



Win Hanverky Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3322)



2022
INTERIM REPORT



Win Hanverky Holdings Limited and its subsidiaries are an integrated manufacturer 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.

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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

Mr. KWAN Kai Cheong
Mr. MA Ka Chun
Mr. CHAN Ka Kui
Ms. CHAN Kit Fun Fanny
(*appointed on 25 July 2022*)
Dr. CHAN Kwong Fai
(*resigned on 20 January 2022*)

COMPANY SECRETARY

Ms. LAM Choi Ha

AUTHORISED REPRESENTATIVES

Mr. LI Kwok Tung Roy
Mr. WONG Chi Keung

AUDITOR

PricewaterhouseCoopers
*Certified Public Accountants and
Registered Public Interest Entity Auditor*

LEGAL ADVISOR

Deacons

BOARD COMMITTEES

Audit Committee

Mr. KWAN Kai Cheong (*Chairman*)
Mr. MA Ka Chun
Mr. CHAN Ka Kui
Ms. CHAN Kit Fun Fanny
(*appointed on 25 July 2022*)
Dr. CHAN Kwong Fai
(*resigned on 20 January 2022*)

Remuneration Committee

Mr. CHAN Ka Kui (*Chairman*)
Mr. LI Kwok Tung Roy
Mr. KWAN Kai Cheong
Dr. CHAN Kwong Fai
(*resigned on 20 January 2022*)

Nomination Committee

Mr. MA Ka Chun (*Chairman*)
Mr. LI Kwok Tung Roy
Mr. CHAN Ka Kui
Ms. CHAN Kit Fun Fanny
(*appointed on 25 July 2022*)
Dr. CHAN Kwong Fai
(*resigned on 20 January 2022*)

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

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D
P.O. Box 1586, Gardenia Court
Camana Bay, Grand Cayman KY1-1100
Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
Hang Seng Bank Limited
DBS Bank (Hong Kong) Limited

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

The Board of Directors of Win Hanverky Holdings Limited presented the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2022, together with the comparative amounts for the corresponding period of 2021. 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	
		2022	2021
Revenue	HK\$'000	2,261,973	2,087,391
Gross profit	HK\$'000	526,653	547,098
Gross profit margin	%	23.3	26.2
Operating profit	HK\$'000	31,253	49,252
Profit before income tax	HK\$'000	14,176	33,909
Profit for the period	HK\$'000	21,288	27,343
Profit attributable to equity holders	HK\$'000	20,522	33,033
Basic earnings per Share	HK cents	1.6	2.6

		As at	
		30 June 2022	31 December 2021
Net gearing ratio (Note)	%	25.5	27.3
Current ratio	times	1.4	1.4
Trade receivable turnover period	days	42	44
Inventory turnover period	days	139	143

Note: 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 and retailer for internationally renowned sports, fashion and outdoor brands. The financial performance of the Group for the six months ended 30 June 2022 is summarised below:

OVERALL REVIEW

Revenue of the Group amounted to HK\$2,262.0 million (30 June 2021: HK\$2,087.4 million), representing an increase of 8.4%. The increase was mainly attributable to the increased orders received from customers of Manufacturing Business as well as the fulfillment of orders brought forward from the temporary production suspension at the Vietnam factories in the second half of 2021. It was partially offset by the decrease in revenue from High-end Fashion Retailing Business due to the temporary store closures in some major cities of Mainland China amid the COVID-19 pandemic (“COVID-19”).

Gross profit margin of the Group decreased to 23.3% (30 June 2021: 26.2%). The decrease in gross profit margin of 2.9 percentage points was mainly attributable to the change in proportion of business mix. The decrease in proportion of revenue contributed by High-end Fashion Retailing Business which has a higher gross profit margin than Manufacturing Business dragged down the Group’s overall gross profit margin.

Gross profit of the Group decreased by HK\$20.4 million to HK\$526.7 million (30 June 2021: HK\$547.1 million), 3.7% lower than that of the corresponding period of 2021. The decrease in gross profit was mainly attributable to the decreased revenue from High-end Fashion Retailing Business due to the temporary store closures from end of March to early June 2022 in some major cities of Mainland China, which outweighed the additional gross profit brought in by the increased revenue from Manufacturing Business.

Selling and distribution costs remained stable at HK\$293.2 million (30 June 2021: HK\$ 291.9 million) while general and administrative expenses recorded a mild increase of HK\$13.1 million to HK\$222.2 million (30 June 2021: HK\$209.1 million).

Other net income mainly comprised a gain of HK\$14.6 million from the disposal of a subsidiary holding a warehouse in Hong Kong which had not been fully utilised.

Consequently, operating result recorded a profit of HK\$31.3 million (30 June 2021: profit of HK\$49.3 million).

Net finance costs increased by HK\$2.6 million to HK\$18.0 million (30 June 2021: HK\$15.4 million), which was mainly attributable to the increase in interest on bank borrowings by HK\$1.9 million as a result of increase in interest rates.

Overall, despite the severe market condition facing by High-end Fashion Retailing Business, Manufacturing Business has shown a good recovery to mitigate the impact and the Group still maintained a stable profit after taxation of HK\$21.3 million (30 June 2021: profit of HK\$27.3 million).

The Board considers to conserve financial resources and does not recommend the payment of interim dividend for the six months ended 30 June 2022 (30 June 2021: Nil) in view of the challenges and uncertainties ahead. We will continue to monitor the market situation and review our dividend payout from time to time.

BUSINESS REVIEW

The operating environment remained complex and surrounded by uncertainties in the first half of 2022. The new crisis in Ukraine, the lingering effects of COVID-19, and the changing monetary and fiscal responses to these events have presented a set of risks to the global market. Foremost among them is inflation. Russia's invasion of Ukraine has materially altered the global economic environment. Wide-ranging sanctions against Russia implemented by the United States and its allies have injected new volatility into supply chains, which were already under pressure as post-pandemic re-opening in some countries coincided with ongoing COVID-19 restrictions in others. Meanwhile, the resurgence of COVID-19 cases combined with strict safety measures depressed consumer spending in Mainland China.

The financial performance of the business segments is summarised below:

Manufacturing Business

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

Sportswear Manufacturing Business

The Group's Sportswear Manufacturing Business operates mainly through its OEM arrangements for a number of internationally renowned 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\$216.7 million to HK\$1,506.8 million (30 June 2021: HK\$1,290.1 million), representing an increase of 16.8%. The increase was mainly due to the increased orders received from customers as well as the fulfilment of orders brought forward from the temporary production suspension at the Vietnam factories in the second half of 2021, in particular, demand from the European market recorded a modest growth in the first half of 2022.

The Group completed the disposal of a subsidiary and a gain of HK\$14.6 million was recorded in the six months ended 30 June 2022. The subsidiary was principally engaged in property holding in Hong Kong and its principal asset was a property which was under-utilised as the Group's warehouse. The proceeds of approximately HK\$39.8 million from the consideration of disposal have enhanced the financial position of the Group.

Operating profit increased to HK\$63.4 million (30 June 2021: profit of HK\$29.4 million) which included the gain on disposal of a subsidiary as mentioned above. Excluding such gain on disposal of a subsidiary, the increase in operating profit was mainly attributable to the additional gross profit brought in as driven by the increased revenue.

High-end Functional Outerwear Manufacturing Business

Revenue from High-end Functional Outerwear Manufacturing Business increased by HK\$127.3 million to HK\$280.0 million (30 June 2021: HK\$152.7 million), representing a strong growth of 83.4%. It was attributable to the increased orders received from customers, particularly demand from the European market recorded a significant growth in the first half of 2022, and the continued growth of orders received from domestic customers since the successful business development in the Mainland China market resulting from the establishments of strategic partnership with nationwide renowned brands.

Operating profit of HK\$4.4 million was recorded for the six months ended 30 June 2022 (30 June 2021: loss of HK\$17.7 million). The first time this highly seasonal winter product business recorded operating profit for the first half of the year since the commencement of this business in 2018. It was attributable to the gross profit brought in by the increased revenue from the European and Mainland China markets.

High-end Fashion Retailing Business

The Group's High-end Fashion Retailing Business had fashion retail networks through "**D-mop**" and "**J-01**" stores to sell self-owned brands, as well as imported brands, in Hong Kong and Mainland China. In addition, it had distribution rights for brands including "**Y-3**" in Mainland China, Hong Kong, Macau, Taiwan and Singapore and "**Heron Preston**" in Mainland China. It also operated licensed stores for brands "**Champion**" and "**DAKS**" in Mainland China and "**New Era**" in Mainland China and Hong Kong.

Revenue from High-end Fashion Retailing Business decreased by HK\$169.4 million to HK\$475.2 million (30 June 2021: HK\$644.6 million), representing a decrease of 26.3%. The highly infectious Omicron variant of COVID-19 struck a handful of cities in Mainland China and business activities were seriously curtailed during the first half of 2022. In particular, there were lockdowns in some major cities of Mainland China where the Group was operating, including the lockdown in Shanghai which spanned from end of March to early June 2022 and resulted in temporary closure of all the stores for approximately two months. In this regard, an average of approximately 30 to 40 stores in Mainland China were temporarily closed daily in April and May 2022.

As the number of COVID-19 cases subsequently decreased, cities and districts lifted lockdown restrictions and public venues gradually re-opened though regular COVID-19 tests are still required. All of our stores have been subsequently re-opened from temporary closure since early June 2022 and revenue generated from the Mainland China market in June 2022 gradually improved as compared to April and May 2022. Having said that, operating loss arising from the temporary store closures amounting to HK\$11.9 million was reported inevitably, resulting in overall operating loss of HK\$36.5 million for the six months ended 30 June 2022 (30 June 2021: profit of HK\$37.6 million). Apart from the impact arising from the temporary store closures, the profitability of High-end Fashion Retailing Business was highly pressurised by the fierce market competition during the tough economic environment which was exacerbated particularly in those cities where the Group was operating as non-exclusive distributors of certain brands.

As at 30 June 2022, the total number of stores increased to 248 (30 June 2021: 242), of which 216 (30 June 2021: 205) stores were in Mainland China, 22 (30 June 2021: 27) stores were in Hong Kong and Macau, and 10 (30 June 2021: 10) stores in Taiwan and Singapore.

PROSPECTS

The global economic outlook continues to be clouded by the ongoing COVID-19, mixing with the elevating interest rate and inflation rate, the fallout from the war between Russia and Ukraine as well as the surging energy and commodity prices.

Against the backdrop of various economic challenges, we will continue to closely monitor the developments of the dynamic environment and will remain agile and vigilant by promptly adjusting our operational mode and making swift responses to minimise the impact to our businesses.

Manufacturing Business

Sportswear Manufacturing Business

Sportswear Manufacturing Business has been seriously impacted by COVID-19 and global economic uncertainties in the last few years. Nevertheless, the existing global awareness for health and wellness, increased sports participation rates, as well as the return of large-scale major sports events, demand for sportswear products is anticipated to be continuously attractive in the long run. We are cautiously optimistic about the business opportunities.

In short-term, it is unavoidable that the global economic environment will be volatile and surrounded by uncertainties. Facing the foreseeable challenges, we will continue to enhance our operational excellence and diligently apply cost controls to rein in spending in order to confront with a bumpy path ahead.

The development plan for our new factories in Vinh Long, Vietnam has been resumed to cater for the medium to long-term needs of our customers. However, the new Ukraine crisis has brought new uncertainty and risk to the global economy while its impact to global demand is still difficult to ascertain at the moment. We will adopt a more prudent approach in developing the plan.

High-end Functional Outerwear Manufacturing Business

High-end Functional Outerwear Manufacturing Business made a decent progress in the Mainland China market which was driven by the successful strategic partnership establishments with nationwide renowned brands. As we have a solid order book on hand and demand from the European market resumed, it is believed that the positive momentum will be carried forward to the second half of 2022.

High-end Fashion Retailing Business

Mainland China will remain as the major market of High-end Fashion Retailing Business and it is anticipated that the performance to restore with the gradual relaxation of COVID-19 restrictions. In other markets, it is expected that shop footfall will increase subject to the progressive relaxation of COVID-19 related measures, particularly in Hong Kong and Macau regions. Nevertheless, a full recovery will depend on the full re-opening of the border with Mainland China.

In order to stimulate customer spending, we will continue to offer shopping incentives at our stores to boost the local consumption. On the other hand, we will extend the negotiation with landlords for further rental reductions to minimise the pressure on profit margin. We will also continue to prudently assess the profitability of the retail stores across the region and subject to the outcome, certain stores would be closed when necessary.

FINANCIAL POSITION AND LIQUIDITY

The lingering effects of COVID-19, the unprecedented geopolitical tensions between Russia and Ukraine, and the changing monetary and fiscal responses to these events have made the operating environment extremely difficult. In view of the challenges and uncertainties ahead, the Group will continue to proactively monitor the situation and impose strict cost control measures and focus on its cashflow management to ensure that it remains a healthy liquidity position.

As at 30 June 2022, the Group had cash and bank balances of HK\$336.7 million (31 December 2021: HK\$415.8 million) and net borrowings (bank borrowings and loans from non-controlling interests of subsidiaries less cash and bank balances) of HK\$487.1 million (31 December 2021: HK\$530.7 million), together with available undrawn banking facilities of HK\$576.1 million (31 December 2021: HK\$457.2 million). The net change was mainly attributable to the cash generated from operating activities, net with repayment of bank borrowings. The net gearing ratio (being net borrowings divided by total equity) as at 30 June 2022 was 25.5% (31 December 2021: 27.3%).

During the first half of 2022, the Group disposed of a subsidiary which held an under-utilised warehouse to enhance the cash and financial position of the Group. Given the highly uncertain global economic environment, the Group will continue to assess the usage of its assets and their market values. If opportunities come along, the Group may consider realising their values for further enhancement of the Group's cash and financial position to safeguard against the strong headwinds.

The Group expects that there will be steady cash inflow from operations and additional cash inflow from the realisation of assets, coupled with sufficient cash and bank balances and based on its readily available banking facilities, amid of COVID-19 continues to impact the Group's operations, the Group has adequate liquidity and financial resources to cover its operating costs and meet its financial obligations as and when they fall due in the coming twelve months from the date of this interim report.

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 69.4%, 26.9% and 2.2% of revenue were denominated in USD, RMB and HKD respectively, whereas approximately 85.4%, 10.8% and 2.4% of purchases were denominated in USD, RMB and HKD respectively.

As at 30 June 2022, approximately 56.4%, 29.7% and 8.6% of cash and bank balances were denominated in USD, RMB and HKD respectively, and approximately 47.3%, 46.6% and 6.1% of bank borrowings were denominated in USD, HKD and RMB respectively.

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 2022, the Group had approximately 20,000 employees (31 December 2021: 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 2022, bank deposit of HK\$1.3 million (31 December 2021: HK\$1.2 million) was pledged as security deposit at Custom Department for a subsidiary of the Group; and land and properties with an aggregate carrying amount of HK\$76.8 million (31 December 2021: HK\$55.1 million) were 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 2022.



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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 14 to 39, 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 2022 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 notes, comprising significant accounting policies and other explanatory information. 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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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, 25 August 2022

Consolidated Statement of Financial Position

As at 30 June 2022

	<i>Note</i>	Unaudited 30 June 2022 HK\$'000	Audited 31 December 2021 HK\$'000
Non-current assets			
Property, plant and equipment	6	983,881	1,056,014
Intangible assets	7	219,900	221,314
Investments in associates		15,849	15,274
Other receivables and financial assets	9	50,410	49,296
Deferred tax assets		135,293	115,075
Pledged bank deposit		1,267	—
		1,406,600	1,456,973
Current assets			
Inventories		1,325,041	1,344,515
Trade and bills receivable	8	507,573	547,797
Other receivables and financial assets	9	195,380	175,773
Current tax recoverables		1,128	3,156
Pledged bank deposit		—	1,224
Cash and bank balances		336,650	415,819
		2,365,772	2,488,284
Current liabilities			
Trade and bills payable	10	326,366	332,282
Accruals and other payables	11	294,384	319,314
Borrowings	12	819,040	942,216
Lease liabilities		127,197	112,830
Current tax liabilities		82,002	74,366
		1,648,989	1,781,008
Non-current liabilities			
Other payables	11	14,649	16,433
Lease liabilities		191,897	197,712
Deferred tax liabilities		7,151	7,453
		213,697	221,598
Net assets		1,909,686	1,942,651

Consolidated Statement of Financial Position

As at 30 June 2022

	Unaudited 30 June 2022 HK\$'000	Audited 31 December 2021 HK\$'000
Equity attributable to equity holders of the Company		
Share capital	128,440	128,440
Reserves	1,798,810	1,830,655
	1,927,250	1,959,095
Non-controlling interests	(17,564)	(16,444)
Total equity	1,909,686	1,942,651

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 2022

	Note	Unaudited Six months ended 30 June	
		2022 HK\$'000	2021 HK\$'000
Revenue	5	2,261,973	2,087,391
Cost of sales		(1,735,320)	(1,540,293)
Gross profit		526,653	547,098
Selling and distribution costs		(293,188)	(291,884)
General and administrative expenses		(222,236)	(209,081)
Other net income	13	20,024	3,119
Operating profit	5	31,253	49,252
Finance costs — net	14	(17,990)	(15,444)
Share of profits of associates		913	101
Profit before income tax		14,176	33,909
Income tax	15	7,112	(6,566)
Profit for the period		21,288	27,343
Profit/(loss) for the period attributable to:			
Equity holders of the Company		20,522	33,033
Non-controlling interests		766	(5,690)
		21,288	27,343
Earnings per share attributable to equity holders of the Company			
(basic and diluted, expressed in HK cents)	16	1.6	2.6

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 2022

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Profit for the period	21,288	27,343
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	(53,915)	10,046
Share of other comprehensive income of associates	(338)	51
Total comprehensive income for the period	(32,965)	37,440
Total comprehensive income for the period attributable to:		
Equity holders of the Company	(31,845)	42,884
Non-controlling interests	(1,120)	(5,444)
	(32,965)	37,440

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 2022

	Unaudited				
	Attributable to equity holders of the Company			Non- controlling interests	Total equity
	Share capital	Reserves	Total		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2022	128,440	1,830,655	1,959,095	(16,444)	1,942,651
Profit for the period	–	20,522	20,522	766	21,288
Other comprehensive income	–	(52,367)	(52,367)	(1,886)	(54,253)
Total comprehensive income for the period	–	(31,845)	(31,845)	(1,120)	(32,965)
At 30 June 2022	128,440	1,798,810	1,927,250	(17,564)	1,909,686
At 1 January 2021	128,440	1,844,369	1,972,809	(4,463)	1,968,346
Profit/(loss) for the period	–	33,033	33,033	(5,690)	27,343
Other comprehensive income	–	9,851	9,851	246	10,097
Total comprehensive income for the period	–	42,884	42,884	(5,444)	37,440
At 30 June 2021	128,440	1,887,253	2,015,693	(9,907)	2,005,786

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 2022

	Unaudited	
	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Cash flows generated from operating activities		
Cash generated from operations	116,175	101,751
Income taxes paid	(4,230)	(10,524)
Net cash generated from operating activities	111,945	91,227
Investing activities		
Interest received	489	739
Payment for property, plant and equipment	(28,236)	(32,659)
Proceeds from disposal of property, plant and equipment, and lease modifications	9	46
Proceeds from disposal of a subsidiary	39,800	—
Increase in pledged bank deposit	(97)	—
Repayment of receivables from a landlord	—	2,730
Net cash generated from/(used in) investing activities	11,965	(29,144)
Financing activities		
Proceeds from bank borrowings	694,397	534,141
Repayments of bank borrowings	(816,512)	(516,273)
Principal elements of lease payments	(67,833)	(84,287)
Interest elements of lease payments	(8,585)	(8,102)
Increase/(decrease) in loans from non-controlling interests of subsidiaries	408	(2,998)
Net cash used in financing activities	(198,125)	(77,519)
Net decrease in cash and cash equivalents	(74,215)	(15,436)
Cash and cash equivalents at beginning of the period	415,819	695,088
Exchange differences on cash and cash equivalents	(4,954)	2,009
Cash and cash equivalents at end of the period	336,650	681,661

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 functional outerwear, 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 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.

The condensed interim financial information contains the consolidated statement of financial position as at 30 June 2022, 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.

The HKICPA has issued a number of new amendments that became applicable for the current reporting period. None of the developments have had a material effect on the Group’s result and financial position for the current and prior periods. The Group has not applied any new standard, amendment or interpretation that is not yet effective for the current accounting period.

Save as described above, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2021. Accordingly, readers should read the condensed interim financial information in conjunction with the annual financial statements for the year ended 31 December 2021, prepared in accordance with Hong Kong Financial Reporting Standards.

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

3 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 2021.

4 Financial risk management

4.1 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 2021. There have been no significant changes in the risk management policies since year end.

Regarding liquidity risk, prudent management includes maintaining sufficient cash and the availability of funding from an adequate amount of banking facilities. Certain of the Group's banking facilities are subject to fulfilment of financial covenants as required by the banks. The Group regularly monitors its compliance with these covenants and re-negotiates to relax the undertakings or apply waivers against these undertakings from respective banks when necessary. The Group expects that there will be steady cash inflow from operations and additional cash inflow from the realisation of assets, coupled with sufficient cash and bank balances and based on its financial records and long banking relationships to continue its available banking facilities. Amid of COVID-19 continues to impact the Group's operations, management's assessment indicates that the Group has adequate liquidity and financial resources to cover its operating costs and meet its financial obligations as and when they fall due in the coming twelve months from the date of this condensed interim financial information.

4.2 Fair value estimation

The carrying values less impairment provision of trade and bills receivable, trade and bills payable, 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 deposit and cash and bank balances also approximate their fair values.

5 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 2022 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.
- The High-end Fashion Retailing segment represents retailing of high-end fashion 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 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.

Disaggregation of revenue from contracts with customer by products or service lines is as follows:

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Sales of goods	2,258,486	2,083,465
Provision of services	3,487	3,926
	2,261,973	2,087,391

5 Segment information (Continued)

The segment results for the six months ended 30 June 2022 are as follows:

	Manufacturing			Total HK\$'000
	Sportswear Manufacturing HK\$'000	High-end Functional Outerwear Manufacturing HK\$'000	High-end Fashion Retailing HK\$'000	
Total segment revenue	1,508,177	279,991	475,170	2,263,338
Inter-segment revenue	(1,365)	—	—	(1,365)
Revenue	1,506,812	279,991	475,170	2,261,973
Operating profit/(loss) and segment results	63,430	4,332	(36,509)	31,253
Finance costs – net				(17,990)
Share of profits of associates	913	—	—	913
Profit before income tax				14,176
Income tax				7,112
Profit for the period				21,288

Other segment items charged/(credited) to the operating profit for the six months ended 30 June 2022 are as follow:

Depreciation and amortisation of property, plant and equipment, and leased assets	53,309	6,535	78,395	138,239
Amortisation of intangible assets	—	1,065	349	1,414
Provision/(write-back of provision) for inventories, net	16,571	962	(16,252)	1,281
Loss on disposal of property, plant and equipment, and lease modifications, net	—	4	1,930	1,934
Gain on disposal of a subsidiary, net	(14,560)	—	—	(14,560)

5 Segment information (Continued)

The segment results for the six months ended 30 June 2021 are as follows:

	Manufacturing			Total HK\$'000
	Sportswear Manufacturing HK\$'000	High-end Functional Outerwear Manufacturing HK\$'000	High-end Fashion Retailing HK\$'000	
Total segment revenue	1,290,989	152,741	644,544	2,088,274
Inter-segment revenue	(883)	—	—	(883)
Revenue	1,290,106	152,741	644,544	2,087,391
Operating profit/(loss) and segment results	29,403	(17,778)	37,627	49,252
Finance costs – net				(15,444)
Share of profits of associates	101	—	—	101
Profit before income tax				33,909
Income tax				(6,566)
Profit for the period				27,343

Other segment items charged/(credited) to the operating profit for the six months ended 30 June 2021 are as follow:

Depreciation and amortisation of property, plant and equipment, and leased assets	50,974	6,843	75,823	133,640
Amortisation of intangible assets	—	1,065	349	1,414
Reversal of impairment of trade receivables, net	—	(1,214)	—	(1,214)
Provision/(write-back of provision) for inventories, net	17,199	2,136	(17,521)	1,814
(Gain)/loss on disposal of property, plant and equipment, and lease modifications, net	(1,124)	63	—	(1,061)

5 Segment information (Continued)

The segment assets and liabilities are as follows:

	Manufacturing		High-end Fashion Retailing HK\$'000	Unallocated HK\$'000	Total HK\$'000
	Sportswear Manufacturing HK\$'000	High-end Functional Outerwear Manufacturing HK\$'000			
Total assets					
30 June 2022	2,079,488	490,131	1,066,332	136,421	3,772,372
31 December 2021	2,069,552	488,475	1,268,999	118,231	3,945,257
Total liabilities					
30 June 2022	1,047,959	273,336	452,238	89,153	1,862,686
31 December 2021	1,032,808	279,605	608,374	81,819	2,002,606

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

5 Segment information (Continued)

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	
	2022	2021
	HK\$'000	HK\$'000
Europe	772,218	458,647
Mainland China	674,121	855,387
Other Asian countries	328,214	268,232
United States	294,653	323,807
Hong Kong	55,591	89,721
Canada	38,034	21,562
Others	99,142	70,035
	2,261,973	2,087,391

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

	As at	
	30 June	31 December
	2022	2021
	HK\$'000	HK\$'000
Mainland China	423,475	476,985
Hong Kong	379,398	401,366
Vietnam	286,107	268,239
Cambodia	165,838	177,150
Others	16,489	18,158
	1,271,307	1,341,898

6 Property, plant and equipment

	HK\$'000
For the six months ended 30 June 2022	
Opening net book amount	1,056,014
Additions	80,197
Disposals	(1,943)
Disposal of a subsidiary	(25,217)
Lease modifications	33,252
Depreciation and amortisation	(138,239)
Currency translation differences	(20,183)
Closing net book amount	983,881

As at 30 June 2022, certain land and properties with an aggregate carrying amount of HK\$76,763,000 (31 December 2021: HK\$55,081,000) were pledged for certain banking facilities (Note 12).

The Group leases various land, retail stores, offices, warehouses, plant and equipment. As at 30 June 2022, the net book amount of the related right-of-use assets was HK\$417,795,000 (31 December 2021: HK\$433,560,000).

7 Intangible assets

	Customer			Total HK\$'000
	Goodwill HK\$'000	relationship HK\$'000	Trademarks HK\$'000	
For the six months ended 30 June 2022				
Opening net book amount	200,094	12,956	8,264	221,314
Amortisation	—	(1,065)	(349)	(1,414)
Closing net book amount	200,094	11,891	7,915	219,900

8 Trade and bills receivable

	As at	
	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Trade receivables	505,899	547,726
Bills receivable	4,932	3,413
	510,831	551,139
Less: impairment of trade receivables	(3,258)	(3,342)
Financial assets measured at amortised cost	507,573	547,797

Majority of the trade receivables are with customers having good credit history. The Group usually 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 2022 HK\$'000	31 December 2021 HK\$'000
0-90 days	488,691	535,779
91-180 days	14,277	10,089
181-365 days	3,907	1,036
Over 365 days	3,956	4,235
	510,831	551,139

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

As at 30 June 2022 and 31 December 2021, 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 50% (31 December 2021: 47%) 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.

9 Other receivables and financial assets

	As at	
	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Non-current		
Rental, utility and other deposits	34,619	30,644
Rental deposit to a related party (Note 19(c))	463	484
Financial assets measured at amortised cost	35,082	31,128
Deposits for plant and equipment	15,328	18,168
	50,410	49,296
Current		
Rental, utility and other deposits	56,200	60,387
Other receivables from customers and suppliers	24,084	15,399
Receivables from a related party (Note 19(c))	13,502	13,392
Other tax receivables	3,888	2,245
Sundry receivables	10,349	9,521
Financial assets measured at amortised cost	108,023	100,944
Value-added tax recoverable	50,163	33,349
Prepayments for inventories	24,147	15,976
Prepayments for operating expenses	13,047	25,504
	195,380	175,773
	245,790	225,069

10 Trade and bills payable

	As at	
	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Trade payables		
– to third parties	309,988	313,674
– to a related party (<i>Note 19(b)</i>)	10,517	15,229
Bills payable	5,861	3,379
Financial liabilities measured at amortised cost	326,366	332,282

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

	As at	
	30 June 2022 HK\$'000	31 December 2021 HK\$'000
0–90 days	316,935	309,405
91–180 days	7,920	22,549
181–365 days	1,284	152
Over 365 days	227	176
	326,366	332,282

11 Accruals and other payables

	As at	
	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Current		
Accruals for employee benefit costs	130,415	138,162
Accruals for other operating expenses	71,254	71,885
Payables for purchases of property, plant and equipment	31,106	30,371
Other taxes payable	15,544	19,248
Payables to related parties <i>(Note 19(d))</i>	7,860	7,452
Deposits received	2,630	5,658
Others	9,968	8,869
	268,777	281,645
Financial liabilities measured at amortised cost		
Contract liabilities	12,656	16,519
Provision for re-instatement of leased assets	11,578	14,108
Deferred income	1,373	7,042
	294,384	319,314
Non-current		
Provision for re-instatement of leased assets	7,987	7,060
Deferred income	6,662	9,373
	14,649	16,433
	309,033	335,747

12 Borrowings

	As at	
	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Within 1 year or on demand	819,040	942,216

The Group's borrowings are carried at amortised cost. As at 30 June 2022 and 31 December 2021, 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.

As at 30 June 2022, based on the repayment dates set out in the payment schedules ignoring the effect of any repayment on demand clause, the interest-bearing bank borrowings were due for repayment as follows:

	As at	
	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Within 1 year	771,540	863,049
After 1 year but within 2 years	47,500	63,334
After 2 years but within 3 years	—	15,833
	819,040	942,216

13 Other net income

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Gain on disposal of a subsidiary, net (<i>Note</i>)	14,560	—
Government subsidies	5,338	525
Gain on disposal of ancillary materials, net	752	844
Rental income	734	703
Net exchange gain/(loss)	88	(712)
(Loss)/gain on disposal of property, plant and equipment, and lease modifications, net	(1,934)	1,061
Others	486	698
	20,024	3,119

Note: The Group has completed a disposal of a subsidiary in March 2022, resulting in a gain on disposal amounting to HK\$14,560,000. The subsidiary was principally engaged in property holding in Hong Kong and its principal asset was a property which was under-utilised as the Group's warehouse.

14 Finance costs – net

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Finance income		
– Interest income from bank deposits and receivables from a landlord	379	566
– Interest income from non-controlling interest of a subsidiary (<i>Note 19(a)</i>)	110	104
	489	670
Finance cost		
– Interest on bank borrowings	(9,894)	(8,012)
– Interest on lease liabilities	(8,585)	(8,102)
	(18,479)	(16,114)
	(17,990)	(15,444)

15 Income tax

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

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Current tax		
– Hong Kong	7,334	788
– Mainland China	6,889	6,786
– Overseas	891	889
– Over-provision in prior years	(723)	(14)
Deferred tax	(21,503)	(1,883)
	(7,112)	6,566

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 and Hong Kong profits tax have been provided at the rates of 25% (2021: 25%) and 16.5% (2021: 16.5%) on the estimated assessable profits respectively. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the applicable rates of taxation prevailing in the jurisdictions in which the Group operates.

16 Earnings per share

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 of 1,284,400,000 shares (30 June 2021: 1,284,400,000 shares) in issue during the period.

	Six months ended 30 June	
	2022	2021
Basic and diluted earnings per share (<i>HK cents</i>)	1.6	2.6

The diluted earnings per share for the six months ended 30 June 2022 and 2021 are the same as the basic earnings per share as the potential ordinary shares arising from the share options granted by the Company outstanding do not have dilutive effect.

17 Dividends

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2022 (30 June 2021: Nil).

18 Commitments

(a) 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 2022 HK\$'000	31 December 2021 HK\$'000
Capital injection in subsidiaries	127,143	130,045
Property, plant and equipment	6,314	5,599

(b) Lease commitments

At 30 June 2022, the total future lease payments for leases committed but not yet commenced in relation to leased properties were HK\$33,761,000 (31 December 2021: HK\$15,340,000).

19 Related party transactions

The Group is controlled by Quinta Asia Limited (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 2022. The Company's directors regard Quinta Asia Limited as being the ultimate controlling party.

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

(a) Transactions with related parties

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Purchases of goods		
Major shareholder of an associate of the Group	31,741	20,365
Interest income		
Non-controlling interest of a subsidiary	110	104
Lease expenses		
An associate of the Group	1,362	1,358

Goods are purchased at prices mutually agreed by both parties.

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

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

19 Related party transactions (Continued)

(b) Period/year-end balances arising from purchases of goods

	As at	
	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Included in trade payables (Note 10)		
Major shareholder of an associate of the Group	10,517	15,229

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

(c) Amounts due from related parties

	As at	
	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Included in other receivables (Note 9)		
Receivables from non-controlling interest of a subsidiary	13,502	13,392
Rental deposit to an associate of the Group	463	484
	13,965	13,876

The receivables from non-controlling interest of a subsidiary are secured by a property held by non-controlling interest of a subsidiary, 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.

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

	As at	
	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Included in accruals and other payables (Note 11)		
Loans from non-controlling interests of subsidiaries	4,720	4,312
Payables to non-controlling interest of a subsidiary	3,140	3,140
	7,860	7,452

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

(e) Key management compensation

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
Salaries, bonus and allowances	9,299	9,645
Defined contribution retirement schemes	36	36
	9,335	9,681

DIRECTORS' DISCLOSURE OF INTERESTS

As at 30 June 2022, 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 2022.

Notes:

- 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.
- 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.
- Mr. WONG Chi Keung holds 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 2022, 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 2022, 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.

Name	Capacity	Number of shares			Percentage of interest in the Company*
		Long position	Short position	Lending pool	
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 2022.

Save as disclosed above, as at 30 June 2022, 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 on 6 September 2006 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

Movements of the options under the Share Option Scheme for the six months ended 30 June 2022 are as follows:

Grantee	Date of grant	Exercise price per Share HK\$	Exercise period	Number of options under the Share Option Scheme			
				As at 01/01/2022	Exercised during the period	Lapsed/cancelled during the period	As at 30/06/2022
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
Total				31,000,000	–	–	31,000,000

No option has been granted under the New Share Option Scheme by 30 June 2022.

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, Mr. MA Ka Chun, Mr. CHAN Ka Kui and Ms. CHAN Kit Fun Fanny, 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. CHAN Ka Kui and Mr. KWAN Kai Cheong. The chairman of the Remuneration Committee is Mr. CHAN Ka Kui.

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, Mr. CHAN Ka Kui and Ms. CHAN Kit Fun Fanny. The chairman of the Nomination Committee is Mr. MA Ka Chun.

DIVIDENDS

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2022.

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 six months ended 30 June 2022.

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 2022.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with the code provisions in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2022.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has discussed with the management of the Company the financial reporting matters related to the preparation of the unaudited condensed interim financial information for the six months ended 30 June 2022. It has also reviewed the unaudited condensed interim financial information for the six months ended 30 June 2022 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 2022 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 thank our Directors and the whole team for their dedication, ongoing commitment and perseverance. Once again, we have demonstrated resilience during the extremely difficult time. My gratitude also goes to our clients, shareholders and business partners for their continued confidence, full support and enduring trust.

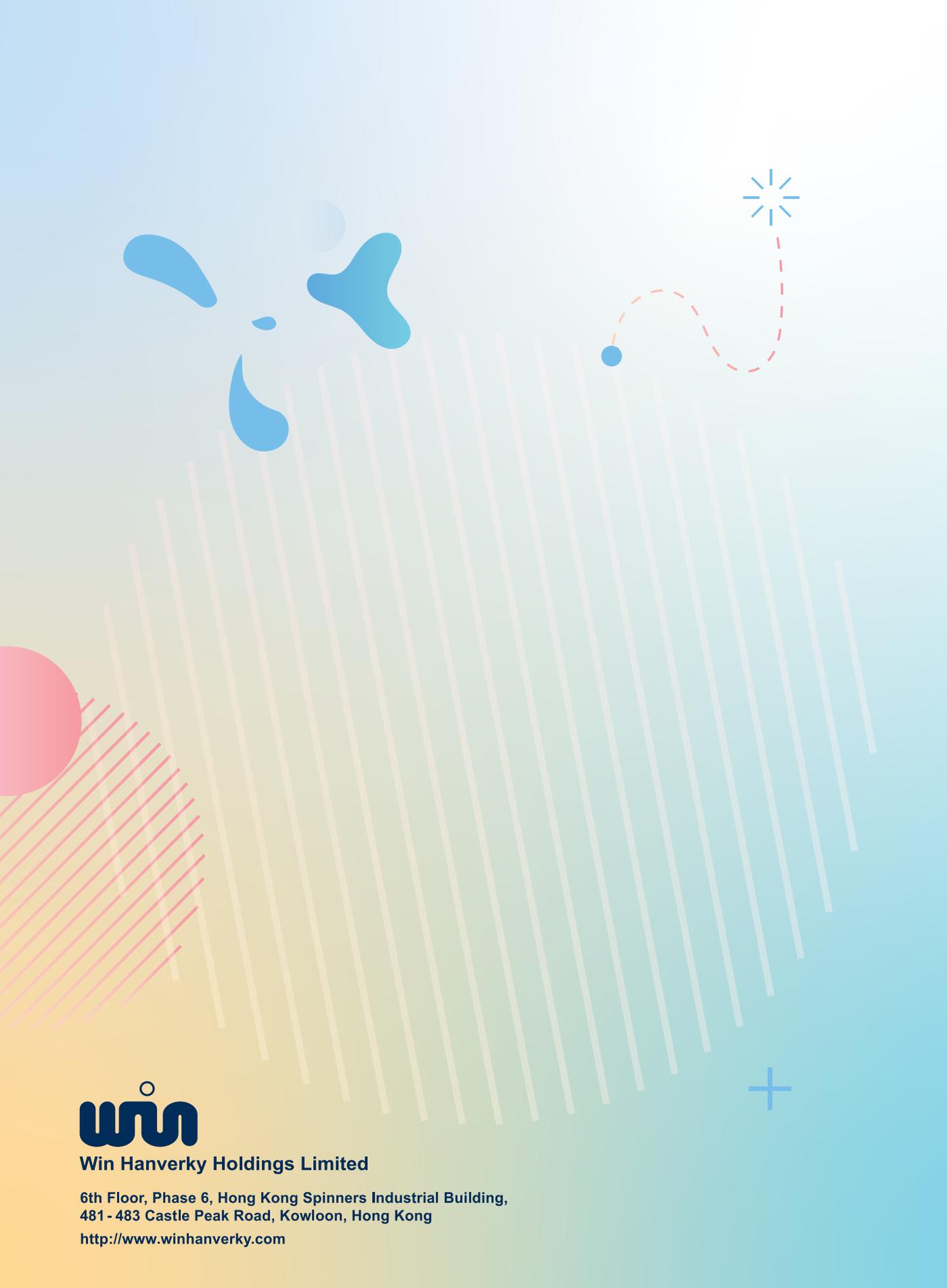
By Order of the Board
Win Hanverky Holdings Limited

LI Kwok Tung Roy
Chairman

Hong Kong, 25 August 2022

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
“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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