



# Win Hanverky Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3322)



**2024**  
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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## Corporate Information

### 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  
Ms. CHAN Kit Fun Fanny

### 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  
Ms. CHAN Kit Fun Fanny

#### *Remuneration Committee*

Ms. CHAN Kit Fun Fanny (*Chairman*)  
Mr. LI Kwok Tung Roy  
Mr. KWAN Kai Cheong

#### *Nomination Committee*

Mr. MA Ka Chun (*Chairman*)  
Mr. LI Kwok Tung Roy  
Ms. CHAN Kit Fun Fanny

### 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](http://www.winhanverky.com)

## Financial Highlights

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 2024, together with the comparative amounts for the corresponding period of 2023. 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	
		2024	*2023
Continuing operations			
Revenue	HK\$'000	1,756,510	1,488,664
Gross profit	HK\$'000	325,854	242,239
Gross profit margin	%	18.6	16.3
Operating loss	HK\$'000	(62,015)	(139,204)
Loss before income tax	HK\$'000	(83,684)	(159,102)
Loss from continuing operations	HK\$'000	(85,710)	(142,588)
Loss from discontinued operations	HK\$'000	—	(34,562)
Loss for the period	HK\$'000	(85,710)	(177,150)
Loss attributable to equity holders	HK\$'000	(80,484)	(163,214)
Basic loss per Share	HK cents	(6.3)	(12.7)

		As at	
		30 June 2024	31 December 2023
Net gearing ratio <sup>^</sup>	%	16.9	18.4
Current ratio	times	1.3	1.4
Trade receivable turnover period	days	41	52
Inventory turnover period	days	99	113

Notes:

\* The income statements distinguish discontinued operations from continuing operations. Comparative figures have been re-presented accordingly.

<sup>^</sup> 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 2024 is summarised below:

### OVERALL REVIEW

Revenue of the Group from continuing operations amounted to HK\$1,756.5 million (30 June 2023: HK\$1,488.7 million), representing an increase of 18.0%. The increase was mainly attributable to the rebounded orders received from customers of Sportswear Manufacturing Business as they have significantly improved their inventory glut issue. The momentum of customer orders has been regained as driven by the increased consumer demand from the European market, in particular arising from the large-scale major sports events.

Gross profit margin of the Group from continuing operations increased to 18.6% (30 June 2023: 16.3%). The increase in gross profit margin of 2.3 percentage points was attributable to the improvement in production capacity utilisation rate and operating efficiency of Sportswear Manufacturing Business resulting from the rebounded orders. As a result, gross profit of the Group from continuing operations increased by HK\$83.7 million to HK\$325.9 million (30 June 2023: HK\$242.2 million), 34.5% higher than that of the corresponding period of 2023.

Selling and distribution costs increased by HK\$19.9 million to HK\$187.4 million (30 June 2023: HK\$167.5 million), which was mainly due to impairment loss of HK\$20.1 million (30 June 2023: HK\$1.0 million) incurred for certain retail store assets.

General and administrative expenses decreased by HK\$12.5 million to HK\$203.9 million (30 June 2023: HK\$216.4 million), which was mainly attributable to the Group's effort of cost control.

Consequently, though operating result still recorded a loss of HK\$62.0 million, it was substantially reduced as compared to operating loss of HK\$139.2 million for the corresponding period of 2023. Operating loss of HK\$62.0 million was mainly attributable to operating loss of HK\$52.2 million from continuing operations of High-end Fashion Retailing Business due to continued sluggish consumer consumption.

The Group ceased to operate licensed stores of “*Champion*” since January 2024. The related operations had been regarded as discontinued operations and no further loss was incurred in 2024 (30 June 2023: loss after taxation of HK\$34.6 million).

Overall, the Group still recorded loss after taxation of HK\$85.7 million for the six months ended 30 June 2024, but it was significantly enhanced as compared with loss after taxation of HK\$177.2 million for the corresponding period of 2023.

## Management Discussion and Analysis

The Board considers to conserve financial resources and does not recommend the payment of interim dividend for the six months ended 30 June 2024 (30 June 2023: Nil) in view of the challenges 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 in the first half of 2024. The momentum of customer orders has been re-gained in Manufacturing Business as our major customers have significantly improved their inventory glut issue. However, the recovery of economy in the Greater China regions remained sluggish which dampened the consumer sentiment, in particular in the light luxury retail market in which our High-end Fashion Retailing Business operates.

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\$261.0 million to HK\$1,215.1 million (30 June 2023: HK\$954.1 million), representing an increase of 27.4%. The increase was mainly due to the rebounded orders received from customers as they have significantly improved their inventory glut issue. The momentum of customer orders has been re-gained as driven by the increased consumer demand from the European market, in particular arising from the large-scale major sports events. As a result, the business was successfully turnaround from operating loss of HK\$115.9 million for the six months ended 30 June 2023 to operating profit of HK\$1.4 million in the same period of 2024.



### ***High-end Functional Outerwear Manufacturing Business***

Revenue from High-end Functional Outerwear Manufacturing Business increased by HK\$39.2 million to HK\$260.5 million (30 June 2023: HK\$221.3 million), representing an increase of 17.7%. It was mainly attributable to the increased orders received from the Mainland China market arising from the enlarged scope of cooperation with a comprehensive sportswear conglomerate in the Mainland China market which was offset by the decreased orders from the European market and United States market with higher profit margin. As a result, operating loss of HK\$11.3 million was recorded for the six months ended 30 June 2024 (30 June 2023: operating loss of HK\$9.3 million) before the business entering into traditional peak season in the second half of the year.

### **High-end Fashion Retailing Business**

The Group's High-end Fashion Retailing Business had fashion retail networks through "***D-mop***", "***J-01***" and "***Spoonyard***" 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 other Asia-Pacific regions, and "***Barbour***" in Mainland China. It also operated licensed stores for brands "***DAKS***" in Mainland China and "***New Era***" in Hong Kong.

Revenue from High-end Fashion Retailing Business decreased by HK\$32.4 million to HK\$280.9 million (30 June 2023: HK\$313.3 million), representing a decrease of 10.3%. Light luxury retail consumption remained sluggish after a temporary snap-back in the early of 2023. The market sentiment in Mainland China and Hong Kong has been experiencing a downturn, influenced by persistent economic factors and geopolitical challenges. This trend is further compounded by a shift in consumer spending patterns, transitioning from domestic expenditure to a preference for outbound travel. In light of the adverse impact on the retail store performance, impairment loss of HK\$20.1 million (30 June 2023: HK\$1.0 million) was provided for certain retail store assets. As a result, operating loss of HK\$52.2 million was recorded for the six months ended 30 June 2024 (30 June 2023: operating loss of HK\$14.0 million).

As at 30 June 2024, the total number of stores of continuing operations increased to 110 (30 June 2023: 109), of which 83 (30 June 2023: 81) stores were in Mainland China, 17 (30 June 2023: 17) stores were in Hong Kong and Macau, and 10 (30 June 2023: 11) stores in Taiwan and other Asia-Pacific regions.

## Management Discussion and Analysis

### PROSPECTS

The first half of 2024 presented numerous challenges for the Group, mainly due to ongoing uncertainty and geopolitical tension affecting the global economy. As we venture into the second half of the year, it is anticipated that we will navigate an economic landscape which is intricate and unpredictable. The outlook for our diverse portfolio of businesses is as varied as the contingencies ahead.

Nevertheless, the Group will continue to remain agile and prudent in managing its operations against the backdrop of the dynamic environment.

#### **Manufacturing Business**

##### *Sportswear Manufacturing Business*

Sportswear Manufacturing Business has successfully turnaround due to rebound orders received from customers. As a result of the recent large-scale major sports events, sportswear products are expected to remain fundamentally attractive as the high awareness for health and fitness together with the elevated sports participation rates in the world will sustain. In addition, the inventory glut issue of the major customers has been significantly improved, it is anticipated that Sportswear Manufacturing Business will become stable with a steady growth rate.

##### *High-end Functional Outerwear Manufacturing Business*

High-end Functional Outerwear Manufacturing Business has continued to make good progress in the Mainland China market as it has successfully established a strong strategic partnership with a comprehensive sportswear conglomerate. Leverage with this strategic partnership, it is anticipated that the revenue growth momentum will be carried forward alongside the traditional peak season of the business to the second half of the year.

### **High-end Fashion Retailing Business**

In Mainland China and Hong Kong, consumers remained cautious about spending especially on discretionary items. In addition, the light luxury retail market is bearing the brunt of evolving consumption patterns due to resurgence of outbound travel. The path to recovery is expected to be prolonged and uneven, marked by diminishing momentum and a cautious market outlook. In response, the Group decided to introduce franchise stores apart from the direct operated stores for a fast growing brand in the second half of the year, which marks a pivotal strategic shift for High-end Fashion Retailing Business to operate certain brands with proven market presence. This shift towards a direct operated plus franchise model is projected to bolster business growth and profitability, indicating a promising direction for the business. By leveraging the direct operated plus franchise model, the brand can capitalise on its existing reputation while expanding its footprint and driving revenue growth through a network of partner-operated retail stores. This approach not only diversifies risks but also fosters growth and adaptability to local markets. Despite these strategic moves, it is imperative that we will continue to implement strict cost controls and will also close down the non-profitable stores across the region. As a consequence, it is anticipated that loss attributable to this business will be substantially reduced in the second half of the year.

## Management Discussion and Analysis

### FINANCIAL POSITION AND LIQUIDITY

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

Against the backdrop of the challenging environment, the Group's financial and liquidity position remains healthy. As at 30 June 2024, the Group had cash and bank balances of HK\$240.1 million (31 December 2023: HK\$209.5 million) and net borrowings (bank borrowings and loans from non-controlling interests of subsidiaries less cash and bank balances) of HK\$224.8 million (31 December 2023: HK\$265.2 million), together with available undrawn banking facilities of HK\$659.4 million (31 December 2023: HK\$666.2 million). The net change was mainly attributable to the cash generated from operating and investing activities, net with repayment of bank borrowings. The net gearing ratio (being net borrowings divided by total equity) as at 30 June 2024 was 16.9% (31 December 2023: 18.4%).

The Group expects that there will be steady cash inflow from operations coupled with sufficient cash and bank balances and based on its readily available banking facilities, 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 68.8%, 26.5% and 3.1% of revenue were denominated in USD, RMB and HKD respectively, whereas approximately 78.0%, 18.9% and 1.8% of purchases were denominated in USD, RMB and HKD respectively.

As at 30 June 2024, approximately 38.5%, 29.1% and 27.0% of cash and bank balances were denominated in USD, RMB and HKD respectively, and approximately 66.2%, 29.1% and 4.6% of bank borrowings were denominated in HKD, USD 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 2024, the Group had approximately 17,000 employees (31 December 2023: approximately 16,000 employees). The Group remunerates employees based on their performance, working experience and prevailing market conditions. Other employee benefits include retirement benefits, insurance, medical coverage and share option schemes.

### **CHARGES ON THE GROUP'S ASSETS**

As at 30 June 2024, bank deposit of HK\$1.2 million (31 December 2023: HK\$1.2 million) was pledged as security deposit at Customs Department for a subsidiary of the Group; and land and properties with an aggregate carrying amount of HK\$77.5 million (31 December 2023: HK\$71.3 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 2024.



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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 38, 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 2024 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 selected 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” issued by the Hong Kong Institute of Certified Public Accountants. 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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*PricewaterhouseCoopers, 22/F, Prince’s Building, Central, Hong Kong  
T: +852 2289 8888, F: +852 2810 9888, [www.pwchk.com](http://www.pwchk.com)*



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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, 22 August 2024

## Consolidated Statement of Financial Position

As at 30 June 2024

	<i>Note</i>	<b>Unaudited 30 June 2024 HK\$'000</b>	<b>Audited 31 December 2023 HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	693,532	755,316
Intangible assets	7	199,742	201,156
Investments in associates		14,992	15,093
Other receivables and financial assets	9	56,565	46,445
Deferred tax assets		136,046	135,657
Pledged bank deposit		—	1,190
		<b>1,100,877</b>	<b>1,154,857</b>
<b>Current assets</b>			
Inventories		810,167	752,240
Trade and bills receivable	8	348,244	444,836
Other receivables and financial assets	9	187,542	266,167
Current tax recoverables		2,984	2,487
Pledged bank deposit		1,163	—
Cash and bank balances		240,053	209,456
		<b>1,590,153</b>	<b>1,675,186</b>
<b>Current liabilities</b>			
Trade payables	10	309,359	306,881
Accruals and other payables	11	285,432	275,734
Borrowings	12	462,477	472,760
Lease liabilities		93,705	94,610
Current tax liabilities		48,557	48,035
		<b>1,199,530</b>	<b>1,198,020</b>
<b>Non-current liabilities</b>			
Other payables	11	8,232	6,882
Lease liabilities		143,823	177,580
Deferred tax liabilities		8,988	6,780
		<b>161,043</b>	<b>191,242</b>
<b>Net assets</b>		<b>1,330,457</b>	<b>1,440,781</b>



## Consolidated Statement of Financial Position

As at 30 June 2024

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
<b>Equity attributable to equity holders of the Company</b>		
Share capital	128,440	128,440
Reserves	1,222,751	1,333,246
	1,351,191	1,461,686
<b>Non-controlling interests</b>	<b>(20,734)</b>	<b>(20,905)</b>
<b>Total equity</b>	<b>1,330,457</b>	<b>1,440,781</b>

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 2024

	Note	Unaudited Six months ended 30 June	
		2024 HK\$'000	2023 HK\$'000 (Restated)
<b>Continuing operations</b>			
Revenue	5	1,756,510	1,488,664
Cost of sales		(1,430,656)	(1,246,425)
<b>Gross profit</b>		<b>325,854</b>	242,239
Selling and distribution costs		(187,428)	(167,516)
General and administrative expenses		(203,944)	(216,407)
Other income — net	13	3,503	2,480
<b>Operating loss</b>		<b>(62,015)</b>	(139,204)
Finance costs — net	14	(22,227)	(20,878)
Share of profits of associates		558	980
<b>Loss before income tax</b>		<b>(83,684)</b>	(159,102)
Income tax	15	(2,026)	16,514
<b>Loss from continuing operations</b>		<b>(85,710)</b>	(142,588)
<b>Discontinued operations</b>			
Loss from discontinued operations	20	—	(34,562)
<b>Loss for the period</b>		<b>(85,710)</b>	(177,150)
<b>Loss for the period attributable to:</b>			
Equity holders of the Company			
— Continuing operations		(80,484)	(128,652)
— Discontinued operations	20	—	(34,562)
Non-controlling interests		(80,484)	(163,214)
		(5,226)	(13,936)
		(85,710)	(177,150)
<b>Loss per share attributable to:</b>			
(basic and diluted, expressed in HK cents)	16		
Equity holders of the Company			
from continuing operations		(6.3)	(10.0)
Equity holders of the Company		(6.3)	(12.7)

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 2024

	Unaudited	
	Six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000 (Restated)
<b>Loss for the period</b>	<b>(85,710)</b>	(177,150)
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	(26,295)	(32,014)
Share of other comprehensive income of associates	1,681	(476)
<b>Total comprehensive income for the period</b>	<b>(110,324)</b>	(209,640)
<b>Total comprehensive income for the period attributable to:</b>		
Equity holders of the Company		
– Continuing operations	(103,380)	(149,399)
– Discontinued operations	–	(44,886)
	(103,380)	(194,285)
Non-controlling interests	(6,944)	(15,355)
	(110,324)	(209,640)

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 2024

	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	
<b>At 1 January 2024</b>	<b>128,440</b>	<b>1,333,246</b>	<b>1,461,686</b>	<b>(20,905)</b>	<b>1,440,781</b>
Loss for the period	—	(80,484)	(80,484)	(5,226)	(85,710)
Other comprehensive income	—	(22,896)	(22,896)	(1,718)	(24,614)
<b>Total comprehensive income for the period</b>	<b>—</b>	<b>(103,380)</b>	<b>(103,380)</b>	<b>(6,944)</b>	<b>(110,324)</b>
<b>Change in ownership interests in subsidiaries without change of control</b>	<b>—</b>	<b>(7,115)</b>	<b>(7,115)</b>	<b>7,115</b>	<b>—</b>
<b>At 30 June 2024</b>	<b>128,440</b>	<b>1,222,751</b>	<b>1,351,191</b>	<b>(20,734)</b>	<b>1,330,457</b>
<b>At 1 January 2023</b>	<b>128,440</b>	<b>1,737,697</b>	<b>1,866,137</b>	<b>(6,372)</b>	<b>1,859,765</b>
Loss for the period	—	(163,214)	(163,214)	(13,936)	(177,150)
Other comprehensive income	—	(31,071)	(31,071)	(1,419)	(32,490)
<b>Total comprehensive income for the period</b>	<b>—</b>	<b>(194,285)</b>	<b>(194,285)</b>	<b>(15,355)</b>	<b>(209,640)</b>
<b>Dividends declared to non-controlling interest of a subsidiary</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(6,400)</b>	<b>(6,400)</b>
<b>At 30 June 2023</b>	<b>128,440</b>	<b>1,543,412</b>	<b>1,671,852</b>	<b>(28,127)</b>	<b>1,643,725</b>

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 2024

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
<b>Cash flows generated from operating activities</b>		
Cash generated from operations	44,373	283,588
Income taxes paid	(1,310)	(9,776)
Net cash generated from operating activities	43,063	273,812
<b>Investing activities</b>		
Interest received	1,046	1,748
Payment for property, plant and equipment	(23,672)	(21,860)
Proceeds from disposal of discontinued operations	89,551	—
Proceeds/deposit received from disposal of a subsidiary	7,253	10,702
Proceeds from capital reduction in associates	2,340	—
Proceeds from disposal of property, plant and equipment, and lease modifications	—	219
Proceeds from disposal of a land lease right	—	52,065
Net cash generated from investing activities	76,518	42,874
<b>Financing activities</b>		
Proceeds from bank borrowings	529,294	350,344
Repayments of bank borrowings	(540,349)	(590,469)
Principal elements of lease payments	(68,336)	(73,597)
Interest elements of lease payments	(8,168)	(6,786)
Increase/(decrease) in loans from non-controlling interests of subsidiaries	544	(4)
Dividends paid to non-controlling interest of a subsidiary	—	(1,200)
Net cash used in financing activities	(87,015)	(321,712)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>32,566</b>	<b>(5,026)</b>
Cash and cash equivalents at beginning of the period	209,456	370,489
Exchange differences on cash and cash equivalents	(1,969)	(3,121)
Cash and cash equivalents of assets classified as held for sale	—	(951)
<b>Cash and cash equivalents at end of the period</b>	<b>240,053</b>	<b>361,391</b>

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 other Asia-Pacific regions. 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 2024, 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 amendments to standards and interpretations that became applicable for the current reporting period. None of the amendments to standards and interpretations 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 standards, amendments or interpretations 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 2023. Accordingly, readers should read the condensed interim financial information in conjunction with the annual financial statements for the year ended 31 December 2023, 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 2023.

### 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 2023. 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 coupled with sufficient cash and bank balances and based on its financial records and long banking relationships to continue its available banking facilities. 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 payables, 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.

## Notes to the Condensed Interim Financial Information

### 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 2024 are Manufacturing and High-end Fashion Retailing.

- The Manufacturing segment represents manufacturing and sales of (i) sportswear and (ii) high-end functional outerwear 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 other Asia-Pacific regions.
- In October 2023, the Group entered into a disposal agreement with a third party to sell, assign and novate the inventories and the licensed stores assets for the fashion brand "Champion" to the third party. The Group ceased to operate licensed stores of "Champion" since January 2024. The related operations were reclassified from the High-end Fashion Retailing segment and regarded as discontinued operations (Note 20). The comparative segment information for the six months ended 30 June 2023 has been represented 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.

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

	Six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000 (Restated)
<b>Continuing operations</b>		
Sales of goods	1,743,005	1,485,344
Provision of services	13,505	3,320
	<b>1,756,510</b>	<b>1,488,664</b>



## Notes to the Condensed Interim Financial Information

### 5 Segment information (Continued)

The segment results for the six months ended 30 June 2024 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	1,215,509	260,502	280,934	1,756,945
Inter-segment revenue	(398)	(37)	–	(435)
<b>Revenue</b>	<b>1,215,111</b>	<b>260,465</b>	<b>280,934</b>	<b>1,756,510</b>
<b>Operating profit/(loss) and segment results</b>	<b>1,409</b>	<b>(11,270)</b>	<b>(52,154)</b>	<b>(62,015)</b>
Finance costs – net				(22,227)
Share of profits of associates	558	–	–	558
<b>Loss before income tax</b>				<b>(83,684)</b>
Income tax				(2,026)
<b>Loss for the period</b>				<b>(85,710)</b>

Other segment items charged/(credited) to the operating profit/(loss) for the six months ended 30 June 2024 are as follows:

Depreciation and amortisation of property, plant and equipment, and leased assets	37,872	6,095	39,293	83,260
Amortisation of intangible assets	–	1,065	349	1,414
Provision/(write-back of provision) for inventories, net	16,529	4,127	(12,764)	7,892
(Write-back)/loss allowance of trade receivables, net	(2,213)	957	1,946	690
Loss on disposal of property, plant and equipment, and lease modifications, net	–	7	–	7
Impairment loss of property, plant and equipment and leased assets, net (Note 6(a))	–	–	20,130	20,130

## Notes to the Condensed Interim Financial Information

### 5 Segment information (Continued)

The segment results for the six months ended 30 June 2023 are as follows:

	Manufacturing			Total continuing operations HK\$'000	Discontinued operations (Note 20) HK\$'000	Total HK\$'000
	Sportswear Manufacturing HK\$'000	High-end Functional Outerwear Manufacturing HK\$'000	High-end Fashion Retailing HK\$'000			
	Total segment revenue	955,452	221,290			
Inter-segment revenue	(1,402)	–	–	(1,402)	–	(1,402)
<b>Revenue</b>	<b>954,050</b>	<b>221,290</b>	<b>313,324</b>	<b>1,488,664</b>	<b>178,656</b>	<b>1,667,320</b>
<b>Operating loss and segment results</b>	<b>(115,893)</b>	<b>(9,264)</b>	<b>(14,047)</b>	<b>(139,204)</b>	<b>(32,846)</b>	<b>(172,050)</b>
Finance costs – net				(20,878)	(1,716)	(22,594)
Share of profits of associates	980	–	–	980	–	980
<b>Loss before income tax</b>				<b>(159,102)</b>	<b>(34,562)</b>	<b>(193,664)</b>
Income tax				16,514	–	16,514
<b>Loss for the period</b>				<b>(142,588)</b>	<b>(34,562)</b>	<b>(177,150)</b>

Other segment items charged/(credited) to the operating loss for the six months ended 30 June 2023 are as follows:

Depreciation and amortisation of property, plant and equipment, and leased assets	45,456	9,791	38,456	93,703	21,526	115,229
Amortisation of intangible assets	–	1,065	349	1,414	–	1,414
Provision/(write-back of provision) for inventories, net	24,599	10,105	(6,599)	28,105	(1,881)	26,224
(Gain)/loss on disposal of property, plant and equipment, and lease modifications, net	(135)	118	1,101	1,084	–	1,084
Impairment loss of property, plant and equipment, and leased assets, net (Note 6(a))	23,446	–	1,015	24,461	12,747	37,208

## Notes to the Condensed Interim Financial Information

### 5 Segment information (Continued)

The segment assets and liabilities are as follows:

	<b>Manufacturing</b>				<b>Total</b>
	<b>Sportswear Manufacturing</b>	<b>High-end Functional Outerwear Manufacturing</b>	<b>High-end Fashion Retailing</b>	<b>Unallocated</b>	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Total assets</b>					
30 June 2024	1,463,739	498,163	590,098	139,030	2,691,030
31 December 2023	1,500,079	463,545	728,275	138,144	2,830,043
<b>Total liabilities</b>					
30 June 2024	721,997	292,716	288,315	57,545	1,360,573
31 December 2023	805,658	228,204	300,585	54,815	1,389,262

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

## Notes to the Condensed Interim Financial Information

### 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	
	2024 HK\$'000	2023 HK\$'000 (Restated)
<b>Continuing operations</b>		
Europe	688,353	504,530
Mainland China	484,360	338,542
Other Asian countries	222,083	274,189
United States	215,684	230,802
Hong Kong	54,858	65,600
Canada	9,082	17,919
Others	82,090	57,082
	<b>1,756,510</b>	<b>1,488,664</b>

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

	As at	
	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Hong Kong	357,571	358,549
Mainland China	248,495	273,781
Vietnam	207,549	218,426
Cambodia	129,172	135,948
Others	22,044	32,496
	<b>964,831</b>	<b>1,019,200</b>

## Notes to the Condensed Interim Financial Information

### 6 Property, plant and equipment

	HK\$'000
<b>For the six months ended 30 June 2024</b>	
Opening net book amount	755,316
Additions	59,007
Disposals	(7)
Lease modifications	(4,168)
Depreciation and amortisation	(83,260)
Impairment ( <i>Note (a)</i> )	(20,130)
Currency translation differences	(13,226)
Closing net book amount	693,532

Notes:

- (a) During the six months ended 30 June 2024, impairment loss of HK\$20,130,000 (30 June 2023: HK\$1,015,000) had been included in “selling and distribution costs” of continuing operations in the consolidated income statement for the retail store assets of High-end Fashion Retailing Business. During the six months ended 30 June 2023, impairment loss of HK\$16,412,000 and HK\$7,034,000 had been included in “cost of sales” and “general and administrative expenses” of continuing operations in the consolidated income statement respectively for certain production facilities of Sportswear Manufacturing Business.
- (b) As at 30 June 2024, land and properties with an aggregate carrying amount of HK\$77,454,000 (31 December 2023: HK\$71,336,000) were pledged to banks for certain banking facilities of the Group (*Note 12*).
- (c) The Group leases various land, retail stores, offices, warehouses, plant and equipment. As at 30 June 2024, the net book amount of the related right-of-use assets was HK\$288,409,000 (31 December 2023: HK\$324,867,000).

### 7 Intangible assets

	Goodwill HK\$'000	Customer relationship HK\$'000	Trademarks HK\$'000	Total HK\$'000
<b>For the six months ended 30 June 2024</b>				
Opening net book amount	185,592	8,696	6,868	201,156
Amortisation	—	(1,065)	(349)	(1,414)
Closing net book amount	185,592	7,631	6,519	199,742

## Notes to the Condensed Interim Financial Information

### 8 Trade and bills receivable

	As at	
	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Trade receivables	359,957	455,640
Bills receivable	2,267	4,022
	<b>362,224</b>	459,662
Less: loss allowance of trade receivables	(13,980)	(14,826)
	<b>348,244</b>	444,836

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 2024 HK\$'000	31 December 2023 HK\$'000
0-90 days	342,609	438,923
91-180 days	6,610	10,771
181-365 days	5,155	4,557
Over 365 days	7,850	5,411
	<b>362,224</b>	459,662

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

As at 30 June 2024 and 31 December 2023, 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 54% (31 December 2023: 48%) 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.

## Notes to the Condensed Interim Financial Information

### 9 Other receivables and financial assets

	As at	
	30 June 2024 HK\$'000	31 December 2023 HK\$'000
<b>Non-current</b>		
Rental, utility and other deposits	42,892	36,619
Financial assets measured at amortised cost	42,892	36,619
Deposits for plant and equipment	13,673	9,826
	<b>56,565</b>	46,445
<b>Current</b>		
Rental, utility and other deposits	29,683	41,046
Receivables from a related party ( <i>Note 19(b)</i> )	11,474	11,179
Other tax receivables	3,834	3,328
Other receivables from customers and suppliers	3,092	3,970
Rental deposit to a related party ( <i>Note 19(b)</i> )	425	435
Receivable from disposal of discontinued operations	—	89,551
Receivable from disposal of a subsidiary	—	7,253
Sundry receivables	5,357	8,409
Financial assets measured at amortised cost	53,865	165,171
Value-added tax recoverable	72,025	54,575
Prepayments for inventories	50,533	33,946
Prepayments for operating expenses	11,119	12,475
	<b>187,542</b>	266,167
	<b>244,107</b>	312,612

## Notes to the Condensed Interim Financial Information

### 10 Trade payables

The ageing of the trade payables based on invoice date is as follows:

	As at	
	30 June 2024 HK\$'000	31 December 2023 HK\$'000
0-90 days	283,296	295,602
91-180 days	17,032	8,497
181-365 days	6,939	1,389
Over 365 days	2,092	1,393
	<b>309,359</b>	<b>306,881</b>



## Notes to the Condensed Interim Financial Information

### 11 Accruals and other payables

	As at	
	30 June 2024 HK\$'000	31 December 2023 HK\$'000
<b>Current</b>		
Accruals for employee benefit costs	108,121	119,374
Accruals for other operating expenses	64,543	54,556
Payables for purchases of property, plant and equipment	24,862	27,550
Other taxes payable	16,052	19,454
Payables to related parties <i>(Note 19(b))</i>	5,548	5,004
Deposits received	—	330
Others	4,739	4,415
	<b>223,865</b>	230,683
Financial liabilities measured at amortised cost		
Contract liabilities	55,374	35,673
Provision for re-instatement of leased assets	4,683	6,328
Others	1,510	3,050
	<b>285,432</b>	275,734
<b>Non-current</b>		
Provision for re-instatement of leased assets	4,157	3,708
Others	4,075	3,174
	<b>8,232</b>	6,882
	<b>293,664</b>	282,616

## Notes to the Condensed Interim Financial Information

### 12 Borrowings

The Group's borrowings are carried at amortised cost and the interest-bearing bank borrowings are repayable within one year or on demand. As at 30 June 2024 and 31 December 2023, 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 2024, 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 2024 HK\$'000	31 December 2023 HK\$'000
Within 1 year	389,477	472,760
After 1 year but within 2 years	5,000	—
After 2 years but within 5 years	15,000	—
After 5 years	53,000	—
	462,477	472,760

## Notes to the Condensed Interim Financial Information

### 13 Other income – net

	Six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
<b>Continuing operations</b>		
Net exchange gain/(loss)	2,510	(1,013)
Government subsidies	1,095	1,300
Rental income	783	749
Loss on disposal of property, plant and equipment, and lease modifications, net	(7)	(1,084)
Gain on disposal of ancillary materials, net	—	1,852
Others	(878)	676
	<b>3,503</b>	<b>2,480</b>

### 14 Finance costs – net

	Six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000 (Restated)
<b>Continuing operations</b>		
Finance income		
– Interest income from bank deposits	677	1,458
– Interest income from non-controlling interest of a subsidiary (Note 19(a))	295	305
	<b>972</b>	<b>1,763</b>
Finance cost		
– Interest on bank borrowings	(15,031)	(16,420)
– Interest on lease liabilities	(8,168)	(6,221)
	<b>(23,199)</b>	<b>(22,641)</b>
	<b>(22,227)</b>	<b>(20,878)</b>

## Notes to the Condensed Interim Financial Information

### 15 Income tax

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

	Six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
<b>Continuing operations</b>		
Current tax	614	141
Deferred tax	1,412	(16,655)
	<b>2,026</b>	<b>(16,514)</b>

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% (2023: 25%) and 16.5% (2023: 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 Loss per share

The calculation of basic loss per share is based on the consolidated loss attributable to equity holders of the Company and on the weighted average number of ordinary shares of 1,284,400,000 shares (30 June 2023: 1,284,400,000 shares) in issue during the period.

The diluted loss per share for the six months ended 30 June 2024 and 2023 are the same as the basic loss per share as the potential dilutive ordinary shares arising from the outstanding share options granted by the Company do not have dilutive effect.

## Notes to the Condensed Interim Financial Information

### 17 Dividends

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2024 (30 June 2023: 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 2024 HK\$'000	31 December 2023 HK\$'000
Capital injection in subsidiaries	116,327	117,127
Property, plant and equipment	3,977	1,919

#### (b) Lease commitments

At 30 June 2024, the total future lease payments for leases committed but not yet commenced in relation to leased properties were HK\$12,947,000 (31 December 2023: HK\$15,783,000).

### 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 2024. 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	
	2024 HK\$'000	2023 HK\$'000
<b>Interest income</b> (Note 14)		
Non-controlling interest of a subsidiary	295	305
<b>Lease expenses</b>		
An associate of the Group	1,250	1,273

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.

## Notes to the Condensed Interim Financial Information

### 19 Related party transactions (Continued)

#### (b) Balances with related parties

	As at	
	30 June 2024 HK\$'000	31 December 2023 HK\$'000
<b>Included in other receivables (Note 9)</b>		
Receivables from non-controlling interest of a subsidiary (Note (i))	11,474	11,179
Rental deposit to an associate of the Group (Note (ii))	425	435
	<b>11,899</b>	<b>11,614</b>
<b>Included in accruals and other payables (Note 11)</b>		
Payables to non-controlling interests of subsidiaries (Note (iii))	3,140	3,140
Loans from non-controlling interests of subsidiaries (Note (iii))	2,408	1,864
	<b>5,548</b>	<b>5,004</b>

Notes:

- (i) 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.
- (ii) Rental deposit will be refunded at the end of the lease term.
- (iii) Amounts are unsecured, interest-free and repayable on demand.

#### (c) Key management compensation

	Six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
Salaries, bonus and allowances	9,473	9,008
Defined contribution retirement schemes	36	36
	<b>9,509</b>	<b>9,044</b>

## Notes to the Condensed Interim Financial Information

### 20 Discontinued operations

In October 2023, the Group entered into a disposal agreement with a third party to sell, assign and novate the inventories and the licensed stores assets for fashion brand “Champion” to the third party. The Group ceased to operate licensed stores of “Champion” since January 2024. The related operations were reclassified from the High-end Fashion Retailing segment and regarded as discontinued operations. Financial information relating to discontinued operations for the six months ended 30 June 2023 is set out below:

	Six months ended 30 June 2023 HK'000
<b>Revenue</b>	178,656
Cost of sales	(122,683)
<b>Gross profit</b>	55,973
Selling and distribution costs	(82,479)
General and administrative expenses	(6,340)
<b>Operating loss</b>	(32,846)
Finance costs – net ( <i>Note</i> )	(1,716)
<b>Loss before income tax</b>	(34,562)
Income tax	–
<b>Loss for the period and attributable to equity holders of the Company</b>	(34,562)

*Note:*

Finance costs – net

	Six months ended 30 June 2023 HK\$'000
Interest on bank borrowings	1,151
Interest on lease liabilities	565
	1,716



## DIRECTORS' DISCLOSURE OF INTERESTS

As at 30 June 2024, 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 C3 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 <sup>1</sup>	57.91%
Mr. LAI Ching Ping	Beneficial owner	4,186,000	0.33%
Mr. LEE Kwok Leung	Beneficial owner	12,000,000 <sup>2</sup>	0.93%
Mr. WONG Chi Keung	Beneficial owner	10,102,000 <sup>3</sup>	0.79%

\* The calculation of percentages is based on 1,284,400,000 Shares in issue as at 30 June 2024.

#### 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.

## Other Information

### (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 2024, 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 2024, 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 2024.

Save as disclosed above, as at 30 June 2024, 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.

## Other Information

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.

Movements of the options under the Share Option Scheme for the six months ended 30 June 2024 are as follows:

Grantee	Date of grant	Exercise price per Share HK\$	Exercise period	Number of options under the Share Option Scheme			
				As at 01/01/2024	Exercised/ cancelled during the period	Lapsed during the period	As at 30/06/2024
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)	–
<b>Total</b>				<b>31,000,000</b>	<b>–</b>	<b>(5,000,000)</b>	<b>26,000,000</b>

No option has been granted under the New Share Option Scheme by 30 June 2024.

### **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 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, Ms. CHAN Kit Fun Fanny and Mr. KWAN Kai Cheong. The chairman of the Remuneration Committee is Ms. CHAN Kit Fun Fanny.

## **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 three members comprising Mr. LI Kwok Tung Roy and our independent non-executive Directors, Mr. MA Ka Chun 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 2024.

## **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 2024.

### **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 2024.

### **CORPORATE GOVERNANCE**

The Company has applied the principles and complied with the applicable code provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2024.

### **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 2024. It has also reviewed the unaudited condensed interim financial information for the six months ended 30 June 2024 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 2024 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 offer my sincere thanks to our Directors and the whole team for their dedication and tireless efforts to overcome various difficulties and challenges. My gratitude also goes to our clients, shareholders and business partners for their long-term trust and support.

By Order of the Board

**Win Hanverky Holdings Limited**

**LI Kwok Tung Roy**

*Chairman*

Hong Kong, 22 August 2024

## Glossary

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



**Win Hanverky Holdings Limited**

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

<http://www.winhanverky.com>