



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”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that the financial performance of the Company and its subsidiaries (collectively the “Group”) for the second half of 2008 is adversely affected by the current widespread economic tsunami. As a result, profits of the Group for the year ending 31 December 2008 are expected to decline substantially as compared with that for the year ended 31 December 2007.

The Group is principally engaged in the manufacturing, distribution and retailing of international sports brands. The Group is not currently engaged in the trading of securities, derivatives and other structured products.

Based on the preliminary assessment by the Board, the decrease in profits is mainly due to the following reasons:

- (i) the global financial turmoil, which had a negative impact in the United States and the general consumer sentiment, may result in a loss in 2008 instead of securing profits in previous year for the former Active and Outer Wear Business (grouped under Sportswear Manufacturing Business starting from 2008). Accordingly, provision for the closure of the Jordon factory (which may include provision for lay off cost of factory labour and impairment of fixed assets in Jordon) and impairment of the Group’s 10% equity interest in an unlisted company incorporated in the United States may have to be made; and

- (ii) the earthquake in Sichuan, the People's Republic of China, and together with the global financial turmoil, which had a negative impact on the Chinese economy and the general consumer sentiment, may result in a loss in 2008 instead of securing profits in the previous year for Sportswear Distribution and Retail Business. Accordingly, impairments of goodwill arising from the acquisition of Win Sports Limited in 2007 and certain related assets may have to be made.

Notwithstanding the above, Sportswear Manufacturing Business (other than the former Active and Outer Wear Business grouped under Sportswear Manufacturing Business) remains stable in 2008 given the present orders received from the customers. The Board believes that the financial position of the Group remains solid and that the Group is well-positioned to weather the current difficult environment, and to capitalise on any potential opportunities that may present. The Group remains a net cash position with a low gearing ratio.

This profit warning announcement is only based on the preliminary assessment by the Company's management and is not based on any figures or information which has been audited or reviewed by the Company's auditors.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 16 December 2008

As at the date of this announcement, the Directors are Li Kwok Tung Roy, Lai Ching Ping, Cheung Chi, Chow Chi Wai, Lee Kwok Leung, Chan Kwong Fai#, Wun Kwang Vincent#, Ma Ka Chun# and Kwan Kai Cheong#.

Independent non-executive Directors