	*HK$'000*
Continuing operations		
Current tax		
— Mainland China	**68,237**	40,537
— Overseas	**3,775**	4,008
— Hong Kong	**977**	1,651
— Over-provision in prior years	**(472)**	(10,069)
	72,517	36,127
Deferred tax	**(23,193)**	16,078
	49,324	52,205

Mainland China corporate income tax and Hong Kong profits tax have been provided at the rates of 25% (2018: 25%) and 16.5% (2018: 16.5%) on the estimated assessable profits respectively. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the applicable rates of taxation prevailing in the jurisdictions in which the Group operates.

7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the consolidated profit attributable to equity holders of the Company and on the weighted average number of ordinary shares of 1,284,400,000 shares (2018: 1,284,400,000 shares) in issue during the year.

	2019	2018
Basic earnings/(losses) per share *(HK cents)*		
— Continuing operations	**5.0**	6.8
— Discontinued operations	**—**	(3.5)
	5.0	3.3
Profit/(loss) attributable to equity holders of the Company *(HK$'000)*		
— Continuing operations	**64,214**	86,868
— Discontinued operations	**—**	(44,615)
	64,214	42,253

The diluted earnings per share for the years ended 31 December 2019 and 2018 are the same as the basic earnings per share as the potential ordinary shares arising from the share options granted by the Company outstanding do not have dilutive effect.

8. TRADE AND BILLS RECEIVABLE

	2019	2018
	HK$'000	*HK$'000*
Trade receivables		
— from third parties	**625,308**	524,121
— from related parties	**6,682**	7,759
Bills receivable	**7,145**	13,747
	639,135	545,627
Less: impairment of trade receivables	**(1,611)**	(1,598)
Financial assets measured at amortised cost	**637,524**	544,029

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:

	2019	2018
	HK$'000	*HK$'000*
0–90 days	**629,006**	533,389
91–180 days	**661**	3,014
181–365 days	**2,428**	684
Over 365 days	**7,040**	8,540
	639,135	545,627

9. TRADE AND BILLS PAYABLE

	2019	2018
	HK$'000	*HK$'000*
Trade payables		
— to third parties	**245,503**	211,207
— to related parties	**6,340**	11,201
Bills payable	**405**	4,074
Financial liabilities measured at amortised cost	**252,248**	226,482

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

	2019	2018
	HK$'000	*HK$'000*
0–90 days	**246,538**	217,798
91–180 days	**2,783**	4,970
181–365 days	**1**	347
Over 365 days	**2,926**	3,367
	252,248	226,482

10. BORROWINGS

The interest-bearing bank borrowings were repayable as follows:

	2019	2018
	HK$'000	*HK$'000*
Within 1 year or on demand	**874,876**	478,904
After 1 year but within 2 years	**45,000**	—
After 2 years but within 5 years	**101,250**	—
	146,250	—
	1,021,126	478,904

11. DISPOSAL/LIQUIDATION OF SUBSIDIARIES AND DISCONTINUED OPERATIONS

(a) Disposal and liquidation of subsidiaries

(i) On 23 November 2018, the Group entered into a sale and purchase agreement with a third party in relation to the disposal of Bowker Garment Accessories (Heyuan) Company Limited, a subsidiary in Mainland China, for an adjusted consideration of HK$36,034,000. Respective assets and liabilities were classified as assets held for sale and liabilities directly associated with assets held for sale respectively as at 31 December 2018. The transaction had been completed in May 2019 and a gain on disposal amounting to HK$19,807,000 is recognised during the year ended 31 December 2019.

(ii) The Group has completed certain disposal and liquidation of subsidiaries during the year resulting an aggregate loss on disposal amounting to HK$663,000 is recognised during the year ended 31 December 2019. Since the disposals and liquidations are relatively immaterial to both the Group's financial position and results of operation, details are not disclosed.

Upon disposal and liquidation of these subsidiaries, accumulated exchange differences amounting to HK$57,979,000 are realised and reclassified to income statement.

(b) Discontinued operations

During the year ended 31 December 2018, the Group's Sportswear Retailing Business had been wholly ceased. Financial information relating to the discontinued operations for the year ended 31 December 2018 was set out below.

	2018 *HK$'000*
Revenue	132,053
Cost of sales	(109,407)
Gross profit	22,646
Selling and distribution costs	(61,280)
General and administrative expenses	(9,818)
Other net income	1,081
Operating loss	(47,371)
Finance income	10
Loss before income tax	(47,361)
Income tax expense	—
Loss from discontinued operations	(47,361)
Loss from discontinued operations attributable to:	
— Equity holders of the Company	(44,615)
— Non-controlling interests	(2,746)
	(47,361)

12. DIVIDENDS

	2019 *HK$'000*	2018 *HK$'000*
Interim dividend paid of HK1.0 cent (2018: HK3.0 cents) per ordinary share	**12,844**	38,532
Proposed final dividend — Nil (2018: HK1.0 cent) per ordinary share	—	12,844
	12,844	51,376

The Board does not recommend the payment of final dividend for the year ended 31 December 2019 (2018: HK1.0 cent, amounting to HK$12,844,000).

13. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

Following the coronavirus outbreak in early 2020, a series of precautionary and control measures have continued to be implemented as required by the local governments, and suppliers' delivery of certain raw materials for production has also been delayed in the short term as affected by those measurements as well as logistic impediment. Disruptions of global sporting events, precautionary measurements such as closure of retail stores and people quarantined will adversely affect consumer spending.

As the coronavirus outbreak has been expanded globally, the business activities of the Group have been affected to a certain extent and the Group's revenue, cash flows and profit from the operation are expected to decrease as compared to the same period in 2019.

Up to the date of this results announcement, the Group is still in the process of assessing the impacts on the financial performance and position of the Group and not yet able to quantify the impacts given the dynamic nature of the coronavirus outbreak.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is an integrated manufacturer, distributor and retailer for internationally renowned sports, fashion and outdoor brands. The financial performance of the Group for the year ended 31 December 2019 is summarised below:

OVERALL REVIEW

Revenue of the Group from continuing operations amounted to HK$5,069.7 million (2018: HK$4,137.9 million), representing a double-digit growth of 22.5%. The increase was attributable to rebounding orders from a major customer as well as revenue brought in from several new internationally renowned customers under Sportswear Manufacturing Business, increased domestics sales in Mainland China under High-end Functional Outerwear Manufacturing Business and rapid expansion of retail networks in Mainland China under High-end Fashion Retailing Business.

Gross profit margin of the Group increased to 28.4% in 2019 (2018: 27.7%). The slight increase in gross profit margin of 0.7 percentage point was mainly attributable to the growth of High-end Fashion Retailing Business with higher gross profit margin which brought in additional gross profit to the Group. As a result, gross profit of the Group increased by HK$297.8 million to HK$1,442.3 million in 2019 (2018: HK$1,144.5 million) which was 26.0% higher than that of the preceding year.

Selling and distribution costs increased by HK$200.2 million to HK$789.0 million (2018: HK$588.8 million), mainly attributable to the increased operating expenses incurred for increased orders by Manufacturing Business and expanded distribution network of High-end Fashion Retailing Business.

In August 2019, the Group relocated its sportswear manufacturing factory in Heyuan city of Mainland China to another site within the same city due to the expiry of lease, resulting in a total of HK$46.1 million staff compensation and relocation costs being incurred. Besides, a net gain (before taxation) of HK$77.1 million (2018: HK$131.5 million) which mainly arising from disposals of certain subsidiaries was recorded during the year.

Operating profit of the Group remained stable at HK$163.6 million in 2019 (2018: HK$165.8 million). It is an overall result deriving from the increased gross profit, offsetting by the increased operating costs and effect of the one-off items mentioned above.

Net finance costs of the Group increased by HK$35.9 million to HK$43.7 million in 2019 (2018: HK$7.8 million). The increase was mainly attributable to the increase in interest on bank borrowings (net of amount capitalised) and interest on lease liabilities upon adoption of HKFRS 16 by HK$14.8 million and HK$19.1 million respectively.

The Group has discontinued the sportswear retail network in Hong Kong and all retail stores were closed before the end of 2018. There was no further financial impact in 2019 (2018: loss of HK$47.4 million).

Overall, profit attributable to equity holders of the Company increased by HK$21.9 million to HK$64.2 million (2018: HK$42.3 million). Excluding the impact of disposal gain of subsidiaries and factory relocation costs mentioned above, profit attributable to equity holders would have been HK$30.2 million (2018: loss of HK$69.8 million).

The Board has declared and paid an interim dividend of HK1.0 cent per Share during the year. The Board does not recommend any payment of final dividend for the year ended 31 December 2019.

BUSINESS REVIEW

The financial performances of the business segments are summarised below:

Manufacturing Business

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

Sportswear Manufacturing Business

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

Revenue from Sportswear Manufacturing Business increased by HK$316.0 million to HK$2,839.6 million (2018: HK$2,523.6 million), representing an increment of 12.5%. The increase was mainly due to rebounding orders from a major customer and revenue brought in by certain new customers.

In August 2019, the Group's sportswear manufacturing factory in Heyuan city, Mainland China, was relocated to another site within the same city due to the expiry of lease. To facilitate the relocation and securing a stable labour force, the Group had agreed with most of the factory's employees to terminate their existing employment contracts and enter into new ones simultaneously. Staff compensation for termination of existing employment contracts together with other relocation costs amounting to a total of HK$46.1 million was incurred. In addition, a net gain (before taxation) of HK$77.1 million (2018: HK$131.5 million) which mainly arising from disposals of certain subsidiaries was recorded during the year.

Operating profit decreased to HK$98.2 million (2018: HK$147.9 million) which included the staff compensation and factory relocation costs and the gain mainly arising from disposals of certain subsidiaries as mentioned above. Excluding the impact of these one-off items, operating profit would have been increased to HK$67.2 million (2018: HK$16.4 million) as a result of cost rationalisation initiatives having taken place during the year.

High-end Functional Outerwear Manufacturing Business

Since the acquisition of Sport Field Group in the first half of 2018, High-end Functional Outerwear 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$75.4 million to HK$441.8 million (2018: HK$366.4 million) while operating loss decreased to HK$62.0 million (2018: loss of HK$70.4 million). Sport Field Group has successfully developed its domestic customers in Mainland China which contributed to the growth in revenue. The operating result of the whole segment was also improved by the profit generated from the acquired business of Sport Field Group, which was partially offset by the additional costs incurred for setting up production lines in the new factory which had yet to achieve optimal production efficiency.

e.dye Business

Revenue from e.dye Business increased by HK$8.1 million to HK$35.4 million (2018: HK$27.3 million), representing an increment of 29.7% while operating loss during the year reduced to HK$45.9 million (2018: loss of HK$48.8 million).

High-end Fashion Retailing Business

The Group's High-end Fashion Retailing Business has fashion retail networks through "***D-mop***" stores to sell several self-owned brands, as well as imported brands, in Hong Kong, Mainland China and Taiwan and "***J-01***" stores in Hong Kong and Mainland China. In addition, it has distribution rights for brands including "***Y-3***" in Mainland China, Hong Kong, Macau, Taiwan and Singapore, "***Thomas Sabo***", "***Tara Jarmon***" and "***Heron Preston***" in Mainland China, Hong Kong and Macau. It also operates licensed stores in Mainland China for the brands "***Champion***" and "***DAKS***" and in Hong Kong for the brands "***New Era***" and "***Marcelo Burlon***".

Revenue from High-end Fashion Retailing Business increased by HK$532.3 million to HK$1,753.0 million (2018: HK$1,220.7 million), representing an increment of 43.6%. In 2019, High-end Fashion Retailing Business continued to expand its presence rapidly in the Mainland China market by opening new stores. As at 31 December 2019, the total number of offline stores increased to 252 (2018: 181), of which 206 stores were situated in Mainland China, 36 stores were in Hong Kong and Macau, and 10 stores in Taiwan and Singapore. On the other hand, global uncertainties together with continued China-US tensions were among the external factors negatively affecting Hong Kong's general economic well-being in 2019. The sharp drop in spending by a drastically reduced number of visitors to Hong Kong was further exacerbated by a fall in local consumption arising from intermittent closure of shops brought on by the social unrest. The revenue from the Hong Kong market saw a full year decline of 29.3% as compared to 2018. Having said that, the overall performance in 2019 still achieved a significant growth which was attributable to continuous expansion of retail networks in Mainland China.

Operating profit generated from the business reached a record high of HK$173.2 million (2018: HK$137.1 million), representing an increment of 26.3%.

PROSPECTS

The global economy in early 2020 has been severely affected by concerns over the coronavirus epidemic, particularly in the Mainland China and European markets which are the major markets of the Group. The business activities of the Group have also been affected to a certain extent. Despite the number of difficulties ahead, we will focus on maintaining operational resilience in unpredictable times and challenges for both Manufacturing Business and High-end Fashion Retailing Business.

Manufacturing Business

The Group's production facilities are situated in Vietnam, Cambodia and Mainland China.

Following the coronavirus outbreak in early 2020, a series of precautionary and control measures have continued to be implemented as required by the local governments, particularly in Mainland China. Important measures included extension of the Chinese New Year holiday nationwide, postponement of resumption of work after the Chinese New Year holiday, stringent restrictions and controls over the travelling of people and traffic arrangements, quarantine of certain residents and areas, and stricter hygiene and epidemic prevention requirements in factories and offices. Suppliers' delivery of certain raw materials for production has also been delayed in the short term as affected by the precautionary and control measures as well as logistic impediment. As such, the productivity of the Group's factories in Mainland China, which represents approximately 20% of the production capacity of Manufacturing Business, could not achieve normal level but it is expected that the impact should be temporary.

In order to minimise the adverse impact, the Group has actively coordinated relevant resources and adjusted production arrangements in a timely manner. As of mid-March of 2020, approximately 90% of the operating staff have returned to factories and our production in Mainland China is substantially restored.

Sportswear Manufacturing Business

Sportswear Manufacturing Business has returned to the growth track in 2019 but it is believed that the business will be adversely affected by an indeterminate sportswear market in 2020 since the outbreak of coronavirus. In Europe, certain premier soccer leagues and tournaments have been suspended which may affect the demand of soccer jerseys. Due to the global outbreak of coronavirus, many shopping malls and retail stores are closed, with areas in lockdown and people quarantined as part of the precautionary measurements. These conditions will eventually affect our business as a consequence of shrinking market demand.

Giving the uncertain market situation, we are more cautious on deployment of our resources and capital expenditure. As such, we have conducted a comprehensive review for our new factory developments in Vinh Long, Vietnam and the development is temporarily on hold.

High-end Functional Outerwear Manufacturing Business

High-end Functional Outerwear Manufacturing Business has become one of our major business segments within Manufacturing Business after the acquisition of Sport Field Group. Since then, the Group possesses technologies and licensed facilities to produce high-end functional outerwear for certain internationally renowned brands. Sport Field Group has successfully developed its domestic customers in Mainland China but it will be affected by the unfavorable market situation since the outbreak of coronavirus in early 2020.

Looking ahead, we will continue to improve our production efficiency and enhance cost control in our factory in Mainland China and production facilities in Vietnam in order to reach optimal utilisation level.

e.dye Business

As part of our strategic initiatives, we will continue to expand our partnership with international brands to promote eco-friendly production and play an important role in green production. We are actively working with certain renowned brands of sportswear and outerwear in seeking a revenue breakthrough. At the same time, we will reinforce cost control in order to maximise cost effectiveness of production.

High-end Fashion Retailing Business

Mainland China will remain as the major market of our High-end Fashion Retailing Business. However, the spreading of coronavirus at the beginning of 2020 is undermining the business. At the beginning of February 2020, 170 out of 208 offline shops were temporarily closed. The situation is subsequently improved and up to mid-March 2020, only 4 offline shops are remained close mainly in Wuhan, Mainland China. We estimate that consumers will be cautious and continue to hold off spending even though the stores are re-opened. The negative impact will continue to affect our business in the first half of the year and it is believed that 2020 is set to be an extremely challenging year. As such, we have started to cut back purchase orders for 2020 summer products and put the establishment of new shops on hold. In Hong Kong and Macau, the impact arising from the outbreak of coronavirus is also severe. The ongoing social unrest in Hong Kong would continue to damage the retail market. In order to diminish the impact, we are negotiating with landlords for rent concession and also revisiting the profitability of some retail shops across the region. Subject to the outcome, certain retail shops would be closed down when necessary.

Multi-branding is one of our key strategies to tap the full potential of the Greater China market. Apart from the existing brand portfolio in the young and light luxury fashion segment which including several internationally renowned brands, "***Champion***", "***Y-3***", "***Tara Jarmon***", "***DAKS***", "***Thomas Sabo***", "***New Era***", "***Marcelo Burlon***" and "***Heron Preston***", we will continue to approach and gain distribution rights for young and high-end fashion brands to further enrich and rationalise our brand portfolio. In addition, the Group will continue its efforts to promote the retail presence of our existing stores and will enhance the shopping experience for our customers.

Taking into account the remarkable business development and financial performance of the Shine Gold Group, the operation arm of High-end Fashion Retailing Business, it is considered that it would be beneficial for the Group to acquire more shareholding interests in Shine Gold Group to gain more control of the business. As such, the Group acquired 27% equity interest from a non-controlling interest holder of Shine Gold Group in December 2019. After the acquisition, Shine Gold Group is owned as to 97% by the Group.

FINANCIAL POSITION AND LIQUIDITY

The Group generally finances its operations with internally generated cashflow and banking facilities and has maintained a healthy financial position during the year. As at 31 December 2019, it had cash and bank balances amounting to HK$486.6 million (2018: HK$355.1 million). The net increase was mainly attributable to the cash generated from operating activities and bank borrowings, net with payments of capital expenditures and dividends.

As at 31 December 2019, the Group had bank borrowings amounting to HK$1,021.1 million (2018: HK$478.9 million), which were on floating rates and unutilised banking facilities amounting to HK$493.4 million (2018: HK$152.5 million). The net gearing ratio, being total borrowings (including bank borrowings and loans from non-controlling interests of subsidiaries) less cash and bank balances divided by total equity, as at 31 December 2019, was 25.5% (2018: 5.9%).

FOREIGN CURRENCY EXPOSURE

Hong Kong Dollar ("**HKD**") serves as the Company's functional currency and the Group's presentation currency. The Group considers its foreign currency exchange exposure arising from United States Dollar ("**USD**") transactions and USD cash balances to be minimal during the year given that HKD was pegged against USD.

The Group's revenue and purchases were primarily denominated in USD, Renminbi ("**RMB**") and HKD. During the year, approximately 51.7%, 41.1% and 5.3% of revenue were denominated in USD, RMB and HKD respectively, whereas approximately 82.6%, 10.6% and 5.1% of purchases were denominated in USD, RMB and HKD respectively.

As at 31 December 2019, approximately 42.4%, 36.4% and 16.9% of cash and bank balances were denominated in USD, RMB and HKD respectively, and approximately 48.7%, 43.3% and 8.0% of bank borrowings were denominated in HKD, USD and RMB respectively.

Regarding the trade disputes between China and United States, it is expected that on-going currency fluctuation of RMB against USD is unavoidable. It was noted that RMB depreciated sharply against USD in 2019 and it was unfavourable to our assets denominated in RMB.

To minimise the impact of foreign currency rate volatility, we monitor foreign currency risk closely on an ongoing basis to ensure that the net exposure is at an acceptable level. If necessary, after consideration of the Group's future operation and investment needs in different currencies, we may use proper financial instruments to reduce the currency risk exposure.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2019, the Group had approximately 21,000 employees (2018: approximately 19,000 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 2019, bank deposit of HK$1.1 million (2018: HK$1.1 million) was pledged as security deposit at Custom Department for a subsidiary of the Group; and land and properties with carrying value of HK$59.2 million (2018: HK$35.3 million) was pledged to banks for certain banking facilities of the Group.

CONTINGENT LIABILITIES

The Group has no significant contingent liabilities, litigation or arbitration of material importance as at 31 December 2019.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

In December 2019, the Group has completed the acquisition of additional 27% equity interest of Shine Gold Limited, a subsidiary of the Group, increasing its stake from 70% to 97%.

Save as disclosed above and Note 11 to this results announcement, the Group had no other material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2019.

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 to 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 does not recommend the payment of final dividend for the year ended 31 December 2019.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 4 June 2020 to Thursday, 11 June 2020 (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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 3 June 2020.

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 to 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 2019 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 2019. It has also reviewed the consolidated financial statements for the year ended 31 December 2019 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, 11 June 2020. 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 2019 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 Mr. CHAN Ka Kui being the independent non-executive directors.

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

Hong Kong, 26 March 2020