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Win Hanverky Holdings Limited

永嘉集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 3322)

PROFIT WARNING

This announcement is made by Win Hanverky Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and 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 2023 (the “**Current Period**”), the Group is expected to record loss after taxation of approximately HK\$160 million for the Current Period as compared to profit after taxation of HK\$21 million in the corresponding period in 2022 (the “**Prior Period**”).

The estimated loss after taxation for the Current Period was mainly attributable to the following reasons:

- (i) decrease in revenue from Manufacturing Business by approximately HK\$612 million or 34% to HK\$1,175 million (30 June 2022: HK\$1,787 million) which was mainly attributable to the decreased orders received from customers since the last quarter of 2022, amid inventory pileup particularly in the sportswear market as a result of lower consumer demand in all the markets;

- (ii) decrease in gross profit from High-end Fashion Retailing Business which was mainly due to the deep discounts offered to stimulate customer spending as the recovery of customer demand is not as strong as expected despite the cessation of all COVID-19 related control measures in the Mainland China market. In addition, market competition continued to be fierce as competitors are urged to significantly reduce the elevated inventory level; and
- (iii) the absence of gain of HK\$15 million for the Prior Period arising from the disposal of a subsidiary holding a warehouse in Hong Kong which had not been fully utilised by the Group.

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 2023, which is expected to be published by the end of August 2023. There may be changes or adjustments following the review of the consolidated management accounts by the auditor and audit committee of the Company.

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

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

Hong Kong, 4 August 2023

As at the date of this announcement, the directors are Li Kwok Tung Roy, Lai Ching Ping, Lee Kwok Leung, Wong Chi Keung, Kwan Kai Cheong[#], Ma Ka Chun[#] and Chan Kit Fun Fanny[#].

[#] *Independent non-executive directors*