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)

REDUCTION IN LOSS 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 2025 (the "**Current Period**"), the Group is expected to record loss after taxation of approximately HK$60 million for the Current Period as compared to loss after taxation of HK$86 million for the six months ended 30 June 2024 (the "**Corresponding Period**").

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

(i) High-end Fashion Retailing Business recorded operating profit of approximately HK$7 million for the Current Period, an improvement of HK$59 million from operating loss of HK$52 million for the Corresponding Period. This successful turnaround was primarily driven by the introduction of franchise stores alongside direct operated stores for a rapidly growing brand in the second half of 2024, enhancing growth and profitability; and

(ii) this positive impact was partially offset by operating loss of approximately HK$19 million from Sportswear Manufacturing Business for the Current Period (Corresponding Period: operating profit of HK$1 million). Operating loss was primarily due to raw materials issues at the Group's production facilities in Southeast Asia during the processing of certain key orders, resulting in higher-than-anticipated production and transportation costs.

BUSINESS UPDATE

Manufacturing Business

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

Sportswear Manufacturing Business

Revenue from Sportswear Manufacturing Business decreased by approximately HK$23 million to HK$1,192 million (Corresponding Period: HK$1,215 million), representing a decline of 2%. During the Current Period, the Group's production facilities in Southeast Asia encountered raw materials issues during the processing of certain key orders, which led to higher-than-anticipated production and transportation costs. Consequently, the business recorded operating loss of approximately HK$19 million for the Current Period (Corresponding Period: operating profit of HK$1 million).

High-end Functional Outerwear Manufacturing Business

Revenue from High-end Functional Outerwear Manufacturing Business decreased by approximately HK$10 million to HK$250 million (Corresponding Period: HK$260 million), representing a decrease of 4%. During the Current Period, the Group underwent a strategic adjustment, reducing reliance on outsourced garment manufacturers while gradually increasing in-house production capacity. This transition, aiming at better control of product quality and enhancing long-term operational efficiency, contributed to a temporary decline in revenue. Consequently, operating loss of approximately HK$17 million was recorded for the Current Period (Corresponding Period: operating loss of HK$11 million) before the business entering into traditional peak season in the second half of the year.

High-end Fashion Retailing Business

Revenue from High-end Fashion Retailing Business increased by approximately HK$13 million to HK$294 million (Corresponding Period: HK$281 million), representing an increase of 5%. In the second half of 2024, the Group introduced franchise stores alongside direct operated stores for a rapidly growing brand, marking a strategic shift in High-end Fashion Retailing Business. This initiative strengthened the growth and profitability of selected brands with established market presence. Consequently, the business achieved a significant turnaround, recording operating profit of approximately HK$7 million for the Current Period (Corresponding Period: operating loss of HK$52 million).

FINANCIAL POSITION AND LIQUIDITY

In view of the challenges and uncertainties ahead, the Group will continue to proactively monitor the situation and impose strict cost control measures and focus on its cash flow management to ensure that it remains a healthy liquidity position.

Against the backdrop of the challenging environment, the Group's financial and liquidity position remains healthy. As at 30 June 2025, the Group had cash and bank balances of approximately HK$437 million (31 December 2024: HK$250 million) and net borrowings (bank borrowings less cash and bank balances) of approximately HK$93 million (31 December 2024: HK$215 million). The net gearing ratio (being net borrowings divided by the total equity) was approximately 7% (31 December 2024: 16%).

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 2025, which is expected to be published by the end of August 2025. 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, 8 August 2025

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