



Win Hanverky Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3322)

2019

INTERIM REPORT



Win Hanverky Holdings Limited and its subsidiaries are an integrated manufacturer, distributor and retailer for international sports, fashion and outdoor brands. We have two broad lines of business, namely Manufacturing Business and High-end Fashion Retailing Business, with geographical markets spanning over Europe, the United States, Mainland China and Hong Kong.

The Shares of the Company have been listed on the Main Board of the Stock Exchange since 6 September 2006.



Contents

2-3	Corporate Information
4	Financial Highlights of 2019 Interim Results
5-10	Management Discussion and Analysis
11-12	Report on Review of Condensed Interim Financial Information from Independent Auditor
13-14	Consolidated Statement of Financial Position
15-16	Consolidated Income Statement
17	Consolidated Statement of Comprehensive Income
18-19	Condensed Consolidated Statement of Changes in Equity
20	Condensed Consolidated Cash Flow Statement
21-47	Notes to the Condensed Interim Financial Information
48-55	Other Information
56	Glossary

BOARD OF DIRECTORS

Executive Directors

Mr. LI Kwok Tung Roy (*Chairman*)
Mr. LAI Ching Ping (*Deputy Chairman*)
Mr. LEE Kwok Leung (*Chief Executive Officer*)
Mr. WONG Chi Keung (*Chief Financial Officer*)

Independent Non-Executive Directors

Dr. CHAN Kwong Fai
Mr. KWAN Kai Cheong
Mr. MA Ka Chun
Ms. CHAU Pui Lin

COMPANY SECRETARY

Ms. LAM Choi Ha

AUTHORISED REPRESENTATIVES

Mr. LI Kwok Tung Roy
Mr. WONG Chi Keung

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

LEGAL ADVISOR

Deacons

BOARD COMMITTEES

Audit Committee

Mr. KWAN Kai Cheong (*Chairman*)
Dr. CHAN Kwong Fai
Mr. MA Ka Chun
Ms. CHAU Pui Lin

Remuneration Committee

Dr. CHAN Kwong Fai (*Chairman*)
Mr. LI Kwok Tung Roy
Mr. KWAN Kai Cheong

Nomination Committee

Mr. MA Ka Chun (*Chairman*)
Mr. LI Kwok Tung Roy
Dr. CHAN Kwong Fai
Ms. CHAU Pui Lin

REGISTERED OFFICE

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

6th Floor, Phase 6
Hong Kong Spinners Industrial Building
481-483 Castle Peak Road
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road
George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China Limited
Citigroup, N.A.

INVESTOR RELATIONS CONTACT

Strategic Financial Relations Limited

SHARE INFORMATION

Listing: The Main Board of
The Stock Exchange of Hong Kong
Limited
Board lot: 2,000 Shares
Stock code: 3322

COMPANY WEBSITE

www.winhanverky.com

Financial Highlights of 2019 Interim Results

The Board of Directors of Win Hanverky Holdings Limited is pleased to present the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2019, together with the comparative amounts for the corresponding period of 2018. The interim results and condensed interim financial information have not been audited but have been reviewed by the Company's audit committee ("**Audit Committee**") and the independent auditor.

KEY FINANCIAL INFORMATION AND RATIOS (UNAUDITED)

		Six months ended 30 June	
		2019	2018 (Restated)
<u>Continuing operations</u>			
Revenue	<i>HK\$'000</i>	2,265,292	1,865,884
Gross profit	<i>HK\$'000</i>	691,577	505,367
Gross profit margin	<i>%</i>	30.5	27.1
Operating profit*	<i>HK\$'000</i>	84,253	116,579
Operating profit/(loss) (excluding impact of subsidiary disposals)	<i>HK\$'000</i>	64,446	(7,198)
Profit attributable to equity holders	<i>HK\$'000</i>	27,642	63,467
Profit/(loss) attributable to equity holders (excluding impact of subsidiary disposals)	<i>HK\$'000</i>	12,216	(40,831)
Basic EPS	<i>HK cents</i>	2.2	4.9
Interim dividend per Share	<i>HK cents</i>	1.0	3.0

* Included in operating profit was a gain (before taxation) on disposal of a subsidiary amounting to HK\$19.8 million (30 June 2018: HK\$123.8 million).

		As at	
		30 June 2019	31 December 2018
Net gearing ratio**	<i>%</i>	20.6	5.9
Current ratio	<i>times</i>	1.5	1.7
Trade receivable turnover period	<i>days</i>	45	40
Inventory turnover period	<i>days</i>	125	99

** Net gearing ratio represents total borrowings (including bank borrowings and loans from non-controlling interests of subsidiaries) less cash and bank balances, divided by total equity.

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 six months ended 30 June 2019 is summarised below:

OVERALL REVIEW

Revenue of the Group from continuing operations amounted to HK\$2,265.3 million (30 June 2018: HK\$1,865.9 million), representing an increase of 21.4%, for the six months ended 30 June 2019. The increase was mainly attributable to rebounding orders from a major customer under Sportswear Manufacturing Business and rapid expansion of retail networks in Mainland China for High-end Fashion Retailing Business.

Gross profit margin of the Group increased to 30.5% in the current period (30 June 2018: 27.1%). The increase in gross profit margin of 3.4 percentage point was mainly attributable to the significant 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\$186.2 million to HK\$691.6 million in the current period (30 June 2018: HK\$505.4 million), 36.8% higher than corresponding period of 2018.

Operating profit of the Group reduced by HK\$32.3 million to HK\$84.3 million in the current period (30 June 2018: HK\$116.6 million). The decrease was mainly due to the absence of a substantial gain arising from disposal of a subsidiary which owned a piece of land in Mainland China amounting to HK\$123.8 million (before taxation) in the first half of 2018 while gain on disposal of another subsidiary in current period was HK\$19.8 million (before taxation). The operating results were complemented by profit contribution from the rapidly expanding High-end Fashion Retailing Business.

Net finance costs of the Group increased by HK\$16.0 million to HK\$19.6 million in current period (30 June 2018: HK\$3.6 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\$6.4 million and HK\$9.8 million respectively.

The Group has discontinued the sportswear retail network in Hong Kong and all retail stores were closed before the end of 2018 and there was no further financial impact in 2019 (30 June 2018: loss of HK\$23.1 million).

Overall, profit attributable to equity holders of the Company decreased by HK\$35.9 million to HK\$27.6 million (30 June 2018: HK\$63.5 million). Excluding the impact of disposal gain of a subsidiary mentioned above, profit attributable to equity holders would have been HK\$12.2 million (30 June 2018: loss of HK\$40.8 million).

The Board proposed to pay an interim dividend of HK1.0 cent per share for the six months ended 30 June 2019 (30 June 2018: HK3.0 cents per share).

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\$118.1 million to HK\$1,273.2 million (30 June 2018: HK\$1,155.1 million), representing an increment of 10.2%. The increase in revenue was mainly due to rebounding orders from a major customer since the fourth quarter of 2018 and also the introduction of certain new customers which had already generated revenue in the first half of 2019 after continuous efforts in product developments and penetration of the sportswear manufacturing market.

The Group completed the disposal of a subsidiary in Mainland China and a gain (before taxation) of HK\$19.8 million was recorded in the six months ended 30 June 2019 (30 June 2018: HK\$123.8 million).

Operating profit decreased to HK\$24.7 million (30 June 2018: HK\$135.1 million) which included the gain (before taxation) arising from disposal of a subsidiary as mentioned above. Excluding the impact of disposal gain of a subsidiary, operating profit would have been decreased to HK\$4.9 million (30 June 2018: HK\$11.3 million). The decrease in operating profit was mainly due to the development costs and expenses incurred for conversion of production lines for new customers while the factory had yet to achieve economies of scale to cover the running costs.

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\$4.5 million to HK\$151.4 million (30 June 2018: HK\$146.9 million) while operating loss was HK\$39.9 million (30 June 2018: loss of HK\$29.3 million). The acquired business of Sport Field Group had generated a modest operating profit in the first half of 2019. The increase in operating loss of the whole segment was mainly attributable to additional costs incurred for production lines setup in the new factory as mentioned above while the factory had yet to achieve optimal production efficiency.

e.dye Business

Revenue from e.dye Business decreased by HK\$0.8 million to HK\$13.8 million (30 June 2018: HK\$14.6 million) while operating loss was HK\$24.1 million (30 June 2018: loss of HK\$21.8 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 "***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\$277.6 million to HK\$826.9 million (30 June 2018: HK\$549.3 million), representing an increment of 50.5%. The significant growth was mainly attributable to continuous rapid expansion of retail networks in Mainland China. In the first half of 2019, High-end Fashion Retailing Business continued to expand its presence in the market by opening new stores particularly in Mainland China. As at 30 June 2019, the total number of offline stores increased to 209 (30 June 2018: 154), of which 164 stores were in Mainland China, 35 stores were in Hong Kong and Macau, 9 stores were in Taiwan and 1 store was in Singapore.

Operating profit increased by HK\$91.0 million to HK\$123.6 million (30 June 2018: HK\$32.6 million), representing an increment of 279.1%.

PROSPECTS

The global economy has been impacted by the escalating China-US trade disputes and the uncertainties of Brexit. The market in Mainland China is steady but affected by unfavorable currency fluctuation. The contracting retail market in Hong Kong is intensified by recent social unrest. Notwithstanding the signs of economy slowdown around the world, we will maintain a cautiously optimistic view and closely monitor the developments in order to achieve sustainable growth on our diversified businesses.

Manufacturing Business

Sportswear Manufacturing Business

Sportswear Manufacturing Business has been recovered in the fourth quarter of 2018 and return to the growth track starting from 2019. In order to cope with the increased domestic demand from customers, our factory located in Heyuan city of Mainland China has been relocated to another site within the same city due to the expiry of existing lease. In addition to the rebounding orders from the customer, we have successfully introduced new internationally renowned customers into the Group, one of which has already generated revenue for the Group since the second half of 2018, while the remaining ones have generated revenue in the first half of 2019.

However, giving the increasingly fragile state of global economy, we are more cautious on deployment of our resources and capital expenditure. As such, we have revisited our production capacities and concluded that there is still room to uplift existing facilities to meet the demand from our customers in the near future. We have conducted a holistic review for our new factories in Vinh Long, Vietnam and the development schedule will be slowed down. We will closely monitor the situation and review the development time table again at the end of 2019.

High-end Functional Outerwear Manufacturing Business

High-end Functional Outerwear Manufacturing Business has become one of our major segments in Manufacturing Business after acquisition of Sport Field Group. The Sport Field Group possesses technologies and licensed facilities to produce high-end functional outerwear for certain internationally renowned brands. In order to cope with the high market demand, the Group has subsequently invested in setting up a new factory and conversion of existing production facilities for Sport Field Group. It is expected that revenue will steadily increase in the coming years through the increased production capacities in our new factory and new production lines. Its contribution will continue to be well-sustained by synergising with our existing product categories, expand our customer portfolio, market penetration and competitive edge in the manufacturing industry.

Looking forward, we will focus on improving our production efficiency in our new factory in Mainland China and newly converted production facilities in Vietnam in order to achieve optimal level.

e.dye Business

We will continue to expand our strategic partnership with international brands to promote eco-friendly production and play an important role in green production. We are centralising our resources and actively working with certain renowned brands in seeking a revenue breakthrough to achieve economies of scale to cover the development and running costs.

High-end Fashion Retailing Business

Mainland China will remain as the major market of our High-end Fashion Retailing Business and it will continue to expand its retail network to further penetrate the market. As such, we will centralise our resources to speed up the pace of growing the retail footprints in order to maintain the high growth momentum of the performing brands. In addition, we will continue to promote the retail presence of our existing stores and will enhance the shopping experience for our customers. At the same time, we will continue to develop our e-commerce channels in order to tap into the fast-growing online market and we will continue to focus on product categories to capture the huge potential market opportunity.

Multi-branding is one of our key strategies to tap into 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.

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 period. As at 30 June 2019, it had cash and bank balances amounting to HK\$389.8 million (31 December 2018: HK\$355.1 million). The net increase was mainly attributable to the cash generated from operating activities and bank borrowings, net with cash used in capital expenditure and payment of final dividends.

As at 30 June 2019, the Group had bank borrowings amounting to HK\$833.5 million (31 December 2018: HK\$478.9 million), which were on floating rates and unutilised banking facilities amounting to HK\$559.1 million (31 December 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 30 June 2019, was 20.6% (31 December 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 period given that HKD was pegged against USD.

The Group’s revenue and purchases were primarily denominated in USD, Renminbi (“**RMB**”) and HKD. During the period, approximately 51.6%, 38.0% and 7.1% of revenue were denominated in USD, RMB and HKD respectively, whereas approximately 85.8%, 8.4% and 3.8% of purchases were denominated in USD, RMB and HKD respectively.

As at 30 June 2019, approximately 50.5%, 24.3% and 20.5% of cash and bank balances were denominated in USD, RMB and HKD respectively, and approximately 49.6%, 49.0% and 1.4% of bank borrowings were denominated in USD, HKD and RMB respectively.

Regarding the trade disputes between China and the 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 30 June 2019, the Group had approximately 21,000 employees (31 December 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 30 June 2019, bank deposits of HK\$1.1 million (31 December 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\$61.0 million (31 December 2018: HK\$35.3 million) was pledged to banks for certain banking facilities of the Group.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities, litigation or arbitration of material importance as at 30 June 2019.



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**TO THE BOARD OF DIRECTORS OF
WIN HANVERKY HOLDINGS LIMITED**

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed interim financial information set out on pages 13 to 47, which comprises the consolidated statement of financial position of Win Hanverky Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) as at 30 June 2019 and the consolidated income statement, the consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on condensed interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this condensed interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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羅兵咸永道

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 22 August 2019

Consolidated Statement of Financial Position

As at 30 June 2019

	<i>Note</i>	Unaudited 30 June 2019 HK\$'000	Audited 31 December 2018 HK\$'000
Non-current assets			
Property, plant and equipment	7	1,323,733	918,144
Intangible assets	8	252,115	255,403
Investments in associates		10,531	10,517
Other receivables and financial assets	10	96,027	86,780
Deferred tax assets		63,338	46,971
Total non-current assets		1,745,744	1,317,815
Current assets			
Inventories		1,275,540	872,094
Trade and bills receivable	9	576,050	544,029
Other receivables and financial assets	10	272,299	251,388
Current tax recoverables		24,387	22,677
Pledged bank deposits		1,138	1,139
Cash and bank balances		389,835	355,053
Assets classified as held for sale	19(a)	2,539,249 —	2,046,380 30,295
Total current assets		2,539,249	2,076,675
Current liabilities			
Trade and bills payable	11	368,098	226,482
Accruals and other payables	12	382,509	425,603
Borrowings	13	711,585	478,904
Lease liabilities		168,559	—
Current tax liabilities		88,287	65,325
Liabilities directly associated with assets classified as held for sale	19(a)	1,719,038 —	1,196,314 2,017
Total current liabilities		1,719,038	1,198,331
Non-current liabilities			
Other payables	12	1,935	—
Borrowings	13	121,875	—
Lease liabilities		255,615	—
Deferred tax liabilities		8,358	11,505
Total non-current liabilities		387,783	11,505
Net assets		2,178,172	2,184,654

Consolidated Statement of Financial Position (Continued)

As at 30 June 2019

	Unaudited 30 June 2019 HK\$'000	Audited 31 December 2018 HK\$'000
Equity		
Equity attributable to equity holders of the Company		
Share capital	128,440	128,440
Reserves	2,023,324	2,037,360
	2,151,764	2,165,800
Non-controlling interests	26,408	18,854
Total equity	2,178,172	2,184,654

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Income Statement

For the six months ended 30 June 2019

	Note	Unaudited Six months ended 30 June	
		2019 HK\$'000	2018 HK\$'000 (Restated)
Continuing operations			
Revenue	6	2,265,292	1,865,884
Cost of sales		(1,573,715)	(1,360,517)
Gross profit		691,577	505,367
Selling and distribution costs		(359,826)	(267,174)
General and administrative expenses		(261,455)	(244,816)
Other net income	14	13,957	123,202
Operating profit	6	84,253	116,579
Finance costs — net	15	(19,583)	(3,638)
Share of losses of associates		(196)	(119)
Profit before income tax		64,474	112,822
Income tax expense	16	(26,977)	(29,625)
Profit from continuing operations		37,497	83,197
Discontinued operations			
Loss from discontinued operations	19	—	(23,119)
Profit for the period		37,497	60,078
Profit for the period attributable to:			
Equity holders of the Company			
— Continuing operations		27,642	85,246
— Discontinued operations	19	—	(21,779)
		27,642	63,467
Non-controlling interests			
— Continuing operations		9,855	(2,049)
— Discontinued operations	19	—	(1,340)
		9,855	(3,389)
		37,497	60,078

Consolidated Income Statement (Continued)

For the six months ended 30 June 2019

		Unaudited	
		Six months ended 30 June	
	<i>Note</i>	2019	2018
		HK\$'000	HK\$'000
			(Restated)
Earnings per share from continuing operations attributable to equity holders of the Company			
(expressed in HK cents per share)	17		
Basic		2.2	6.6
Diluted		2.2	6.6
Earnings per share attributable to equity holders of the Company			
(expressed in HK cents per share)	17		
Basic		2.2	4.9
Diluted		2.2	4.9

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2019

	Unaudited	
	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000 (Restated)
Profit for the period	37,497	60,078
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	(14,538)	(9,811)
Share of other comprehensive income of associates	210	(18)
<i>Item that has been reclassified to profit or loss</i>		
Realisation of accumulated exchange differences upon liquidation of a subsidiary	(3,613)	—
Total comprehensive income for the period	19,556	50,249
Total comprehensive income for the period attributable to:		
Equity holders of the Company	9,935	55,600
Non-controlling interests	9,621	(5,351)
	19,556	50,249
Total comprehensive income for the period attributable to equity holders of the Company from:		
— Continuing operations	9,935	75,083
— Discontinued operations	—	(19,483)
	9,935	55,600

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2019

	Unaudited				
	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 31 December 2018	128,440	2,037,360	2,165,800	18,854	2,184,654
Change in accounting policy <i>(Note 3)</i>	—	(11,474)	(11,474)	(2,067)	(13,541)
Balance at 1 January 2019	128,440	2,025,886	2,154,326	16,787	2,171,113
Profit for the period	—	27,642	27,642	9,855	37,497
Other comprehensive income	—	(17,707)	(17,707)	(234)	(17,941)
Total comprehensive income for the period ended 30 June 2019	—	9,935	9,935	9,621	19,556
Transactions with owners					
Employee share option scheme					
— value of services provided	—	347	347	—	347
2018 final dividends <i>(Note 18)</i>	—	(12,844)	(12,844)	—	(12,844)
Total transactions with owners	—	(12,497)	(12,497)	—	(12,497)
Balance at 30 June 2019	128,440	2,023,324	2,151,764	26,408	2,178,172

Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 June 2019

	Unaudited				
	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 2018	128,440	2,097,977	2,226,417	38,170	2,264,587
Profit for the period	—	63,467	63,467	(3,389)	60,078
Other comprehensive income	—	(7,867)	(7,867)	(1,962)	(9,829)
Total comprehensive income for the period ended 30 June 2018	—	55,600	55,600	(5,351)	50,249
Transactions with owners					
Employee share option scheme					
— value of services provided	—	691	691	—	691
2017 final dividends	—	(25,688)	(25,688)	—	(25,688)
Capital repayment to non-controlling interest of a subsidiary	—	—	—	(8,705)	(8,705)
Non-controlling interest arising from business combination	—	—	—	(17,536)	(17,536)
Total transactions with owners	—	(24,997)	(24,997)	(26,241)	(51,238)
Balance at 30 June 2018	128,440	2,128,580	2,257,020	6,578	2,263,598

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2019

	Unaudited	
	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Cash flows from operating activities		
Cash used in operating activities	(95,250)	(50,809)
Income tax paid	(20,882)	(17,940)
Net cash used in operating activities	(116,132)	(68,749)
Cash flows from investing activities		
Interest received	2,199	417
Payment for property, plant and equipment	(142,338)	(63,629)
Repayment of receivables from a landlord	5,460	7,800
Proceeds from disposal of property, plant and equipment	945	7,705
Proceeds from disposal of subsidiaries	24,538	194,403
Net cash inflow for acquisition of subsidiaries	—	7,186
Net cash (used in)/generated from investing activities	(109,196)	153,882
Cash flows from financing activities		
Increase in bank borrowings	354,546	91,642
Dividends paid to the Company's equity holders	(12,844)	(25,688)
Increase in amounts due to non-controlling interests of subsidiaries	—	688
Capital repayment to non-controlling interest of a subsidiary	—	(8,705)
Capital element of lease liabilities paid	(86,979)	—
Net cash generated from financing activities	254,723	57,937
Net increase in cash and cash equivalents	29,395	143,070
Cash and cash equivalents at beginning of the period	355,053	424,809
Cash and cash equivalents of assets classified as held for sale at beginning of the period	5,661	—
Exchange differences on cash and cash equivalents	(274)	(2,797)
Cash and cash equivalents at end of the period	389,835	565,082

The above condensed consolidated cash flow statement should be read in conjunction with the accompanying notes.

1 General information

Win Hanverky Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) are engaged in the manufacturing and selling of garment products, including sportswear, high-end fashion apparel, and related accessories. Sales are primarily under original equipment manufacturing (“**OEM**”) arrangements to customers mainly in Europe, the United States, Mainland China and other countries, and under retail modes in Mainland China, Hong Kong, Macau, Taiwan and Singapore. Its production bases are primarily located in Mainland China, Vietnam and Cambodia.

The Company is an exempted company with limited liability under the Companies Law, Cap. 22, (Law 3 of 1961, as combined and revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

2 Basis of preparation

The condensed interim financial information has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed interim financial information contains the consolidated statement of financial position as at 30 June 2019, the consolidated income statement, the consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six-month period then ended and selected explanatory notes. The condensed interim financial information does not include all of the notes of the type normally included in the annual financial report. Except as described in note 3, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2018. Accordingly, readers should read the condensed interim financial information in conjunction with the annual financial statements for the year ended 31 December 2018, prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

This condensed interim financial information is presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated.

During the year ended 31 December 2018, the Group’s Sportswear Retailing Business had been wholly ceased. The consolidated income statement distinguishes discontinued operations from continuing operations. Comparative figures have been re-presented.

3 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 condensed interim financial information. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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.

(a) The Group's leasing activities and how these are accounted for

The Group is a lessee of its retail shops, offices, warehouses, plant and equipment which are currently classified as operating leases. 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.

Under the 2018 financial year, leases 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.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. Finance cost is charged to income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use asset is presented within property, plant and equipment and depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable.

3 Changes in accounting policies (Continued)

(a) The Group's leasing activities and how these are accounted for (Continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, 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%.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in income statement. Short-term leases are leases with a lease term of 12 months or less.

3 Changes in accounting policies (Continued)

(b) Adjustments recognised on adoption of HKFRS 16

The table shows the adjustments recognised for each individual line item.

Consolidated statement of financial position (extract)

	31 December 2018 HK\$'000	HKFRS 16 HK\$'000	1 January 2019 HK\$'000
	(As originally presented)	(Initial adoption)	(Restated)
Non-current assets			
Property, plant and equipment	918,144	415,729	1,333,873
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 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;
- 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.

3 Changes in accounting policies (Continued)

(b) Adjustments recognised on adoption of HKFRS 16 (Continued)

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 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

4 Estimates

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements for the year ended 31 December 2018.

5 Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2018.

There have been no significant changes in the risk management policies since year end.

5.2 Fair value estimation

The carrying values less impairment provision of trade and bills receivable, financial assets and liabilities measured at amortised cost and financial assets at fair value through other comprehensive income are a reasonable approximation of their fair values. The carrying values of pledged bank deposits and cash and bank balances also approximate their fair values.

6 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 six months ended 30 June 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. In addition, the Sportswear Retailing segment which represented the retail of sportswear products was discontinued during the year ended 31 December 2018. As such, the comparative segment information for the six months ended 30 June 2018 has been re-presented to align with current period's disclosure.

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 condensed interim financial information.

6 Segment information (Continued)

The segment results for the six months ended 30 June 2019 are as follows:

	Manufacturing				Total Continuing Operations HK\$'000
	Sportswear Manufacturing HK\$'000	High-end Functional Outerwear Manufacturing HK\$'000	e.dye HK\$'000	High-end Fashion Retailing HK\$'000	
Total segment revenue	1,275,009	151,374	13,819	826,911	2,267,113
Inter-segment revenue	(1,762)	—	(59)	—	(1,821)
Revenue	1,273,247	151,374	13,760	826,911	2,265,292
Operating profit/(loss) and segment results	24,657	(39,923)	(24,128)	123,647	84,253
Finance costs — net					(19,583)
Share of losses of associates	(196)	—	—	—	(196)
Profit before income tax					64,474
Income tax expense					(26,977)
Profit for the period					37,497

Other segment items charged/(credited) to the operating profit for the six months ended 30 June 2019 are as follow:

	Manufacturing				Total Continuing Operations HK\$'000
	Sportswear Manufacturing HK\$'000	High-end Functional Outerwear Manufacturing HK\$'000	e.dye HK\$'000	High-end Fashion Retailing HK\$'000	
Depreciation and amortisation of property, plant and equipment	51,137	7,391	3,892	98,050	160,470
Amortisation of intangible assets	—	1,065	1,874	349	3,288
Provision for inventories, net	16,586	672	1,189	37,281	55,728
Impairment of trade receivables	—	530	—	—	530
Loss on disposal of property, plant and equipment, net	810	2,193	29	18	3,050
Gain on disposal of a subsidiary	(19,807)	—	—	—	(19,807)

6 Segment information (Continued)

The segment results for the six months ended 30 June 2018 are as follows:

	Manufacturing			High-end Fashion Retailing HK\$'000	Total Continuing Operations HK\$'000	Discontinued Operations – Sportswear Retailing HK\$'000	Total HK\$'000
	Sportswear Manufacturing HK\$'000	High-end Functional Outerwear Manufacturing HK\$'000	e.dye HK\$'000				
Total segment revenue	1,162,322	147,483	14,596	549,321	1,873,722	90,933	1,964,655
Inter-segment revenue	(7,266)	(572)	–	–	(7,838)	–	(7,838)
Revenue	1,155,056	146,911	14,596	549,321	1,865,884	90,933	1,956,817
Operating profit/(loss) and segment results	135,051	(29,281)	(21,759)	32,568	116,579	(23,126)	93,453
Finance costs – net	–	–	–	–	(3,638)	7	(3,631)
Share of losses of associates	(119)	–	–	–	(119)	–	(119)
Profit/(loss) before income tax					112,822	(23,119)	89,703
Income tax expense	–	–	–	–	(29,625)	–	(29,625)
Profit/(loss) for the period					83,197	(23,119)	60,078

Other segment items charged/(credited) to the operating profit for the six months ended 30 June 2018 are as follow:

	Manufacturing			High-end Fashion Retailing HK\$'000	Total Continuing Operations HK\$'000	Discontinued Operations – Sportswear Retailing HK\$'000	Total HK\$'000
	Sportswear Manufacturing HK\$'000	High-end Functional Outerwear Manufacturing HK\$'000	e.dye HK\$'000				
Depreciation and amortisation of property, plant and equipment	36,055	4,858	2,689	19,704	63,306	466	63,772
Impairment of property, plant and equipment	–	–	–	337	337	–	337
Amortisation of intangible assets	–	865	1,874	349	3,088	–	3,088
Provision/(write-back of provision) for inventories, net	19,843	1,810	765	19,076	41,494	(1,627)	39,867
Provision for onerous leases	–	–	–	2,168	2,168	155	2,323
(Gain)/loss on disposal of property, plant and equipment, net	(6,476)	(13)	–	131	(6,358)	–	(6,358)
Gain on disposal of a subsidiary	(123,777)	–	–	–	(123,777)	–	(123,777)

6 Segment information (Continued)

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

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

The segment assets and liabilities are as follows:

	Manufacturing			High-end Fashion Retailing HK\$'000	Total Continuing Operations HK\$'000	Discontinued Operations – Sportswear Retailing HK\$'000	Unallocated HK\$'000	Total HK\$'000
	Sportswear Manufacturing HK\$'000	High-end Functional Outerwear Manufacturing HK\$'000	e.dye HK\$'000					
Total assets								
30 June 2019	2,125,416	448,414	115,319	1,508,119	4,197,268	–	87,725	4,284,993
31 December 2018	1,851,209	407,880	108,059	937,203	3,304,351	19,999	70,140	3,394,490
Total liabilities								
30 June 2019	944,093	272,085	15,792	778,206	2,010,176	–	96,645	2,106,821
31 December 2018	567,315	203,084	8,671	352,371	1,131,441	1,565	76,830	1,209,836

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:

	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000 (Restated)
Continuing operations		
Mainland China	895,744	506,500
Europe	480,059	519,681
United States	388,018	321,277
Other Asian countries	214,075	210,600
Hong Kong	176,531	220,848
Canada	50,780	33,508
Others	60,085	53,470
	2,265,292	1,865,884

6 Segment information (Continued)

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

	As at	
	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Hong Kong	568,295	447,433
Mainland China	565,783	309,615
Vietnam	300,350	265,794
Cambodia	230,541	238,266
Other countries	17,437	9,736
	1,682,406	1,270,844

7 Property, plant and equipment

	HK\$'000
For the six months ended 30 June 2019	
Opening net book amount	918,144
Change in accounting policy (Note 3)	415,729
Restated opening net book amount	1,333,873
Currency translation differences	(1,776)
Additions	156,101
Disposals	(3,995)
Depreciation and amortisation	(160,470)
Closing net book amount	1,323,733

As at 30 June 2019, certain land and properties with an aggregate carrying amount of HK\$60,959,000 (31 December 2018: HK\$35,254,000) were pledged for certain banking facilities (Note 13).

Following the adoption of HKFRS 16 this year, up-front prepayments made for land use rights as at 31 December 2018 amounted to HK\$79,227,000 have been re-classified as property, plant and equipment. The opening balance of property, plant and equipment at 1 January 2019 has been adjusted using the modified retrospective method as disclosed in note 3.

8 Intangible assets

	Goodwill HK\$'000	Know-how HK\$'000	Customer relationship HK\$'000	Trademarks and licence rights HK\$'000	Total HK\$'000
For the six months ended 30 June 2019					
Opening net book amount	200,094	25,605	19,346	10,358	255,403
Amortisation	—	(1,874)	(1,065)	(349)	(3,288)
Closing net book amount	200,094	23,731	18,281	10,009	252,115

9 Trade and bills receivable

	As at	
	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Trade receivables		
— from third parties	560,424	524,121
— from related parties (Note 20(b))	7,201	7,759
Bills receivable	10,023	13,747
	577,648	545,627
Less: impairment of trade receivables	(1,598)	(1,598)
Financial assets measured at amortised cost	576,050	544,029

Majority of the 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:

	As at	
	30 June 2019 HK\$'000	31 December 2018 HK\$'000
0-90 days	566,602	533,389
91-180 days	1,645	3,014
181-365 days	1,276	684
Over 365 days	8,125	8,540
	577,648	545,627

The carrying values of trade and bills receivable approximate their fair values due to their short term maturities.

As at 30 June 2019 and 31 December 2018, there was one single group of customer with an aggregated outstanding balance which exceeded 10% of the Group's total trade and bills receivable from third parties. The aggregated balances due from this single group of customer accounted for approximately 63% (31 December 2018: 60%) of the Group's total trade and bills receivable from third parties. Other than this single group of customer, there was no other significant concentration of credit risk with respect to trade and bills receivable.

10 Other receivables and financial assets

	As at	
	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Non-current		
Rental, utility and other deposits	48,094	43,662
Receivables from a landlord (Note)	5,460	8,190
Rental deposit to a related party (Note 20(c))	450	—
Financial assets measured at amortised cost	54,004	51,852
Deposits for plant and equipment	38,104	31,009
Financial assets at fair value through other comprehensive income	3,919	3,919
	96,027	86,780
Current		
Rental, utility and other deposits	56,030	58,276
Receivables from related parties (Note 20(c))	37,559	37,006
Receivables from a landlord (Note)	10,920	13,650
Other receivables from customers	8,556	8,802
Interest receivable from a landlord	454	614
Sundry receivables	8,303	8,670
Financial assets measured at amortised cost	121,822	127,018
Prepayments for inventories	85,477	77,513
Value-added tax recoverable	46,181	28,560
Prepayments for operating expenses	18,819	18,297
	272,299	251,388
	368,326	338,168

Note: Amounts represented receivables from a landlord in Vietnam which are unsecured, interest-bearing at 5% (2018: 5%) per annum and denominated in United States Dollars. Receivables of US\$1,400,000, equivalent to approximately HK\$10,920,000 (31 December 2018: US\$1,750,000, equivalent to approximately HK\$13,650,000), US\$700,000, equivalent to approximately HK\$5,460,000 (31 December 2018: US\$700,000, equivalent to approximately HK\$5,460,000) and Nil (31 December 2018: US\$350,000, equivalent to approximately HK\$2,730,000) are repayable semi-annually and will mature within one year, between one year to two years, and over two years, respectively.

11 Trade and bills payable

	As at	
	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Trade payables		
— to third parties	320,171	211,207
— to related parties (<i>Note 20(b)</i>)	44,703	11,201
Bills payable	3,224	4,074
Financial liabilities measured at amortised cost	368,098	226,482

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

	As at	
	30 June 2019 HK\$'000	31 December 2018 HK\$'000
0–90 days	346,901	217,798
91–180 days	16,029	4,970
181–365 days	1,439	347
Over 365 days	3,729	3,367
	368,098	226,482

12 Accruals and other payables

	As at	
	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Non-current		
Deposits received	1,935	—
Current		
Accruals for employee benefit costs	135,011	151,913
Payables for purchases of property, plant and equipment	44,503	90,249
Accruals for other operating expenses	41,649	41,763
Consideration payable for acquisition of subsidiaries	41,300	41,300
Deposits received	20,370	—
Other taxes payable	10,463	17,126
Payables to related parties (Note 20(d))	8,302	7,786
Payables for acquisition of remaining interest from non-controlling interest of a subsidiary	1,167	1,167
Others	27,845	22,098
Financial liabilities measured at amortised costs	330,610	373,402
Deferred income	40,056	37,494
Contract liabilities	10,590	1,958
Provision for onerous leases	1,253	1,253
Deposit received for disposal of a subsidiary	—	11,496
	382,509	425,603
	384,444	425,603

13 Borrowings

The interest-bearing bank borrowings were repayable as follows:

	As at	
	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Within 1 year or on demand	711,585	478,904
After 1 year but within 2 years	32,500	—
After 2 years but within 5 years	89,375	—
	121,875	—
	833,460	478,904

The Group's borrowings were carried at amortised cost. As at 30 June 2019 and 31 December 2018, the Group's borrowings were secured by certain land and properties of the Group and/or corporate guarantees given by the Company and/or personal guarantees given by certain related parties.

14 Other net income

	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000 (Restated)
Continuing operations		
Gain on disposal of subsidiaries (Note 19(a))	19,807	123,777
Realisation of accumulated exchange differences upon liquidation of a subsidiary	3,613	—
Rental income	663	663
Net exchange losses	(740)	(10,868)
(Loss)/gain on disposal of property, plant and equipment, net	(3,050)	6,358
Others	(6,336)	3,272
	13,957	123,202

15 Finance costs – net

	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000 (Restated)
Continuing operations		
Finance income		
– Interest income from bank deposits and receivables from a landlord	1,237	1,676
– Others	553	21
	1,790	1,697
Finance cost		
– Interest on bank borrowings	(12,252)	(5,121)
– Interest on lease liabilities	(9,844)	–
– Others	–	(214)
Less: interest expense capitalised	723	–
	(21,373)	(5,335)
	(19,583)	(3,638)

16 Income tax expense

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

	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000 (Restated)
<u>Continuing operations</u>		
Current tax		
– Mainland China	38,705	9,362
– Hong Kong	1,936	3,608
– Overseas	914	1,028
– Under/(over) provision in prior years	523	(878)
Deferred tax	(15,101)	16,505
	26,977	29,625

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Mainland China Corporate Income Tax has been provided at the rate of 25% (2018: 25%) on the estimated assessable profits.

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits.

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

17 Earnings per share

	Six months ended 30 June	
	2019	2018 (Restated)
Profit/(loss) attributable to equity holders of the Company (HK\$'000)		
– Continuing operations	27,642	85,246
– Discontinued operations	–	(21,779)
	27,642	63,467
Weighted average number of ordinary shares in issue ('000)	1,284,400	1,284,400
Adjustment for share option ('000)	71	–
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,284,471	1,284,400

(a) Basic

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 in issue during the period.

	Six months ended 30 June	
	2019	2018 (Restated)
Basic earnings/(losses) per share (HK cents)		
– Continuing operations	2.2	6.6
– Discontinued operations	–	(1.7)
	2.2	4.9

17 Earnings per share (Continued)**(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. 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 which have dilutive effect.

	Six months ended 30 June	
	2019	2018 (Restated)
Diluted earnings/(losses) per share (<i>HK cents</i>)		
— Continuing operations	2.2	6.6
— Discontinued operations	—	(1.7)
	2.2	4.9

18 Dividends

A final dividend of HK\$12,844,000 relating to the year ended 31 December 2018 was paid in June 2019.

At the Board meeting held on 22 August 2019, the Company's Board of Directors declared an interim dividend of HK1.0 cent (2018: interim dividend of HK3.0 cents) per share. The interim dividend amounting to HK\$12,844,000 (2018: interim dividend amounting to HK\$38,532,000) has not been recognised as a liability in this condensed interim financial information.

19 Disposal of a subsidiary and discontinued operations**(a) Disposal of a subsidiary**

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 six months ended 30 June 2019.

19 Disposal of a subsidiary and discontinued operations (Continued)**(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 six months ended 30 June 2018 is set out below.

	Six months ended 30 June 2018 HK\$'000
Revenue	90,933
Cost of sales	(68,195)
Gross profit	22,738
Selling and distribution costs	(42,458)
General and administrative expenses	(4,076)
Other net income	670
Operating loss	(23,126)
Finance income	7
Loss before income tax	(23,119)
Income tax expense	—
Loss from discontinued operations	(23,119)
Attributable to:	
Equity holders of the Company	(21,779)
Non-controlling interests	(1,340)
	(23,119)

19 Disposal of a subsidiary and discontinued operations (Continued)**(b) Discontinued operations (Continued)***Analysis of cash flows of the discontinued operations*

	Six months ended 30 June 2018 HK\$'000
Operating cash flows	(12,315)
Investing cash flows	7
Financing cash flows	3,328
Total cash flows	(8,980)

20 Related party transactions

The Company is controlled by Quinta Asia Limited (“**Quinta**”) (the immediate holding company), a company incorporated in the British Virgins Islands, which owns approximately 57.91% of the Company’s shares as at 30 June 2019. The Company’s directors regard Quinta as being the ultimate holding company.

Apart from those disclosed elsewhere in this condensed interim financial information, the following significant transactions were carried out with related parties:

(a) Sale/purchases of goods and services, interest income and lease expenses

	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Sales of goods		
Entities controlled by non-controlling interests of subsidiaries	569	17,452
Purchases of goods and service		
Major shareholder of an associate of the Group	51,414	42,355
Entities controlled by non-controlling interests of subsidiaries	1,652	6,613
	53,066	48,968
Interest income		
Entity controlled by non-controlling interest of a subsidiary	352	—
Non-controlling interest of a subsidiary	201	—
	553	—
Lease expenses		
An associate of the Group	218	—

Goods and services were sold/purchased at prices mutually agreed by both parties.

Interest income from related parties were charged at prevailing market rates.

Lease expenses were recognised based on monthly rental charge mutually agreed by both parties.

20 Related party transactions (Continued)**(b) Period/year-end balances arising from sales/purchases of goods and services**

	As at	
	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Included in trade receivable (Note 9)		
Entities controlled by non-controlling interests of subsidiaries	7,201	7,759
Included in trade payable (Note 11)		
Major shareholder of an associate of the Group	44,656	10,884
Entities controlled by non-controlling interests of subsidiaries	47	317
	44,703	11,201

All amounts were unsecured, interest-free and payable within normal trade credit terms.

(c) Amounts due from related parties

	As at	
	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Included in other receivables (Note 10)		
Receivables from an entity controlled by non-controlling interest of a subsidiary	23,236	22,884
Receivables from non-controlling interests of subsidiaries	14,323	14,122
Rental deposit to an associate of the Group	450	—
	38,009	37,006

The receivables from an entity controlled by non-controlling interest of a subsidiary and non-controlling interests of subsidiaries were secured by properties held by a related party and a non-controlling interest of a subsidiary respectively, interest-bearing at floating rates that are market dependent and repayable on demand.

Rental deposit will be refunded at the end of the lease term.

20 Related party transactions (Continued)**(d) Amounts due to related parties**

	As at	
	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Included in accruals and other payables <i>(Note 12)</i>		
Loans from non-controlling interests of subsidiaries	4,900	4,892
Payables to non-controlling interest of a subsidiary	2,061	2,061
Payables to entities controlled by non-controlling interests of subsidiaries	1,341	833
	8,302	7,786

All amounts were unsecured, interest-free and repayable on demand.

(e) Key management compensation

	Six months ended 30 June	
	2019 HK\$'000	2018 HK\$'000
Salaries, bonus and allowances	9,803	9,470
Share-based compensation in respect of share options	261	496
Retirement benefits — defined contribution schemes	45	45
	10,109	10,011

21 Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet provided for is as follows:

	As at	
	30 June 2019 HK\$'000	31 December 2018 HK\$'000
Property, plant and equipment		
— Contracted but not provided for	31,558	13,795

As at 30 June 2019, the Group had commitments to inject additional capital into certain subsidiaries, totalling approximately HK\$211,053,000 (31 December 2018: HK\$200,932,000).

22 Non-adjusting event after the reporting period

Subsequent to the end of the reporting period, the Group's factory located in Heyuan city, Mainland China, was relocated to another site within Heyuan city due to expiry of the existing lease. To facilitate the relocation, the Group has 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, amounting to approximately HK\$44.0 million and HK\$4.0 million respectively, which are non-recurring and one-off in nature, will be incurred in the second half of 2019. No adjustment has been made in this condensed interim financial information in this regard.

DIVIDENDS

The Board has declared an interim dividend of HK1.0 cent (2018: interim dividend of HK3.0 cents) per Share for the six months ended 30 June 2019 payable to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Friday, 20 September 2019. The dividends will be paid on or about Tuesday, 8 October 2019.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 18 September 2019 to Friday, 20 September 2019 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for entitlement to the interim dividend for the six months ended 30 June 2019, all transfers of Shares 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 Tuesday, 17 September 2019.

DIRECTORS' DISCLOSURE OF INTERESTS

As at 30 June 2019, the interests and short positions of the Directors and chief executive(s) of the Company (if any) in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) contained in Appendix 10 to the Listing Rules, were as follows:

(a) Long positions in the Shares/underlying shares of the Company

Name of Directors	Capacity	Number of Shares/underlying shares	Percentage of interest in the Company*
Mr. LI Kwok Tung Roy	Interests in a controlled corporation	743,769,967 ¹	57.91%
Mr. LAI Ching Ping	Beneficial owner	4,186,000	0.33%
Mr. LEE Kwok Leung	Beneficial owner	12,000,000 ²	0.93%
Mr. WONG Chi Keung	Beneficial owner	10,102,000 ³	0.79%

* The calculation of percentages is based on 1,284,400,000 Shares in issue as at 30 June 2019.

Notes:

1. Mr. LI Kwok Tung Roy holds 70% of the issued share capital of Quinta Asia Limited (“**Quinta**”). Mr. LI Kwok Tung Roy has a controlling interest in Quinta and is therefore deemed to be interested in Quinta’s interest in the Company for the purposes of the SFO.
2. Mr. LEE Kwok Leung is interested as a grantee of options to subscribe for up to 12,000,000 Shares under the Share Option Scheme.
3. Mr. WONG Chi Keung held 102,000 Shares and is interested as a grantee of options to subscribe for up to 10,000,000 Shares under the Share Option Scheme.

(b) Long positions in the shares of associated corporation of the Company (as defined in the SFO)

Name of directors	Associated corporation	Capacity	Number of shares	Percentage of interest in associated corporation
Mr. LI Kwok Tung Roy	Quinta	Beneficial owner	7	70%
Mr. LAI Ching Ping	Quinta	Beneficial owner	3	30%

Save as disclosed above, as at 30 June 2019, none of the Directors, chief executive(s) or any of their respective associates had any interest or short position, whether beneficial or non-beneficial, in the shares, the underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2019, as far as the Directors were aware, the following persons (other than the Directors or chief executive(s) of the Company) had interests or short positions in the Shares or underlying shares of the Company which were recorded in the register required to be kept under Section 336 of the SFO.

Long positions in the Shares of the Company

Name	Capacity	Number of Shares	Percentage of interest in the Company*
Quinta	Beneficial owner	743,769,967	57.91%

* The calculation of percentages is based on 1,284,400,000 Shares in issue as at 30 June 2019.

Save as disclosed above, as at 30 June 2019, the Company had not been notified by any person (other than the Directors or chief executive(s) of the Company) who had interests or short position in the Shares and underlying shares of the Company which were recorded in the register kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME AND NEW SHARE OPTION SCHEME

Pursuant to the written resolutions of the Shareholders passed on 8 August 2006, the Company has established a share option scheme ("**Share Option Scheme**") whereby the Board may, at their discretion, invite any directors, employees, consultants, professionals, customers, suppliers, agents, partners or advisers of or contractors to the Group (subject to the eligibility requirements as set out therein). The total number of Shares available for issue under the Share Option Scheme and any other schemes must not in aggregate exceed 10% of the issued share capital of the Company as at the Listing Date unless further Shareholders' approval has been obtained. In addition, the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised at any time under the Share Option Scheme and any other schemes adopted by the Group shall not exceed 30% of the issued share capital of the Company from time to time. No options may be granted under the Share Option Scheme or any other schemes adopted by the Group if the grant of such option will result in the limit being exceeded. The total number of Shares issued and to be issued upon the exercise of the options granted and to be granted (including both exercised and outstanding options) in any 12 months' period up to the date of grant to a substantial Shareholder or an independent non-executive director or their associates would not exceed 0.1% of the shares in issue or an aggregate value of HK\$5,000,000 unless further Shareholders' approval has been obtained; and to each other eligible person would not exceed 1% of the Shares in issue.

The purpose of the Share Option Scheme is to recognise and acknowledge the contributions that eligible participants have made or may make to the Group. It also provides the eligible participants with an opportunity to acquire proprietary interests in the Company with a view to (a) motivate the eligible participants to optimise the performance and efficiency for the benefit of the Group; and (b) attract and retain or otherwise maintain ongoing business relationship with the eligible participants whose contributions are, will or expected to be beneficial to the Group.

The Share Option Scheme has expired on 5 September 2016. In order to continue to provide the eligible participants, where appropriate, with an additional incentive by offering them an opportunity to obtain an ownership interest in the Company and to reward them for contributing to the long-term success of the business of the Group, the Board has sought and obtained approval of the Shareholders for the adoption of a new share option scheme ("**New Share Option Scheme**") at the annual general meeting of the Company on 16 June 2016. The New Share Option Scheme adopted became effective from 20 June 2016 and will remain in force for a period of 10 years.

Under the New Share Option Scheme, the Board may, at their discretion, grant share options to eligible participants including any directors, employees or partners of the Group. The offer shall remain open for acceptance by the eligible participants for a period of not less than three business days from the date of offer and the Board may, at its discretion, specify the minimum period for which an option must be held before it can be exercised at the time of grant. A non-refundable consideration of HK\$10 shall be paid by each grantee on acceptance of the options. The exercise price is to be determined by the Board, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the Company's shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share. The total number of Shares which may be issued under the New Share Option Scheme must not exceed 128,440,000 shares, representing 10% of the issued share capital of the Company as at the date of this interim report. Other major terms of the New Share Option Scheme are substantially similar to those under the Share Option Scheme.

Upon the expiry of the Share Option Scheme, no share options can be further granted thereunder, whereas outstanding share options under the Share Option Scheme remain valid.

Other Information (Continued)

Movements of the options under the Share Option Scheme for the six months ended 30 June 2019 are as follows:

Grantee	Date of grant	Exercise price per Share HK\$	Exercise period	Number of options under the Share Option Scheme			As at 30/06/2019
				As at 01/01/2019	Exercised during the period	Lapsed/cancelled during the period	
Mr. LEE Kwok Leung <i>Executive Director</i>	16/07/2014	0.946	16/07/2015–15/07/2024	2,400,000	–	–	2,400,000
			16/07/2016–15/07/2024	2,400,000	–	–	2,400,000
			16/07/2017–15/07/2024	2,400,000	–	–	2,400,000
			16/07/2018–15/07/2024	2,400,000	–	–	2,400,000
			16/07/2019–15/07/2024	2,400,000	–	–	2,400,000
				12,000,000	–	–	12,000,000
Mr. WONG Chi Keung <i>Executive Director</i>	22/12/2015	1.562	22/12/2016–21/12/2025	2,000,000	–	–	2,000,000
			22/12/2017–21/12/2025	2,000,000	–	–	2,000,000
			22/12/2018–21/12/2025	2,000,000	–	–	2,000,000
			22/12/2019–21/12/2025	2,000,000	–	–	2,000,000
			22/12/2020–21/12/2025	2,000,000	–	–	2,000,000
				10,000,000	–	–	10,000,000
An employee	16/07/2014	0.946	16/07/2016–15/07/2024	1,000,000	–	–	1,000,000
			16/07/2017–15/07/2024	1,000,000	–	–	1,000,000
			16/07/2018–15/07/2024	1,000,000	–	–	1,000,000
			16/07/2019–15/07/2024	1,000,000	–	–	1,000,000
				4,000,000	–	–	4,000,000
An employee	09/01/2014	1.010	09/01/2015–08/01/2024	1,000,000	–	–	1,000,000
			09/01/2016–08/01/2024	1,000,000	–	–	1,000,000
			09/01/2017–08/01/2024	1,000,000	–	–	1,000,000
			09/01/2018–08/01/2024	1,000,000	–	–	1,000,000
			09/01/2019–08/01/2024	1,000,000	–	–	1,000,000
				5,000,000	–	–	5,000,000
An employee	22/12/2015	1.562	22/12/2016–21/12/2025	600,000	–	–	600,000
			22/12/2017–21/12/2025	600,000	–	–	600,000
			22/12/2018–21/12/2025	600,000	–	–	600,000
			22/12/2019–21/12/2025	600,000	–	–	600,000
			22/12/2020–21/12/2025	600,000	–	–	600,000
				3,000,000	–	–	3,000,000
Total				34,000,000	–	–	34,000,000

No option has been granted under the New Share Option Scheme by 30 June 2019.

AUDIT COMMITTEE

The Company established the Audit Committee on 18 April 2006 with written terms of reference which were in compliance with the Listing Rules. The primary duties of the Audit Committee include reviewing, overseeing and supervision of the effectiveness of our financial reporting processes, internal control systems and risk management. The Audit Committee is also responsible for developing and reviewing the Company's policies and practices on corporate governance and reviewing the Company's compliance with the Corporate Governance Code as required under the Listing Rules. The Audit Committee shall comprise at least three members with the majority being independent non-executive Directors.

Currently, Mr. KWAN Kai Cheong, Dr. CHAN Kwong Fai, Mr. MA Ka Chun and Ms. CHAU Pui Lin, all being independent non-executive Directors, are members of the Audit Committee with Mr. KWAN Kai Cheong acting as the chairman.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee on 18 April 2006 with written terms of reference which were in compliance with the Listing Rules. The primary duties of the Remuneration Committee include making recommendations to the Board on the policy and structure of all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The Remuneration Committee shall comprise a majority of independent non-executive Directors.

The Remuneration Committee has three members comprising Mr. LI Kwok Tung Roy and our independent non-executive Directors, Mr. KWAN Kai Cheong and Dr. CHAN Kwong Fai. The chairman of the Remuneration Committee is Dr. CHAN Kwong Fai.

NOMINATION COMMITTEE

The Company established the Nomination Committee on 18 April 2006 with written terms of reference which were in compliance with the Listing Rules. The Nomination Committee is mainly responsible for making recommendations to the Board on the appointment of Directors and the management of the Board succession. It carries out the process of selecting and recommending candidates for directorship with reference to the selection guidelines which include appropriate professional knowledge and industry experience, personal ethics, integrity and personal skills. The Nomination Committee also considers referrals and engagement of external recruitment professionals when necessary and makes recommendations to the Board for selection and approval. The Nomination Committee shall comprise a majority of independent non-executive Directors.

The Nomination Committee has four members comprising Mr. LI Kwok Tung Roy and our independent non-executive Directors, Mr. MA Ka Chun, Dr. CHAN Kwong Fai and Ms. CHAU Pui Lin. The chairman of the Nomination Committee is Mr. MA Ka Chun.

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. All Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the accounting period covered by this interim report.

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 six months ended 30 June 2019.

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 throughout the accounting period covered by this interim report.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has discussed with the management of the Company the internal control and financial reporting matters related to the preparation of the unaudited condensed interim financial information for the six months ended 30 June 2019. It has also reviewed the unaudited condensed interim financial information for the six months ended 30 June 2019 with the management and the auditor of the Company and recommended them to the Board for approval.

The Company's auditor, PricewaterhouseCoopers, has also reviewed the unaudited condensed interim financial information for the six months ended 30 June 2019 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

ACKNOWLEDGEMENT

Finally, I would like to express my most sincere gratitude to our Directors, and the whole team for their consistent hard work, commitment and invaluable contributions to the Group. I would like to thank our clients, shareholders and business partners for their enduring support. We are well positioned to deal with challenges, expand on our capabilities and capture the opportunities ahead.

By Order of the Board
Win Hanverky Holdings Limited

LI Kwok Tung Roy
Chairman

Hong Kong, 22 August 2019

In this interim report, unless the context states otherwise, the following expressions have the following meanings:

“Board”	the board of Directors of the Company
“Company”	Win Hanverky Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on 13 December 2005
“Director(s)”	the director(s) of the Company
“Group” or “we” or “our” or “us”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region in Mainland China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mainland China”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan
“OEM”	acronym for original equipment manufacturing, a business that manufactures or purchases from other manufacturers and possibly modifies goods or equipment for branding and resale by others
“RMB”	Renminbi, the lawful currency of Mainland China
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	Shareholder of the Company
“Sport Field”	Sport Field Limited, a non-wholly owned subsidiary of the Company
“Sport Field Group”	Sport Field and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“US”	the United States of America



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