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 2016

FINANCIAL HIGHLIGHTS

	2016	2015	***Change***
	HK$'000	*HK$'000*	*%*
Revenue	**4,033,381**	3,841,702	**+5.0%**
Gross profit	**1,149,586**	1,160,200	**-0.9%**
Gross profit margin	**28.5%**	30.2%	**-1.7% pt**
Operating profit	**194,607**	292,771	**-33.5%**
Operating profit (excluding impact of land disposal)	**194,607**	265,221	**-26.6%**
Profit attributable to equity holders	**143,494**	243,419	**-41.1%**
Profit attributable to equity holders (excluding impact of share of associates' losses and land disposal)	**146,333**	235,800	**-37.9%**
Basic EPS *(HK cents)*	**11.2**	19.2	**-41.7%**
Dividends *(HK cents)*			
— Interim	**4.0**	4.0	
— Final (proposed)	**3.0**	7.5	
	7.0	11.5	**-39.1%**

OPERATION HIGHLIGHTS

— Increase in revenue was contributed by growth in sales orders from the Manufacturing Business and expanded store network for the Distribution and Retail Business.

— Profit attributable to equity holders (excluding impact of share of associates' losses and land disposal) decreased from HK$235.8 million to HK$146.3 million, mainly due to (i) decreased store contributions, impairment of fixed assets for potential loss-making stores and provision for onerous leases for the Distribution and Retail Business and (ii) rising operating costs from the Manufacturing Business.

— Healthy cash and bank balances of HK$414.2 million (2015: HK$676.1 million) and dividends for the full financial year totalled HK7.0 cents (2015: HK11.5 cents) per Share.

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 2016, together with the comparative amounts for 2015 and the relevant explanatory notes.

CHAIRMAN'S STATEMENT

2016 has been a year full of surprises and unexpected events, as highlighted by Brexit in the United Kingdom and the presidential election in the United States. The global economy became clouded with uncertainties caused by these political events, and was further impacted by the spate of terrorist attacks and migrant crisis in Europe. With a new administration in power in the United States, significant changes are expected in terms of its economic policy, including its attitude towards the Federal Funds Rate, trade policy with China and tax plan. In respect of the United Kingdom, following the results of the country's referendum to leave the European Union, negotiations among the European countries are expected to take some time to resolve. And although the Chinese Renminbi has been included in the Special Drawing Right ("**SDR**") valuation basket by the International Monetary Fund, which acknowledged the recent economic development of China, it inevitably suffered from depreciation against the strong United States Dollar, hence reduced China's foreign exchange reserves.

Despite the lacklustre market conditions, our Manufacturing Business still maintained a stable revenue growth, while the Distribution and Retail Business also sustained a narrow revenue growth driven by new store openings. However, the continuous capital investment flow to Southeast Asia has not only driven economic growth, but also inflation across the region. Our factories were affected by rising operating costs which placed pressure on the operating profit of our Manufacturing Business. Furthermore, the Greater China and especially Hong Kong, being one of the major markets of the Distribution and Retail Business, were confronted with slow economic growth and weak retail sentiment, which, compounded by stiff rental rates led to the deterioration in store contributions. As a result, operating profit and profit attributable to shareholders reduced significantly in spite of the steady rise in revenue.

Manufacturing Business

Relocation of production bases from Mainland China to Southeast Asia has always been the Group's strategy in seeking to move from high-cost regions to relatively low-cost regions and thereby diversify operation risk. Our effort to relocate capacity is considered to be on the correct track and at a satisfactory pace.

Vietnam

Withdrawal of the United States from the Trans-Pacific Partnership trade arrangement did not affect our investment in Vietnam because Europe is the major region of our shipments. Having completed expansion of our garment factory in the country, additional sewing lines are now in place and we are continuing to hire more workers to further increase production output and capacity. In addition, we have begun construction of a printing factory, and work has commenced during 2016.

Cambodia

Construction of Phase II of the Cambodian factory was completed in 2015. Capacity is undergoing enhancement and improvement during the year 2016 with the setting up of more sewing lines. The Group will seek to further improve the operational efficiency of the Cambodian factory as it is a key to fulfil future orders.

Mainland China

Although production capacity in Mainland China remained at a satisfactory and stable level, in comparison with the expanding capacity of their counterparts in Southeast Asia, their overall importance are further lessening. Nevertheless, the gradual restructuring and integration of resources in Mainland China continue so as to ensure stable production output for the Group. In 2017, one more factory will be closed, which is in line with the Group's overall relocation plan.

Apart from relocation, which remains our long-term strategy, diversification of our customer base and business portfolio is also integral to our business plan. To cope with the growing need for short lead time production, we are also seeking to seize vertical integration opportunities to reinforce production efficiency. And also, in response to the growing importance and awareness of environmental protection, including customers' demands for environmental friendly products, we have teamed up with a partner to establish and develop a pilot factory that will employ an innovative textile technology. This advanced technology not only abides by the green production concept, but also provides a foundation for fast production which caters for our customers' needs. This technology has received astonishing feedback from certain well-known brands that are now seeking to set up long-term partnership with us.

Distribution and Retail Business

During 2016, our high-end fashion retail business obtained additional distribution rights from certain internationally renowned fashion brands. We have consequently broadened our brand portfolio and diversified our products with not only apparel brands but also accessory brands like "***Thomas Sabo***" and "***New Era***". At the same time, we have successfully expanded our retail presence in Mainland China and Hong Kong owing to the diversified brand portfolio, resulting in a greater share of the light luxury retail market.

Though we have been able to sustain revenue from the sportswear retail business, faced with weak retail sentiment and high rental rates, shop efficiency inevitably declined leading to significant losses. We will launch different campaigns to stimulate sales and close non-performing stores in order to curb such losses.

Dividends

The Board is pleased to recommend the payment of a final dividend of HK3.0 cents per Share. Together with an interim dividend of HK4.0 cents per Share paid during the year, total dividend for 2016 financial year amounts to HK7.0 cents per Share, representing a total payment of HK$89.9 million. The Group strives to generate steady returns to its Shareholders, and observes a stable dividend payout policy. Depending on the capital expenditure needs and cash position of the Group, the Board may adjust the dividend payout in the future.

Outlook

Although the global economy will continue to face various challenges, we see the trend towards achieving a healthy lifestyle among the general public as a positive development that will drive demand for sportswear products. Our Manufacturing Business will therefore seek to capitalise on this trend. In the coming year, innovation and digitalisation will be our main focuses as they represent the means by which we can deliver quality products, while at the same time address increasingly short production lead times. We will therefore continue to investigate and apply innovative technologies that raise operational efficiency and reduce our reliance on manual labour. In respect of digitalisation, we will introduce technologies for enhancing operation management. This will result in real-time monitoring and prompt reaction to various operation processes, from production planning to garment delivery. The new innovative textile technology is another significant development that will enable us to expand our Manufacturing Business, which, up to now has been purely garment focused.

With regards to the Distribution and Retail Business, we will continue to seek distribution rights from quality fashionable brands at full pace. In fact, just a few months into the new year, we obtained distribution rights from "***Tara Jarmon***" and "***Champion***", a French high-end women's apparel brand and a US sports fashion brand respectively. We are now planning to launch new stores for these brands in Mainland China and Hong Kong.

Acknowledgements

I would like to thank the Board and all of our dedicated employees for their unwavering loyalty, diligence, professionalism and contributions to the Group. At the same time, I would also like to take this opportunity to thank our Shareholders and business partners for their continuous support and recognition of our aspirations and strategies.

LI Kwok Tung Roy
Chairman

Hong Kong, 23 March 2017

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 HK$'000	2015 HK$'000
Revenue	3	**4,033,381**	3,841,702
Cost of sales		**(2,883,795)**	(2,681,502)
Gross profit		**1,149,586**	1,160,200
Selling and distribution costs		**(515,750)**	(469,924)
General and administrative expenses		**(444,360)**	(437,972)
Other income — net	4	**2,905**	12,482
Other gains — net	5	**2,226**	27,985
Operating profit		**194,607**	292,771
Finance income		**6,243**	13,501
Finance costs		**(2,485)**	(2,198)
Finance income — net		**3,758**	11,303
Share of losses of associates		**(2,839)**	(19,636)
Profit before income tax		**195,526**	284,438
Income tax expense	6	**(55,890)**	(29,850)
Profit for the year		**139,636**	254,588
Attributable to:			
Equity holders of the Company		**143,494**	243,419
Non-controlling interests		**(3,858)**	11,169
		139,636	254,588
Earnings per share attributable to equity holders of the Company (expressed in HK cents per share)	7		
Basic		**11.2**	19.2
Diluted		**11.1**	19.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	HK$'000	*HK$'000*
Profit for the year	**139,636**	254,588
Other comprehensive income		
Items that may be reclassified to profit or loss		
Currency translation differences	**(50,573)**	(35,935)
Share of other comprehensive income of associates	**(2,699)**	(1,420)
Total comprehensive income for the year	**86,364**	217,233
Total comprehensive income for the year attributable to:		
Equity holders of the Company	**95,972**	209,234
Non-controlling interests	**(9,608)**	7,999
	86,364	217,233

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Note	**2016**	2015
		HK$'000	*HK$'000*
Non-current assets			
Land use rights		**108,668**	103,975
Property, plant and equipment		**679,012**	717,121
Intangible assets	*8*	**169,861**	174,360
Investments in associates		**9,438**	17,315
Deferred tax assets		**37,319**	37,609
Deposits, prepayments and other receivables		**94,856**	105,635
Pledged bank deposits		**1,116**	—
Total non-current assets		**1,100,270**	1,156,015
Current assets			
Inventories		**783,963**	678,582
Trade and bills receivable	*9*	**516,495**	387,798
Current tax recoverables		**3,998**	10,761
Deposits, prepayments and other receivables		**118,080**	101,198
Pledged bank deposits		**6,116**	6,406
Cash and bank balances		**414,210**	676,080
Total current assets		**1,842,862**	1,860,825
Current liabilities			
Trade and bills payable	*10*	**251,516**	298,730
Accruals and other payables		**275,877**	231,861
Current tax liabilities		**90,261**	60,033
Borrowings		**75,530**	110,680
Total current liabilities		**693,184**	701,304
Non-current liabilities			
Deferred tax liabilities		**5,311**	9,110
Net assets		**2,244,637**	2,306,426

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2016

	Note	**2016**	2015
		HK$'000	*HK$'000*
Equity			
Equity attributable to equity holders of the Company			
Share capital		**128,440**	128,340
Reserves		**2,100,940**	2,147,669
		2,229,380	2,276,009
Non-controlling interests		**15,257**	30,417
Total equity		**2,244,637**	2,306,426

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Attributable to equity holders of the Company				
	Share capital *HK$'000*	Reserves *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
Balance at 1 January 2016	**128,340**	**2,147,669**	**2,276,009**	**30,417**	**2,306,426**
Comprehensive income					
Profit for the year	**—**	**143,494**	**143,494**	**(3,858)**	**139,636**
Other comprehensive income					
Currency translation differences	**—**	**(44,823)**	**(44,823)**	**(5,750)**	**(50,573)**
Share of other comprehensive income of associates	**—**	**(2,699)**	**(2,699)**	**—**	**(2,699)**
Total other comprehensive income for the year	**—**	**(47,522)**	**(47,522)**	**(5,750)**	**(53,272)**
Total comprehensive income for the year	**—**	**95,972**	**95,972**	**(9,608)**	**86,364**
Transactions with owners					
Employee share option scheme					
— value of services provided	**—**	**4,159**	**4,159**	**—**	**4,159**
— exercise of share options	**100**	**846**	**946**	**—**	**946**
Dividends paid to non-controlling interest of a subsidiary	**—**	**—**	**—**	**(5,552)**	**(5,552)**
Dividends paid					
— 2015 final	**—**	**(96,330)**	**(96,330)**	**—**	**(96,330)**
— 2016 interim	**—**	**(51,376)**	**(51,376)**	**—**	**(51,376)**
Total transactions with owners	**100**	**(142,701)**	**(142,601)**	**(5,552)**	**(148,153)**
Balance at 31 December 2016	**128,440**	**2,100,940**	**2,229,380**	**15,257**	**2,244,637**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

	Attributable to equity holders of the Company				
	Share capital *HK$'000*	Reserves *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
Balance at 1 January 2015	126,840	2,015,090	2,141,930	(3,377)	2,138,553
Comprehensive income					
Profit for the year	—	243,419	243,419	11,169	254,588
Other comprehensive income					
Currency translation differences	—	(32,765)	(32,765)	(3,170)	(35,935)
Share of other comprehensive income of associates	—	(1,420)	(1,420)	—	(1,420)
Total other comprehensive income for the year	—	(34,185)	(34,185)	(3,170)	(37,355)
Total comprehensive income for the year	—	209,234	209,234	7,999	217,233
Transactions with owners					
Changes in ownership interests in subsidiaries without change of control	—	4,899	4,899	(9,949)	(5,050)
Employee share option scheme					
— value of services provided	—	2,913	2,913	—	2,913
— exercise of share options	1,500	17,165	18,665	—	18,665
Non-controlling interests arising on business combination	—	—	—	37,471	37,471
Dividends paid to non-controlling interest of a subsidiary	—	—	—	(1,727)	(1,727)
Dividends paid					
— 2014 final	—	(50,816)	(50,816)	—	(50,816)
— 2015 interim	—	(50,816)	(50,816)	—	(50,816)
Total transactions with owners	1,500	(76,655)	(75,155)	25,795	(49,360)
Balance at 31 December 2015	128,340	2,147,669	2,276,009	30,417	2,306,426

NOTES:

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRS**"). These consolidated financial statements have been prepared under the historical cost convention.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) New and amended standards have been issued and effective for the financial year beginning 1 January 2016

HKAS 1 (Amendment)	Disclosure Initiative
HKAS 16 and 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and 41 (Amendment)	Agriculture: Bearer Plants
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
Annual Improvements Projects	Annual Improvement 2012–2014 Cycle

The adoption of these new standards and amendments to standards did not have any impact on the current period or any prior period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) New and amended standards have been issued but are not effective for the financial year beginning 1 January 2016 and have not been early adopted

		Effective for accounting period beginning on or after
HKAS 7 (Amendment)	Statement of Cash Flows	1 January 2017
HKAS 12 (Amendment)	Income Taxes	1 January 2017
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate and Joint Venture	1 January 2019

The Group will adopt the above new standards and amendments to the existing standards as and when they become effective. The Group has already commenced the assessment of the impact to the Group but not yet in a position to state whether these would have a significant impact on its results of operations and financial positions.

3. SEGMENT INFORMATION

The chief operating decision-maker has been identified collectively as the executive Directors of the Company. 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 Group has two major business segments, namely (i) Manufacturing, and (ii) Distribution and Retail. The Manufacturing segment represents manufacturing and sales of sportswear primarily under OEM arrangements to customers mainly in Europe, the United States, Mainland China and other countries. The Distribution and Retail segment represents the distribution and retail of high-end fashion products and sportswear products in Mainland China, Hong Kong, Macau, Taiwan and Singapore.

The executive Directors assess the performance of the business segments based on a measure of operating results of each segment, which excludes finance income and 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.

3. SEGMENT INFORMATION (CONTINUED)

The segment results for the year ended 31 December 2016 are as follows:

	Manufacturing *HK$'000*	Distribution and Retail *HK$'000*	Total *HK$'000*
Total segment revenue	**3,121,392**	**923,171**	**4,044,563**
Inter-segment revenue	**(11,182)**	**—**	**(11,182)**
Revenue	**3,110,210**	**923,171**	**4,033,381**
Operating profit/(loss) and segment results	**226,466**	**(31,859)**	**194,607**
Finance income			**6,243**
Finance costs			**(2,485)**
Share of losses of associates	**(2,839)**	**—**	**(2,839)**
Profit before income tax			**195,526**
Income tax expense			**(55,890)**
Profit for the year			**139,636**

Other segment items included in the consolidated income statement for the year ended 31 December 2016 are as follows:

	Manufacturing *HK$'000*	Distribution and Retail *HK$'000*	Total *HK$'000*
Amortisation of land use rights	**2,832**	**—**	**2,832**
Depreciation of property, plant and equipment	**117,892**	**28,876**	**146,768**
Amortisation of intangible assets	**3,801**	**698**	**4,499**
Impairment of property, plant and equipment, net	**—**	**12,940**	**12,940**
(Write-back of)/provision for inventories, net	**(2,354)**	**32,450**	**30,096**
Provision for onerous leases	**—**	**12,752**	**12,752**
Impairment of trade receivables	**76**	**—**	**76**

3. SEGMENT INFORMATION (CONTINUED)

The segment results for the year ended 31 December 2015 are as follows:

	Manufacturing *HK$'000*	Distribution and Retail *HK$'000*	Total *HK$'000*
Total segment revenue	2,956,960	889,375	3,846,335
Inter-segment revenue	(4,633)	—	(4,633)
Revenue	2,952,327	889,375	3,841,702
Operating profit and segment results	271,066	21,705	292,771
Finance income			13,501
Finance costs			(2,198)
Share of losses of associates	(19,636)	—	(19,636)
Profit before income tax			284,438
Income tax expense			(29,850)
Profit for the year			254,588

Other segment items included in the consolidated income statement for the year ended 31 December 2015 are as follows:

	Manufacturing *HK$'000*	Distribution and Retail *HK$'000*	Total *HK$'000*
Amortisation of land use rights	2,841	—	2,841
Depreciation of property, plant and equipment	135,800	22,055	157,855
Amortisation of intangible assets	678	37,248	37,926
Impairment of property, plant and equipment, net	5,922	—	5,922
Provision for inventories, net	12,846	13,691	26,537
Impairment of trade receivables	469	—	469
Gain on disposal of land use rights classified as held for sale	(27,550)	—	(27,550)

3. **SEGMENT INFORMATION (CONTINUED)**

Inter-segment transactions are conducted at terms mutually agreed among group companies.

Segment assets exclude current tax recoverables, deferred tax assets and assets for corporate use which are managed on a group basis.

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

Capital expenditure comprises additions to land use rights, property, plant and equipment, and intangible assets, including additions resulting from acquisitions through business combinations.

The segment assets and liabilities as at 31 December 2016 and capital expenditure for the year ended are as follows:

	Manufacturing	**Distribution and Retail**	**Unallocated**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Assets	**2,265,495**	**626,882**	**41,317**	**2,933,694**
Associates	**9,438**	**—**	**—**	**9,438**
Total assets	**2,274,933**	**626,882**	**41,317**	**2,943,132**
Total liabilities	**432,456**	**170,467**	**95,572**	**698,495**
Capital expenditure	**118,654**	**39,003**	**—**	**157,657**

The segment assets and liabilities as at 31 December 2015 and capital expenditure for the year ended are as follows:

	Manufacturing	Distribution and Retail	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Assets	2,405,316	545,839	48,370	2,999,525
Associates	17,315	—	—	17,315
Total assets	2,422,631	545,839	48,370	3,016,840
Total liabilities	444,653	196,618	69,143	710,414
Capital expenditure	210,847	45,328	—	256,175

3. SEGMENT INFORMATION (CONTINUED)

The Group's revenue from external customers by geographical location is as follows:

	2016	2015
	HK$'000	*HK$'000*
Revenue		
Europe	**1,343,488**	1,398,308
Mainland China	**650,942**	532,609
United States	**641,875**	449,030
Hong Kong	**606,250**	642,485
Other Asian countries	**482,195**	468,247
Canada	**76,131**	80,463
Others	**232,500**	270,560
	4,033,381	3,841,702

The Group's revenue by geographical location is determined by the final destination of delivery of the products.

	2016	2015
	HK$'000	*HK$'000*
Analysis of revenue by category		
Sales of goods	**4,026,637**	3,830,391
Provision of services	**6,744**	11,311
	4,033,381	3,841,702

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

	2016	2015
	HK$'000	*HK$'000*
Mainland China	**317,477**	314,301
Hong Kong	**307,299**	377,759
Other countries	**438,175**	426,346
	1,062,951	1,118,406

For the year ended 31 December 2016, revenues of approximately HK$2,796,633,000 (2015: HK$2,691,454,000), representing 69.3% (2015: 70.1%) of the Group's total revenue, were derived from a single group of external customers. These revenues are attributable to the Manufacturing segment.

4. OTHER INCOME — NET

	2016	2015
	HK$'000	*HK$'000*
Other income		
Rental income	**2,930**	7,793
Others	**4,985**	4,689
	7,915	12,482
Other expenses		
Redundancy costs *(Note)*	**(5,010)**	—
	2,905	12,482

Note: During the year ended 31 December 2016, the Group scaled down a factory located in Mainland China and recognised redundancy costs of approximately HK$5,010,000.

5. OTHER GAINS — NET

	2016	2015
	HK$'000	*HK$'000*
Gain on disposal of land use rights classified as held for sale	**—**	27,550
Net exchange gains/(losses)	**2,016**	(1,187)
Gain on disposal of property, plant and equipment	**210**	1,622
	2,226	27,985

6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits which are subject to Hong Kong profits tax.

Mainland China Corporate Income Tax ("**CIT**") has been provided at the rate of 25% (2015: 25%) on the estimated assessable profits which are subject to CIT.

Taxation on overseas (other than Hong Kong and Mainland China) profits has been calculated on the estimated assessable profits for the year at the applicable rates of taxation prevailing in the countries in which the Group operates.

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

	2016	2015
	HK$'000	*HK$'000*
Current tax		
— Hong Kong profits tax	**27,090**	20,859
— Mainland China taxes	**25,027**	50,127
— Overseas income tax	**5,484**	4,432
— Under/(over) provision in prior years	**1,909**	(1,427)
	59,510	73,991
Deferred tax	**(3,620)**	(44,141)
	55,890	29,850

7. EARNINGS PER SHARE

(a) Basic

The calculation of basic earnings per share is based on the consolidated profit attributable to equity holders of the Company of approximately HK$143,494,000 (2015: HK$243,419,000) and on the weighted average number of approximately 1,284,375,000 (2015: 1,270,860,000) ordinary shares in issue during the year.

	2016	2015
Profit attributable to equity holders of the Company *(HK$'000)*	**143,494**	243,419
Weighted average number of ordinary shares in issue *('000)*	**1,284,375**	1,270,860
Basic earnings per share *(HK cents)*	**11.2**	19.2

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Shares issuable under the share option schemes are the only dilutive potential ordinary shares. A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares in the relevant periods) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2016	2015
Profit attributable to equity holders of the Company *(HK$'000)*	**143,494**	243,419
Weighted average number of ordinary shares in issue *('000)*	**1,284,375**	1,270,860
Adjustment for:		
— Share options *('000)*	**4,768**	1,716
Weighted average number of ordinary shares for diluted earnings per share *('000)*	**1,289,143**	1,272,576
Diluted earnings per share *(HK cents)*	**11.1**	19.1

8. INTANGIBLE ASSETS

	Trademarks	Goodwill	Licence rights	Know-how	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2015					
Cost	13,966	124,385	88,522	—	226,873
Accumulated amortisation and impairment	(815)	—	(51,243)	—	(52,058)
Net book amount	13,151	124,385	37,279	—	174,815
Year ended 31 December 2015					
Opening net book amount	13,151	124,385	37,279	—	174,815
Acquisition on business combination	—	—	—	37,471	37,471
Amortisation	(698)	—	(36,603)	(625)	(37,926)
Closing net book amount	12,453	124,385	676	36,846	174,360
At 31 December 2015					
Cost	13,966	124,385	88,522	37,471	264,344
Accumulated amortisation and impairment	(1,513)	—	(87,846)	(625)	(89,984)
Net book amount	12,453	124,385	676	36,846	174,360
Year ended 31 December 2016					
Opening net book amount	**12,453**	**124,385**	**676**	**36,846**	**174,360**
Amortisation	**(698)**	**—**	**(54)**	**(3,747)**	**(4,499)**
Closing net book amount	**11,755**	**124,385**	**622**	**33,099**	**169,861**
At 31 December 2016					
Cost	**13,966**	**124,385**	**88,522**	**37,471**	**264,344**
Accumulated amortisation and impairment	**(2,211)**	**—**	**(87,900)**	**(4,372)**	**(94,483)**
Net book amount	**11,755**	**124,385**	**622**	**33,099**	**169,861**

9. TRADE AND BILLS RECEIVABLE

	2016	2015
	HK$'000	*HK$'000*
Trade receivables		
— from third parties	**504,762**	390,120
— from a related party	**8,234**	—
Bills receivable	**5,383**	—
	518,379	390,120
Less: impairment of trade receivables	**(1,884)**	(2,322)
	516,495	387,798

The carrying amounts of trade and bills receivable approximate their fair values.

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:

	2016	2015
	HK$'000	*HK$'000*
0–90 days	**511,901**	384,915
91–180 days	**4,454**	1,227
181–365 days	**207**	58
Over 365 days	**1,817**	3,920
	518,379	390,120

10. TRADE AND BILLS PAYABLE

	2016	2015
	HK$'000	*HK$'000*
Trade payables		
— to third parties	**238,210**	269,896
— to related parties	**13,164**	26,432
Bills payable	**142**	2,402
	251,516	298,730

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

	2016	2015
	HK$'000	*HK$'000*
0–90 days	**245,576**	295,867
91–180 days	**3,793**	1,320
181–365 days	**181**	209
Over 365 days	**1,966**	1,334
	251,516	298,730

11. DIVIDENDS

	2016	2015
	HK$'000	*HK$'000*
Interim dividend paid of HK4.0 cents (2015: HK4.0 cents) per ordinary share	**51,376**	50,816
Proposed final dividend of HK3.0 cents (2015: HK7.5 cents) per ordinary share	**38,532**	96,255
	89,908	147,071

The Board proposed a final dividend of HK3.0 cents (2015: HK7.5 cents) per ordinary share, amounting to a total dividend of HK$38,532,000 (2015: HK$96,255,000), and is to be proposed at the upcoming annual general meeting. These financial statements do not reflect this dividend payable.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL REVIEW

For the year ended 31 December 2016, the Group has recorded revenue of HK$4,033.4 million (2015: HK$3,841.7 million), representing an increment of 5.0%. The increment was contributed by both growth in sales orders from the Manufacturing Business and expanded store network for the Distribution and Retail Business.

Gross profit margin of the Group reduced to 28.5% in 2016 (2015: 30.2%). The drop was mainly due to the persistently weak consumer sentiment and competitive retail market in Hong Kong resulting in higher inventory provision and deeper discounts offered in the Distribution and Retail Business, and rising operating costs from the Manufacturing Business. As a result, gross profit decreased by HK$10.6 million to HK$1,149.6 million (2015: HK$1,160.2 million), representing a decrease of 0.9%.

Operating profit of the Group decreased significantly by HK$98.2 million to HK$194.6 million (2015: HK$292.8 million). Such decrease was mainly due to decreased store contributions, impairment of fixed assets for potential loss-making stores and provision for onerous leases for the Distribution and Retail Business, lack of one-off gain on disposal of land use rights in Mainland China and rising operating costs from the Manufacturing Business.

As the majority of the costs incurred for the closure of an associate's fabric dyeing factory in Mainland China were reflected in 2015, losses of associates shared by the Group significantly reduced to HK$2.8 million for the year ended 31 December 2016 (2015: losses of HK$19.6 million).

As a result, profit attributable to equity holders for the year ended 31 December 2016 also decreased significantly by HK$99.9 million to HK$143.5 million (2015: HK$243.4 million). Excluding the impact of share of associates' losses and the one-off gain on disposal of land use rights mentioned above, profit attributable to equity holders would have decreased by HK$89.5 million to HK$146.3 million (2015: HK$235.8 million).

The Board has declared and paid an interim dividend of HK4.0 cents per Share during the year. In consideration of the healthy cash position and continued cash inflow from operations, the Board has proposed the payment of a final dividend of HK3.0 cents per Share for the year ended 31 December 2016. The interim and final dividends represent a total payment of HK$89.9 million (2015: HK$147.1 million).

BUSINESS REVIEW

The Group is an integrated manufacturer, distributor and retailer for renowned sports and fashion brands. The financial performances of the two business segments, namely the "**Manufacturing Business**" and "**Distribution and Retail Business**" are summarised below.

Manufacturing Business

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

In the first half of 2016, revenue from the Manufacturing Business rose by 12.0% to HK$1,586.3 million compared to the same period in 2015. This was due to the boosted demand of sportswear in Europe and the United States resulting from the economic recovery in those regions and the UEFA European Championship in 2016. The growth in revenue was also amplified by the rapidly expanding sportswear market in Mainland China. In the second half of 2016, with the impact of the UEFA European Championship lessening and no major football event scheduled in 2017, sales orders to Europe dropped as compared to the corresponding period in 2015, which was offset by the continued growing demand from the United States and Mainland China. As a result, revenue from the Manufacturing Business increased by 5.6% to HK$3,121.4 million for the year ended 31 December 2016 (2015: HK$2,957.0 million), accounting for 77.2% (2015: 76.9%) of the Group's total revenue.

Along with the Group's strategy to shift production capacity from Mainland China to Southeast Asia, the Group has continued to expand its production facilities and recruit workers in Vietnam and Cambodia. Although, operating costs in Southeast Asia are comparatively lower and labour supply is more stable, the pay rates of workers in those countries have been rising recently and hence leading to the increasing operating costs for the Group. On the other hand, to ensure smooth transition of capacity relocation, measures to gradually scale down a factory in Wuzhou, Guangxi province of Mainland China, have been commenced during the year. As a result, certain expenses, including redundancy expenses, have been incurred in 2016. During the year, the Group also incurred expenses for the investment in an innovative textile technology. Please refer to "Prospects" section for more details of this technology. Moreover, the Group recognised a gain on disposal of land use rights for a previously closed factory in Mainland China amounting to HK$27.6 million in 2015 and there was no such income in 2016. Consequently, operating profit of the Manufacturing Business decreased by HK$44.6 million to HK$226.5 million (2015:

HK$271.1 million). Excluding the impact of the one-off gain on disposal of land use rights, operating profit would have decreased by HK$17.0 million to HK$226.5 million (2015: HK$243.5 million).

Distribution and Retail Business

The Group's Distribution and Retail Business comprises (1) the retail of high-end fashion products in Mainland China, Hong Kong, Macau, Taiwan and Singapore; and (2) the retail of sportswear products in Hong Kong and Mainland China.

Revenue from the Distribution and Retail Business increased by HK$33.8 million (or 3.8%) to HK$923.2 million (2015: HK$889.4 million), accounting for 22.8% of the Group's total revenue as compared with 23.1% for the corresponding period in 2015. The increase in revenue from new stores was largely offset by the loss in revenue from the decrease in same-store sales of old stores.

Persistent in weak consumer sentiment and competitive retail market in Hong Kong have been the major challenges to the Distribution and Retail Business in 2016, resulting in decreasing same-store sales, higher provision for inventories and deteriorating store contributions. In light of these, for certain stores which are expected to incur loss during the remaining period of their lease contracts, the Group has made an impairment on fixed assets in stores and provision for onerous leases amounting to HK$25.7 million. As a result, the Distribution and Retail Business incurred operating loss of HK$31.9 million for the year ended 31 December 2016 (2015: operating profit of HK$21.7 million). Excluding the non-cash amortisation expenses of licence rights of HK$36.6 million in 2015 and the impairment and provisions made for potential loss-making stores of HK$25.7 million in 2016, operating profit would have decreased by HK$64.5 million to loss of HK$6.2 million in 2016 (2015: operating profit of HK$58.3 million). Further explanation of the performance in each stream of this business is set out below.

Retail of High-end Fashion Products

The retail of high-end fashion products is operated under the Shine Gold Group. It has fashion retail networks of "***D-mop***" and "***J-01***" stores to sell several self-owned brands, as well as imported brands, in Hong Kong, Macau, Mainland China and Taiwan. In addition, it has exclusive distribution rights for brands including "***Y-3***" in Mainland China (excluding Beijing), Hong Kong, Taiwan, Macau and Singapore, "***Thomas Sabo***" in Mainland China, Hong Kong and Macau and certain Japanese brands in Hong Kong. It has also commenced to operate licensed stores in Hong Kong for the brand "***New Era***".

As at 31 December 2016, the Shine Gold Group had 116 (2015: 82) high-end fashion retail stores, of which 66 stores were in Mainland China, 39 stores were in Hong Kong and Macau, 10 stores were in Taiwan and 1 store was in Singapore.

In 2016, the Shine Gold Group continued to expand its presence in the market by opening new stores in the Greater China. While newly opened stores brought additional revenue to the Group, deeper discounts were offered in 2016 due to the aggressive competition in the market, resulting in a decrease in same-store sales of old stores. Thus, revenue of the Shine Gold Group for year ended 31 December 2016 resulted in a lackluster growth of 4.2%, to HK$660.3 million (2015: HK$633.7 million). Despite the difficult retail market environment, the Group's brands and products were well accepted by consumers.

For the year ended 31 December 2016, the Shine Gold Group generated operating profit of HK$21.1 million (2015: HK$22.3 million). Excluding the non-cash amortisation expense of licence rights of HK$36.6 million in 2015 arising from its acquisition, operating profit would have been HK$21.1 million (2015: HK$58.9 million). Except as aforementioned, the decrease was also attributable to the impairment of fixed assets in stores and provision for onerous leases in 2016 of HK$8.3 million for potential loss-making stores (2015: nil).

Retail of Sportswear Products

The retail of sportswear products is operated under the Win Sports Group. As at 31 December 2016, it had 27 (2015: 30) sportswear retail stores in Hong Kong and Mainland China, of which 5 stores were under the name of "***Futbol Trend***", 12 stores were under the name of "***Sports Corner***" or "***Little Corner***" and 10 stores were under the names of several international sports brands. In 2016, the Win Sport Group extended its footprint in Mainland China by opening 2 Futbol Trend stores in Mainland China.

Revenue of the Win Sports Group for the year ended 31 December 2016 increased by HK$7.2 million to HK$262.9 million (2015: HK$255.7 million), representing a shallow increase of 2.8%. Even though there were many new stores opened in the fourth quarter of 2015 which contributed full year revenue in 2016, the increment remained marginal. This was owing to the weak retail sentiment caused by the falling number of tourists to Hong Kong and less spending by local citizens.

With the narrow growth in revenue, compounded by higher provision for inventories, as well as higher rental expenses and staff costs due to more stores, the Win Sports Group experienced a significant operating loss of HK$35.6 million in 2016. Furthermore, for those potential loss-making stores, the Group has made an impairment of fixed assets in stores and provision for onerous leases in 2016 of HK$17.4 million (2015: nil).

Dragging by the above, the Win Sports Group's operating loss enlarged by HK$52.4 million to HK$53.0 million (2015: HK$0.6 million) for the year ended 31 December 2016.

PROSPECTS

Manufacturing Business

The Group will continue to shift its planned capacity to Vietnam where has relatively lower operating costs, stable labour supply and attractive tax and customs policies. This is consistent with the Group's long-term strategy of relocating its production capacity from high-cost regions to low-cost regions.

In order to cope with the expansion of garment production in Southeast Asia, the Group has decided to have its own printing factory in Vietnam for providing printing services within the region. Production efficiency and cost effectiveness of garment factories within the region are therefore expected to increase. Construction of the printing factory has commenced and operation is expected to begin in late 2017. Conversely, the Group has decided to close down a garment factory in Wuzhou, Guangxi province of Mainland China. The closure procedures commenced in March 2017 and are expected to be completed before the end of 2017. Such planned closure is in line with the Group's relocation strategy. The closure will incur expenses, including employee compensation and fixed asset impairment, but will not have any material impact on the Group's revenue and business operation. In the long run, it is expected that more than 80% of the production capacity will be relocated to Southeast Asia countries.

The Group is well aware that the increasing cost associated with rapidly rising pay rates of workers in Southeast Asia will place pressure on the Group's future operating profit. To proactively mitigate this pressure, the Group will continue to employ cost control measures, reinforce and streamline production processes through investment in automation technology and advanced information technology platforms, and adopt modernised manufacturing systems.

While maintaining good relationships with existing customers to ensure steady growth of orders, the Group will not rest on its laurels, rather, it will continue to seek new customers for exploring business opportunities, including but not limited to the manufacturing of sportswear products so as to establish additional growth drivers.

Innovative Textile Technology — e.dye

Aside from developing the garment manufacturing business, it has always been the Group's intention to seek out and seize opportunities for vertical integration. With rising concerns for protecting the environment, the Group is fully aware of the importance of manufacturing non-hazardous textiles, a practice that is lacking in the market. The Group has met and joined forces with a partner that possesses an innovative textile technology. This has led to the formation of a joint venture to further develop the technology and associated production business. The technology and production business are developing and operating under the Win Success Group using the trademark "***e.dye***".

Zero Discharge of Hazardous Chemicals ("**ZDHC**") is a programme created in 2011 where a group of global sports, fashion and outdoor brands have pledged to advance towards zero discharge of hazardous chemicals in the textile supply chain by the year 2020. Correspondingly, ZDHC seeks to regulate these global brands by focusing on reducing their toxic waste discharges during supply chain production. Given that water pollution is one major concern, the market is still seeking better textiles that are more environmentally friendly in terms of minimising pollution during the production process. Our innovative technology will create a revolution in the textile industry, and we are the one capable of providing the solution.

e.dye technology can produce synthetic textiles that are able to achieve the following benefits:

- Less water used during production
- Zero toxic substances created
- Guaranteed product quality
- Colour fastness with a wide range of colour choices

In comparison with traditional dyeing processes, e.dye requires 75% less water during the production process, consumes fewer harmful chemicals, uses less energy and emits less CO2 into the atmosphere. e.dye technology and its associated products are thus able to help global brands fulfil the ZDHC initiative of zero discharge of hazardous chemicals in the textile supply chain by the year 2020.

The Group has established a pilot factory in Kunshan, Jiangsu province of Mainland China, to demonstrate this revolutionary production process. It commenced operation and business in the third quarter of 2016. We have received astonishing feedback from certain well-known brands that are now seeking to set up long-term partnership with us. We will continue to expand our strategic partnership with international brands to create "cleaner" production of textiles that helps the world in different ways.

As at 31 December 2016, the Win Success Group has invested RMB40 million (approximately HK$47 million) in the pilot factory. And with future expansion of our production facilities in Vietnam in the pipeline, we will be committing more resources to ensuring the success of e.dye and the associated production business.

Distribution and Retail Business

Multi-branding is one of the key strategies of the Group for tapping the potential of the Greater China markets. While we have continued developing the retail network of our existing brand portfolio, our team has also continued to source fashion products of internationally renowned brands. During the year 2016 and up to the present, the Group possesses distribution rights of several new brands, including "***Thomas Sabo***" in Mainland China, Hong Kong and Macau and "***New Era***" in Hong Kong. Thomas Sabo, originally founded in Germany in 1984, is a leading global brand designing, selling and distributing costume jewellery for women and men. The Group has also commenced operating licensed stores under the "***New Era***" name in Hong Kong. New Era is an international lifestyle brand from the United States, and is well known for being the official on-field cap provider for both Major League Baseball and the National Football League.

Up to March 2017, the Group further gained distribution rights from several internationally renowned brands, including "***Tara Jarmon***" in Mainland China, Hong Kong and Macau and "***Champion***" in Mainland China. Tara Jarmon was founded in France in 1986, and is one of the global brands designing, selling and distributing comprehensive women collections. The Group has been appointed as its exclusive distributor, and is entrusted with the distribution and sale of its products in Mainland China, Hong Kong and Macau through retail, wholesale and internet sales channels. The Group has also been appointed to operate licensed stores under the "***Champion***" name in Mainland China. Originating from the United States, Champion continues to produce some of the best streetwear around, through a combination of classic aesthetic and fashionable design.

Going forward, we will further enhance and broaden our brand portfolio in the young and light luxury fashion segment to capture greater market share in the Greater China. Apart from the abovementioned new brands, the Group also has existing "***Y-3***" and certain Japanese brands. Moreover, the Group will continue to place effort on promoting the retail presence of self-owned brand stores, namely "***D-mop***" and "***J-01***".

Although Mainland China is experiencing slower economic growth, its consumer market continues to achieve moderate growth, and this trend is expected to carry on in 2017. In addition, the demand for fashion and sportswear product remains strong supported by the rapid rise of the young affluent middle class. Mainland China will therefore remain our major target market for further retail network development.

While focusing on Mainland China is important for securing a new revenue driver for the Group, there are nonetheless cost pressures to address including rising rent and staff costs which directly affect store contributions and operating profits. The Group will therefore continue to examine and review its store network, including opening new stores and relocating existing stores to improve and maximise productivity.

Hong Kong has been suffering from sustained decline in consumer spending over the past years. However, the latest statistics showed that the decline has finally been narrowing, with total retail spending in the fourth quarter of 2016 up 2.3% against the third quarter, and December's year-on-year sales decline also shrank when compared with the previous months. Despite signs of the retail market picking up in late 2016, the Group will continue to closely monitor market developments and prudently close and relocate non-performing stores as it seeks to achieve favourable metrics, including satisfactory profit margin under the challenging market conditions.

Last but not least, online shopping has become increasingly popular among consumers in the past several years. This trend of going online is now accounting for a greater share of total retail sales in Mainland China. We will therefore continue developing our e-commerce channel to tap the huge potential and fast-growing online market.

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 under review. As at 31 December 2016, it had cash and bank balances amounting to HK$414.2 million (2015: HK$676.1 million). The decrease was mainly attributed to the cash used in capital expenditures, repayment of bank loans and payment of dividends, net with cash generated from operating activities.

As at 31 December 2016, the Group had bank borrowings amounting to HK$75.5 million (2015: HK$110.7 million). The Group did not enter into any interest rate swap to hedge against risks associated with interest rates. As at 31 December 2016, the Group still had unutilised banking facilities amounting to HK$500.3 million (2015: HK$209.2 million). The gearing ratio, being total borrowings divided by total equity, as at 31 December 2016, was 3.5% (2015: 4.8%).

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2016, the Group had approximately 17,000 employees (2015: approximately 16,000 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 a share option scheme.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2016, bank deposit of HK$7.2 million (2015: HK$6.4 million) was pledged to secure banking facilities for the Group.

FOREIGN CURRENCY EXPOSURE

The Group's sales and purchases were mostly denominated in US Dollars, Hong Kong Dollars and RMB. During the year, approximately 68.1%, 15.7% and 14.0% of sales were denominated in US Dollars, RMB and Hong Kong Dollars, respectively, whereas approximately 79.0%, 13.0% and 6.3% of purchases were denominated in US Dollars, Hong Kong Dollars and RMB, respectively. As at 31 December 2016, approximately 49.2%, 35.2% and 13.1% of cash and bank balances were denominated in US Dollars, RMB and Hong Kong Dollars, respectively.

Hong Kong Dollar serves as the Company's functional currency and the Group's presentation currency. The Group considers that the foreign currency exchange exposure arising from US Dollar transactions and US Dollar cash balances to be minimal during the year given that Hong Kong Dollar was pegged against US Dollar. RMB had been depreciated in 2015 and the depreciation pressure for RMB against US Dollars remains. For the Group, it foresees benefits arising from the depreciation of RMB as approximately 16% of its revenue was denominated in RMB while approximately 21% of its cost of sales and operating expenses were denominated in RMB during the year. The Group will continuously monitor its foreign currency position and, when necessary, will consider using of derivative instruments to hedge against foreign currency exposure.

CONTINGENT LIABILITIES

The Group has no significant contingent liabilities, litigation or arbitration of material importance as at 31 December 2016.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions or disposals of subsidiaries or associates during the year.

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 of 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 recommended a payment of final dividend of HK3.0 cents per share for the year ended 31 December 2016, subject to Shareholders' approval at the forthcoming annual general meeting to be held on Thursday, 15 June 2017, payable to the Shareholders whose names appear on the register of members of the Company on Thursday, 22 June 2017. The dividend will be paid on or about Friday, 30 June 2017.

CLOSURES OF REGISTER OF MEMBERS

(a) Entitlement to attend and vote at the forthcoming annual general meeting

The register of members of the Company will be closed from Friday, 9 June 2017 to Thursday, 15 June 2017 (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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 8 June 2017.

(b) Entitlement to the proposed final dividend

The register of members of the Company will be closed on Thursday, 22 June 2017, during which no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 21 June 2017.

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 of 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 2016 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 2016. It has also reviewed the consolidated financial statements for the year ended 31 December 2016 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, 15 June 2017. 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 2016 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 Ms. CHAU Pui Lin being the independent non-executive Directors.

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

Hong Kong, 23 March 2017