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**Win Hanverky Holdings Limited**  
**永嘉集團控股有限公司**  
*(incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 3322)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

<b>FINANCIAL HIGHLIGHTS</b>	<b>2025</b>	2024	<b>Change</b>
	<i>HK\$'000</i>	<i>HK\$'000</i> (Restated)	%
<b>Continuing operations</b>			
Revenue	3,418,372	3,607,569	-5.2%
Gross profit	592,899	590,263	+0.4%
Gross profit margin	17.3%	16.4%	+0.9% pt
Operating profit	21,537	24,847	-13.3%
Loss for the year			
— Continuing operations	(23,394)	(21,544)	
— Discontinued operations	(165,788)	(40,399)	
	(189,182)	(61,943)	+205.4%
Basic loss per share ( <i>HK cents</i> )	(14.3)	(5.3)	+169.8%
<b>OPERATIONAL HIGHLIGHTS</b>			
<ul style="list-style-type: none"> <li>• Revenue decreased by 5.2% primarily due to the drop in revenue from Manufacturing Business, partially offset by the increase in revenue from Fashion Brands and Licensing Business.</li> <li>• Gross profit increased by 0.4%; while gross profit margin increased by 0.9 percentage point to 17.3%, mainly contributed by Fashion Brands and Licensing Business.</li> <li>• Fashion Brands and Licensing Business recorded operating profit of HK\$60.8 million (2024: operating loss of HK\$29.3 million). This successful turnaround was primarily driven by the introduction of franchise stores alongside direct operated stores for a rapidly growing brand since the second half of 2024, enhancing growth and profitability.</li> </ul>			

- The above positive impact was offset by (i) operating loss of HK\$31.5 million from Sportswear Manufacturing Business (2024: operating profit of HK\$16.0 million) primarily due to raw materials issues at the Group’s production facilities in Southeast Asia during the processing of certain key orders, resulting in higher-than-anticipated production and transportation costs; and (ii) operating loss of HK\$7.7 million from High-end Functional Outerwear Manufacturing Business (2024: operating profit of HK\$38.2 million) primarily due to a strategic adjustment undergone by the Group, reducing reliance on outsourced garment manufacturers while gradually increasing in-house production capacity.
- Consequently, operating result recorded a profit of HK\$21.5 million (2024: HK\$24.8 million).
- In recent years, High-end Fashion Retailing Business has continued to face significant challenges due to the persistent market downturn and subdued consumer demand in Hong Kong and Chinese Mainland. These conditions have resulted in substantial operating loss for the segment. Following recent comprehensive strategic review, the Board has resolved to cease High-end Fashion Retailing Business. The related operations have been classified as discontinued operations, resulting in a loss of HK\$165.8 million (2024: loss of HK\$40.4 million). The loss was primarily attributable to the impairment of goodwill and trademarks of HK\$81.6 million, impairment of property, plant and equipment of HK\$24.9 million and provision for inventories of HK\$29.3 million.
- Overall, the Group recorded loss after taxation of HK\$189.2 million (2024: loss after taxation of HK\$61.9 million). Excluding discontinued operations, loss after taxation from continuing operations would have been HK\$23.4 million (2024: loss after taxation of HK\$21.5 million).
- The financial and liquidity position remains healthy. As at 31 December 2025, cash and bank balances amounted to HK\$264.4 million (2024: HK\$250.3 million) and net gearing ratio was 18.8% (2024: 16.0%).
- The Board considers to conserve financial resources and does not recommend the payment of dividend in view of the challenges ahead. The Group will continue to closely monitor the market situation and review dividend payout from time to time.

The board of directors (the “**Board**” or “**Directors**”) of Win Hanverky Holdings Limited (the “**Company**”) presents the audited consolidated results of the Company and its subsidiaries (together the “**Group**”) for the year ended 31 December 2025, together with the comparative amounts for 2024 and the relevant explanatory notes.

## CHAIRMAN'S STATEMENT

### Business and Financial Highlights

In 2025, the Group navigated a complex and challenging operating environment marked by persistent economic uncertainties and geopolitical tensions. Despite these pressures, we demonstrated resilience and strategic agility, achieving a notable turnaround in our Fashion Brands and Licensing Business through the asset-light franchise model.

Revenue from continuing operations decreased by 5.2% to HK\$3,418.4 million (2024: HK\$3,607.6 million), primarily due to the decline in Manufacturing Business, partially offset by the strong growth in Fashion Brands and Licensing Business. Revenue from Manufacturing Business amounted to HK\$2,994.4 million (2024: HK\$3,321.0 million), representing a decrease of 9.8%. Fashion Brands and Licensing Business delivered robust performance with revenue of HK\$424.0 million (2024: HK\$286.5 million), representing an increase of 48.0%.

Gross profit margin from continuing operations increased to 17.3% (2024: 16.4%), reflecting contributions from the higher-margin Fashion Brands and Licensing Business and effective cost management.

Fashion Brands and Licensing Business recorded operating profit of HK\$60.8 million (2024: operating loss of HK\$29.3 million). This was offset by operating loss of HK\$39.2 million from Manufacturing Business (2024: operating profit of HK\$54.2 million). Consequently, operating profit from continuing operations decreased slightly by 13.3% to HK\$21.5 million (2024: operating profit of HK\$24.8 million).

High-end Fashion Retailing Business faced persistent market downturn and subdued consumer demand, resulting in substantial loss. Following a strategic review, the Board resolved to cease this business, classified as discontinued operations, with a loss of HK\$165.8 million (2024: loss of HK\$40.4 million), primarily from non-cash impairment of HK\$81.6 million on goodwill and trademarks, impairment of HK\$24.9 million on property, plant and equipment and provision for inventories of HK\$29.3 million.

Overall, the Group recorded loss after taxation of HK\$189.2 million (2024: loss after taxation of HK\$61.9 million). Excluding discontinued operations, loss after taxation from continuing operations increased slightly to HK\$23.4 million (2024: loss after taxation of HK\$21.5 million).

The financial and liquidity position remains healthy. As at 31 December 2025, cash and bank balances amounted to HK\$264.4 million (2024: HK\$250.3 million) and net gearing ratio was 18.8% (2024: 16.0%).

## **Outlook**

As we look ahead, our view remains cautiously optimistic. The global landscape continues to be fraught with uncertainties, driven by volatile trade policies of the United States, escalating geopolitical conflicts in the Middle East and potential resurgence of trade tensions. We will maintain a sharp focus on operational agility, prudent cost management, product diversification, and business model innovation to effectively navigate these challenges and seize emerging opportunities.

Sportswear Manufacturing Business is expected to remain stable in the near term, with a significant opportunity arising from the 2026 FIFA World Cup in North America, which will drive strong demand for sportswear. Bolstered by enduring global trends in health, fitness and athleisure, we remain committed to expanding our customer base and reinforcing our market leadership for sustainable long-term growth.

Fashion Brands and Licensing Business has firmly established its asset-light model and demonstrated strong momentum. We are confident that this approach will sustain steady revenue growth, improved margins, and enhanced adaptability through franchise expansion and brand management, while supporting new brand initiatives to create greater profitability and shareholder value.

While High-end Functional Outerwear Manufacturing Business encountered short-term pressures in 2025, we are confident in its longer-term prospects as our strategic enhancements progressively deliver results.

We warmly welcome our new CEO and management team, who bring fresh vision and energy to guide the Group forward. As we approach the milestone of our 20th anniversary of listing in 2026, we are well positioned to navigate uncertainties, achieve steady upward progress, and deliver stronger results and enduring value for all stakeholders.

## **Dividends**

The Board considers to conserve financial resources and therefore does not recommend the payment of dividend in order to better prepare for the evolving market and business landscape. We will continue to monitor the market situation and reassess our dividend payout from time to time.

## **Acknowledgement**

Finally, I would like to express my deepest gratitude to our Directors and the entire team for their unwavering dedication and tireless efforts in overcoming numerous challenges. I am also profoundly thankful to our clients, shareholders and business partners for their enduring trust and support.

**LI Kwok Tung Roy**  
*Chairman*

Hong Kong, 19 March 2026

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	<i>Note</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
<b><u>Continuing operations</u></b>			
<b>Revenue</b>	2	<b>3,418,372</b>	3,607,569
Cost of sales		<u>(2,825,473)</u>	<u>(3,017,306)</u>
<b>Gross profit</b>		<b>592,899</b>	590,263
Selling and distribution costs		<b>(169,047)</b>	(155,907)
General and administrative expenses		<b>(397,997)</b>	(416,562)
Other (expenses)/income — net	3	<u>(4,318)</u>	<u>7,053</u>
<b>Operating profit</b>		<b>21,537</b>	24,847
Finance costs — net	4	<b>(32,097)</b>	(37,841)
Share of profits of associates		<u>285</u>	<u>2,679</u>
<b>Loss before income tax</b>		<b>(10,275)</b>	(10,315)
Income tax	5	<u>(13,119)</u>	<u>(11,229)</u>
<b>Loss from continuing operations</b>		<b>(23,394)</b>	(21,544)
<b><u>Discontinued operations</u></b>			
Loss from discontinued operations	10	<u>(165,788)</u>	<u>(40,399)</u>
<b>Loss for the year</b>		<b><u>(189,182)</u></b>	<b><u>(61,943)</u></b>
<b>Loss for the year attributable to:</b>			
Equity holders of the Company			
— Continuing operations		<b>(17,402)</b>	(28,039)
— Discontinued operations	10	<u>(165,788)</u>	<u>(40,399)</u>
		<b>(183,190)</b>	(68,438)
Non-controlling interests		<u>(5,992)</u>	<u>6,495</u>
		<b><u>(189,182)</u></b>	<b><u>(61,943)</u></b>
<b>Loss per share attributable to:</b>			
(basic and diluted, expressed in HK cents)	6		
Equity holders of the Company			
from continuing operations		<b>(1.4)</b>	(2.2)
Equity holders of the Company		<u>(14.3)</u>	<u>(5.3)</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
<b>Loss for the year</b>	<b>(189,182)</b>	(61,943)
<b>Other comprehensive income/(expense)</b>		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	<b>34,183</b>	(35,047)
Share of other comprehensive income of associates	<b>(188)</b>	1,672
<i>Item that has been reclassified to profit or loss</i>		
Realisation of accumulated exchange differences and other reserves upon disposal of subsidiaries	<u>—</u>	<u>(304)</u>
<b>Total comprehensive expense for the year</b>	<b><u>(155,187)</u></b>	<b><u>(95,622)</u></b>
<b>Total comprehensive expense for the year attributable to:</b>		
Equity holders of the Company		
— Continuing operations	<b>17,861</b>	(60,460)
— Discontinued operations	<b><u>(169,601)</u></b>	<b><u>(39,616)</u></b>
	<b>(151,740)</b>	(100,076)
Non-controlling interests	<b><u>(3,447)</u></b>	<b><u>4,454</u></b>
	<b><u>(155,187)</u></b>	<b><u>(95,622)</u></b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 31 DECEMBER 2025*

	<i>Note</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>600,569</b>	655,220
Intangible assets		<b>113,895</b>	198,328
Investments in associates		<b>17,201</b>	17,104
Other receivables and financial assets		<b>42,720</b>	52,005
Deferred tax assets		<b>127,169</b>	129,071
		<u><b>901,554</b></u>	<u>1,051,728</u>
<b>Current assets</b>			
Inventories		<b>703,861</b>	716,368
Trade and bills receivable	7	<b>487,341</b>	526,465
Other receivables and financial assets		<b>163,796</b>	150,788
Current tax recoverables		<b>434</b>	815
Pledged bank deposit		<b>20,443</b>	1,151
Cash and bank balances		<b>264,415</b>	250,321
Assets classified as held for sale		<b>23,569</b>	—
		<u><b>1,663,859</b></u>	<u>1,645,908</u>
<b>Current liabilities</b>			
Trade payables	8	<b>299,217</b>	278,937
Accruals and other payables		<b>315,381</b>	321,279
Borrowings	9	<b>508,965</b>	464,985
Lease liabilities		<b>73,749</b>	94,891
Current tax liabilities		<b>41,179</b>	45,181
		<u><b>1,238,491</b></u>	<u>1,205,273</u>
<b>Non-current liabilities</b>			
Other payables		<b>2,392</b>	5,406
Lease liabilities		<b>122,591</b>	129,964
Deferred tax liabilities		<b>11,967</b>	11,834
		<u><b>136,950</b></u>	<u>147,204</u>
<b>Net assets</b>		<u><b>1,189,972</b></u>	<u>1,345,159</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
*AS AT 31 DECEMBER 2025*

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Equity attributable to equity holders of the Company</b>		
Share capital	<b>128,440</b>	128,440
Reserves	<b><u>1,074,315</u></b>	<u>1,226,055</u>
	<b>1,202,755</b>	1,354,495
<b>Non-controlling interests</b>	<b><u>(12,783)</u></b>	<u>(9,336)</u>
<b>Total equity</b>	<b><u><u>1,189,972</u></u></b>	<u><u>1,345,159</u></u>

*NOTES:*

**1. BASIS OF PREPARATION**

The financial information relating to the years ended 31 December 2025 and 2024 included in this preliminary announcement of annual results 2025 does not constitute the Group's statutory annual consolidated financial statements for those years but is derived from those financial statements.

The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued amendments to standards that became applicable for the current reporting period. The amendments to standards has no material effect on the Group's results and financial position for the current and prior periods. The Group has not applied any new standard, amendments to standards and interpretation that is not yet effective for the current reporting period. The Group is in the process of making an assessment of what the impact of those developments is expected to be in the period of initial adoption. So far it has concluded that, except for the matters noted below in relation to HKFRS 18, the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements.

HKFRS 18 Presentation and Disclosure in Financial Statements, and the related amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of this new standard is expected to affect the presentation of the consolidated income statement (including the introduction of specified subtotals and changes to the classification of certain income and expenses) and related disclosures in the future consolidated financial statements.

Management is currently assessing the detailed implications of applying HKFRS 18 on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and therefore the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

## 2. SEGMENT INFORMATION

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
<b>Continuing operations</b>		
Sales of goods	3,409,502	3,589,349
Provision of services	8,870	18,220
	<u>3,418,372</u>	<u>3,607,569</u>

For the year ended 31 December 2025, revenue of approximately HK\$2,065,111,000 (2024: HK\$2,165,416,000), representing 60.4% (2024: 60.0% (restated)) of the Group's total revenue, was derived from a single group of external customers and was attributable to the Manufacturing segment.

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 year ended 31 December 2025 are Manufacturing and Fashion Brands and Licensing.

- The Manufacturing segment represents manufacturing and sales of (i) sportswear and (ii) high-end functional outerwear primarily under original equipment manufacturing (“OEM”) arrangements to customers mainly in Europe, the United States, Chinese Mainland and other countries.
- The Fashion Brands and Licensing segment mainly represents sales of products to wholesales customers and franchisees, fees from franchise operations and brand management.

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 consolidated financial statements.

Due to the comprehensive strategic review in late 2025, the Group ceased High-end Fashion Retailing Business which represents retailing of high-end fashion products in Chinese Mainland, Hong Kong, Macau, Taiwan and other regions, related operations are regarded as discontinued operations (Note 10). The comparative segment information for the year ended 31 December 2024 has been restated to align with the disclosure in 2025.

Driven by the continuous growth of Fashion Brands and Licensing Business, management has reassessed the Group's segment reporting and decided that for financial reporting purposes, there is a new reportable operating segment as the resources allocation, performance assessment and decision making of the segment are assessed separately.

The impacts of the abovementioned change in the Group's reportable operating segments for the year ended 31 December 2024 is considered retrospectively and the Group's operating segment information is restated as if Fashion Brands and Licensing Business had been reported as a separate segment in that year.

## 2. SEGMENT INFORMATION (CONTINUED)

The segment results for the year ended 31 December 2025 are as follows:

	Manufacturing			Total continuing operations	Discontinued operations (Note 10)	Total
	Sportswear Manufacturing	High-end Functional Outerwear Manufacturing	Fashion Brands and Licensing			
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Total segment revenue	2,362,061	633,368	423,986	3,419,415	287,321	3,706,736
Inter-segment revenue	(1,043)	—	—	(1,043)	—	(1,043)
<b>Revenue</b>	<b>2,361,018</b>	<b>633,368</b>	<b>423,986</b>	<b>3,418,372</b>	<b>287,321</b>	<b>3,705,693</b>
<b>Operating (loss)/profit and segment results</b>	(31,505)	(7,743)	60,785	21,537	(162,422)	(140,885)
Finance costs — net				(32,097)	(3,366)	(35,463)
Share of profits of associates	285	—	—	285	—	285
<b>Loss before income tax</b>				(10,275)	(165,788)	(176,063)
Income tax				(13,119)	—	(13,119)
<b>Loss for the year</b>				<b>(23,394)</b>	<b>(165,788)</b>	<b>(189,182)</b>

Other segment items included in the consolidated income statement for the year ended 31 December 2025 are as follows:

Depreciation and amortisation of property, plant and equipment, and leased assets	72,459	12,489	25,776	110,724	32,060	142,784
Amortisation of intangible assets	—	2,130	—	2,130	698	2,828
Impairment loss of property, plant and equipment, and leased assets, net	—	—	—	—	24,882	24,882
Provision/(write-back of provision) for loss allowance of trade receivables, net	126	(557)	—	(431)	(6,090)	(6,521)
Loss on disposal of property, plant and equipment, and lease modifications, net	341	16	246	603	—	603
Provision/(write-back of provision) for inventories, net	36,926	(3,239)	(2,928)	30,759	29,263	60,022
Impairment of other receivables	1,310	—	—	1,310	—	1,310
Impairment of intangible assets	—	—	—	—	81,605	81,605

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

## 2. SEGMENT INFORMATION (CONTINUED)

The segment results for the year ended 31 December 2024 are as follows:

	Manufacturing			Total continuing operations HK\$'000	Discontinued operations (Note 10) HK\$'000	Total HK\$'000
	Sportswear Manufacturing HK\$'000	High-end Functional Outerwear Manufacturing HK\$'000	Fashion Brands and Licensing HK\$'000			
Total segment revenue	2,457,822	864,005	286,523	3,608,350	365,534	3,973,884
Inter-segment revenue	(743)	(38)	—	(781)	—	(781)
<b>Revenue</b>	<u>2,457,079</u>	<u>863,967</u>	<u>286,523</u>	<u>3,607,569</u>	<u>365,534</u>	<u>3,973,103</u>
<b>Operating profit/(loss) and segment results</b>	15,997	38,158	(29,308)	24,847	(34,186)	(9,339)
Finance costs — net				(37,841)	(6,213)	(44,054)
Share of profits of associates	2,679	—	—	2,679	—	2,679
<b>Loss before income tax</b>				(10,315)	(40,399)	(50,714)
Income tax				(11,229)	—	(11,229)
<b>Loss for the year</b>				<u>(21,544)</u>	<u>(40,399)</u>	<u>(61,943)</u>

Other segment items included in the consolidated income statement for the year ended 31 December 2024 are as follows:

Depreciation and amortisation of property, plant and equipment, and leased assets	74,532	10,997	24,804	110,333	48,734	159,067
Amortisation of intangible assets	—	2,130	—	2,130	698	2,828
Gain on liquidation of subsidiaries, net	(158)	—	—	(158)	—	(158)
Impairment loss of property, plant and equipment, and leased assets, net	—	—	5,302	5,302	29,466	34,768
(Write-back of provision)/provision for loss allowance of trade receivables, net	(2,216)	1,243	—	(973)	3,853	2,880
(Gain)/loss on disposal of property, plant and equipment, and lease modifications, net	(85)	8	676	599	—	599
Provision/(write-back of provision) for inventories, net	<u>25,473</u>	<u>5,155</u>	<u>(4,416)</u>	<u>26,212</u>	<u>(6,596)</u>	<u>19,616</u>

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

## 2. SEGMENT INFORMATION (CONTINUED)

Segment assets/liabilities exclude current tax recoverables/liabilities and deferred tax assets/liabilities which are unallocated and managed on a group basis. The segment assets and liabilities are as follows:

	<u>Manufacturing</u>		Fashion Brands and Licensing	Total continuing operations	Discontinued operations (Note 10)	Unallocated	Total
	Sportswear Manufacturing <i>HK\$'000</i>	High-end Functional Outerwear Manufacturing <i>HK\$'000</i>					
<b>At 31 December 2025</b>							
Assets	1,516,807	467,603	287,095	2,271,505	166,306	127,602	2,565,413
Liabilities	<u>(782,126)</u>	<u>(263,429)</u>	<u>(204,675)</u>	<u>(1,250,230)</u>	<u>(72,065)</u>	<u>(53,146)</u>	<u>(1,375,441)</u>
<b>At 31 December 2024</b>							
Assets	1,436,770	546,362	289,613	2,272,745	295,005	129,886	2,697,636
Liabilities	<u>(722,854)</u>	<u>(275,259)</u>	<u>(201,950)</u>	<u>(1,200,063)</u>	<u>(95,399)</u>	<u>(57,015)</u>	<u>(1,352,477)</u>

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:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
<b>Continuing operations</b>		
Europe	<b>1,132,625</b>	1,244,551
Chinese Mainland	<b>1,014,290</b>	1,243,152
Other Asian countries	<b>477,722</b>	489,004
United States	<b>432,129</b>	375,256
Hong Kong	<b>88,049</b>	65,078
Canada	<b>31,914</b>	28,859
Others	<b>241,643</b>	161,669
	<u><b>3,418,372</b></u>	<u>3,607,569</u>

## 2. SEGMENT INFORMATION (CONTINUED)

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	243,401	339,596
Chinese Mainland	202,874	241,876
Vietnam	190,777	191,042
Cambodia	124,296	130,295
Others	13,037	19,848
	<u>774,385</u>	<u>922,657</u>

## 3. OTHER (EXPENSES)/INCOME — NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
<b>Continuing operations</b>		
Rental income	2,778	2,492
Government subsidies	1,641	3,084
Gain on liquidation/disposal of subsidiaries, net	—	158
Loss on disposal of property, plant and equipment, and lease modifications, net	(603)	(599)
Net exchange (loss)/gain	(11,120)	127
Others	2,986	1,791
	<u>(4,318)</u>	<u>7,053</u>

#### 4. FINANCE COSTS — NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
<b>Continuing operations</b>		
Finance income		
— Interest income from bank deposits	1,388	1,204
— Interest income from non-controlling interest of a subsidiary	429	579
	<u>1,817</u>	<u>1,783</u>
Finance cost		
— Interest on bank borrowings	(23,191)	(26,745)
— Interest on lease liabilities	(10,723)	(12,879)
	<u>(33,914)</u>	<u>(39,624)</u>
	<u><u>(32,097)</u></u>	<u><u>(37,841)</u></u>

#### 5. INCOME TAX

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
<b>Continuing operations</b>		
Current tax		
— Chinese Mainland	2,947	1,765
— Hong Kong	9	293
— Overseas	809	533
— Under/(over)-provision in prior years	7,907	(2,408)
	<u>11,672</u>	<u>183</u>
Deferred tax	1,447	11,046
	<u><u>13,119</u></u>	<u><u>11,229</u></u>

Chinese Mainland corporate income tax and Hong Kong profits tax have been provided at the rates of 25% (2024: 25%) and 16.5% (2024: 16.5%) on the estimated assessable profits respectively. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the applicable rates of taxation prevailing in the jurisdictions in which the Group operates.

## 6. 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 (2024: 1,284,400,000 shares) in issue during the year.

	2025	2024 (Restated)
Basic and diluted loss per share ( <i>HK cents</i> )		
— Continuing operations	(1.4)	(2.2)
— Discontinued operations	<u>(12.9)</u>	<u>(3.1)</u>
	<u><u>(14.3)</u></u>	<u><u>(5.3)</u></u>

The diluted loss per share for the years ended 31 December 2025 and 2024 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.

## 7. TRADE AND BILLS RECEIVABLE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	497,135	538,755
Bills receivable	<u>—</u>	<u>3,957</u>
	497,135	542,712
Less: loss allowance of trade receivables	<u>(9,794)</u>	<u>(16,247)</u>
	<u><u>487,341</u></u>	<u><u>526,465</u></u>

Majority of 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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–90 days	481,274	516,824
91–180 days	7,173	11,172
181–365 days	2,521	3,870
Over 365 days	<u>6,167</u>	<u>10,846</u>
	<u><u>497,135</u></u>	<u><u>542,712</u></u>

## 8. TRADE PAYABLES

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

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–90 days	<b>292,508</b>	255,461
91–180 days	<b>3,784</b>	19,729
181–365 days	<b>83</b>	998
Over 365 days	<b>2,842</b>	2,749
	<u><b>299,217</b></u>	<u>278,937</u>

## 9. BORROWINGS

The interest-bearing bank borrowings are repayable as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 year or on demand	<u><b>508,965</b></u>	<u>464,985</u>

As at 31 December 2025, based on the agreed payment schedules set out in the loan agreements ignoring the effect of any repayment on demand clause, the interest-bearing bank borrowings were due for repayment as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 year	<b>443,465</b>	394,485
After 1 year but within 2 years	<b>5,000</b>	5,000
After 2 years but within 5 years	<b>15,000</b>	15,000
After 5 years	<b>45,500</b>	50,500
	<u><b>508,965</b></u>	<u>464,985</u>

## 10. DISCONTINUED OPERATIONS

During the year ended 31 December 2025, the Board has resolved to cease High-end Fashion Retailing Business. The related operations are regarded as discontinued operations and certain assets will be sold to a third party and have been classified as assets held for sale.

The consolidated income statement distinguishes discontinued operations from continuing operations. Comparative figures for the year ended 31 December 2024 have been re-presented. Financial information relating to discontinued operations for the year ended 31 December 2025 is set out below.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Revenue</b>	<b>287,321</b>	365,534
Cost of sales	<u>(199,488)</u>	<u>(181,163)</u>
<b>Gross profit</b>	<b>87,833</b>	184,371
Selling and distribution costs	<b>(164,504)</b>	(209,646)
General and administrative expenses	<b>(4,199)</b>	(9,039)
Impairment of intangible assets	<b>(81,605)</b>	—
Other income — net	<u>53</u>	<u>128</u>
<b>Operating loss</b>	<b>(162,422)</b>	(34,186)
Finance costs — net	<u>(3,366)</u>	<u>(6,213)</u>
<b>Loss before income tax</b>	<b>(165,788)</b>	(40,399)
Income tax	<u>—</u>	<u>—</u>
<b>Loss for the year and attributable to equity holders of the Company</b>	<b><u>(165,788)</u></b>	<b><u>(40,399)</u></b>

## 11. DIVIDENDS

The Board does not recommend the payment of dividend for the year ended 31 December 2025 (2024: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group is an integrated manufacturer and brands and licensing operator for internationally renowned sports, fashion and outdoor brands. The financial performance of the Group for the year ended 31 December 2025 is summarised below:

### OVERALL REVIEW

Revenue of the Group from continuing operations amounted to HK\$3,418.4 million (2024: HK\$3,607.6 million), representing a decrease of 5.2%. The decrease was primarily due to the drop in revenue from Manufacturing Business, partially offset by the increase in revenue from Fashion Brands and Licensing Business.

Gross profit of the Group from continuing operations increased by HK\$2.6 million to HK\$592.9 million (2024: HK\$590.3 million) and gross profit margin increased to 17.3% (2024: 16.4%). The increase in gross profit margin of 0.9 percentage point was mainly contributed by Fashion Brands and Licensing Business.

Fashion Brands and Licensing Business recorded operating profit of HK\$60.8 million, a significant enhancement of HK\$90.1 million from operating loss of HK\$29.3 million for the year ended 31 December 2024. This successful turnaround was primarily driven by the introduction of franchise stores alongside direct operated stores for a rapidly growing brand since the second half of 2024, enhancing growth and profitability.

The above positive impact was offset by (i) operating loss of HK\$31.5 million from Sportswear Manufacturing Business (2024: operating profit of HK\$16.0 million) primarily due to raw materials issues at the Group's production facilities in Southeast Asia during the processing of certain key orders, resulting in higher-than-anticipated production and transportation costs; and (ii) operating loss of HK\$7.7 million from High-end Functional Outerwear Manufacturing Business (2024: operating profit of HK\$38.2 million) primarily due to a strategic adjustment undergone by the Group, reducing reliance on outsourced garment manufacturers while gradually increasing in-house production capacity.

Consequently, operating result recorded a profit of HK\$21.5 million (2024: HK\$24.8 million).

In recent years, High-end Fashion Retailing Business has continued to face significant challenges due to the persistent market downturn and subdued consumer demand in Hong Kong and Chinese Mainland. These conditions have resulted in substantial operating loss for the segment. Following a recent comprehensive strategic review, the Board has resolved to cease High-end Fashion Retailing Business.

The related operations have been classified as discontinued operations, resulting in a loss of HK\$165.8 million (2024: loss of HK\$40.4 million). The loss was primarily attributable to the impairment of goodwill and trademarks of HK\$81.6 million, impairment of property, plant and equipment of HK\$24.9 million and provision for inventories of HK\$29.3 million.

Overall, the Group recorded loss after taxation of HK\$189.2 million for the year ended 31 December 2025 (2024: loss after taxation of HK\$61.9 million). Excluding discontinued operations, loss after taxation from continuing operations would have been HK\$23.4 million for the year ended 31 December 2025 (2024: loss after taxation of HK\$21.5 million).

The Board considers to conserve financial resources and does not recommend the payment of dividend for the year ended 31 December 2025 (2024: 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 and challenging in 2025. The Group has experienced a range of economic and industrial specific challenges.

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 Chinese Mainland. 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 decreased by HK\$96.1 million to HK\$2,361.0 million (2024: HK\$2,457.1 million), representing a decrease of 3.9%.

During the first half of 2025, the Group’s production facilities in Southeast Asia encountered raw materials issues during the processing of certain key orders, which led to higher-than-anticipated production and transportation costs. Consequently, the segment recorded operating loss of HK\$31.5 million for the year ended 31 December 2025 (2024: operating profit of HK\$16.0 million).

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

Revenue from High-end Functional Outerwear Manufacturing Business decreased by HK\$230.6 million to HK\$633.4 million (2024: HK\$864.0 million), representing a decrease of 26.7%.

During 2025, the Group underwent a strategic adjustment, reducing reliance on outsourced garment manufacturers while gradually increasing in-house production capacity. This transition, aiming at better control of product quality and enhancing long-term operational efficiency, contributed to a temporary decline in revenue. Consequently, operating loss of HK\$7.7 million was recorded for the year ended 31 December 2025 (2024: operating profit of HK\$38.2 million).

The segment recorded operating profit of HK\$9.8 million in the second half of 2025 during its peak season of shipment of winter products.

### **Fashion Brands and Licensing Business**

During the second half of 2024, the Group strategically introduced franchise stores alongside its directly operated stores for “***Barbour***”, a rapidly growing brand. The success of “***Barbour***” inspired us the creation of a new business model and segment.

Driven by the continuous growth of the new business model, management reassessed the Group’s segment reporting structure. For financial reporting purpose, management decided that a new reportable operating segment “Fashion Brands and Licensing Business” has been established as the resources allocation, performance assessment and decision making of the segment are assessed separately.

This strategic decision represented a material shift from capital intensive, direct to consumer high-end fashion retailing to an asset-light model focusing on wholesale distribution, franchise operations and brand management. The transition was expected to eliminate ongoing loss from high-end fashion retailing business operations, enabling the effective clearance of aged inventories, release tied-up working capital, and allow management to reallocate resources to new business segment with stronger growth prospects and enhanced profitability. The new business model will also be applied to any new brand in future.

Fashion Brands and Licensing Business delivered strong performance. Revenue increased by HK\$137.5 million to HK\$424.0 million (2024: HK\$286.5 million), representing an increase of 48.0%.

This revenue growth, combined with effective cost management and the benefits from the franchise model expansion, drove a significant turnaround in profitability. The segment recorded operating profit of HK\$60.8 million for the year ended 31 December 2025 (2024: operating loss of HK\$29.3 million).

## **Discontinued Operations — High-end Fashion Retailing Business**

The Group was the authorised distributor of the fashion brand “**Y-3**” in Chinese Mainland, Hong Kong, Macau and Taiwan. It also operated licensed stores for brands “**DAKS**” in Chinese Mainland and “**New Era**” in Hong Kong. Most of which were direct operated stores.

In recent years, High-end Fashion Retailing Business has continued to face significant challenges due to the persistent market downturn and subdued consumer demand in Hong Kong and Chinese Mainland. These conditions have resulted in substantial operating loss for the segment.

Following a comprehensive strategic review in late 2025, the Board has resolved to cease High-end Fashion Retailing Business. The Group intends to close the majority of its direct operated physical retail stores of the brands under discontinued operations progressively from late 2025 to the end of 2026. As a result, the Company will discontinue the issuance of voluntary announcement in respect of same store sales performance regarding High-end Fashion Retailing Business from April 2026.

Revenue from High-end Fashion Retailing Business decreased by HK\$78.2 million to HK\$287.3 million (2024: HK\$365.5 million), representing a decrease of 21.4%.

High-end Fashion Retailing Business recorded operating loss of HK\$162.4 million (2024: operating loss of HK\$34.2 million). The loss was primarily attributable to the impairment of goodwill and trademarks of HK\$81.6 million, impairment of property, plant and equipment of HK\$24.9 million and provision for inventories of HK\$29.3 million. All of which are non-cash items.

## **PROSPECTS**

The global landscape is currently shrouded in deep uncertainty, largely fueled by two concurrent crises: volatile trade policies of the United States and escalating conflict in the Middle East. The Group faces these dual challenges, thus requires a strategy focused on agility, cost control, product diversification as well as business model innovation.

### **Manufacturing Business**

#### ***Sportswear Manufacturing Business***

Sportswear Manufacturing Business is expected to be stable in the near future. Amidst uncertainties brought by global landscape challenges lies a significant opportunity: “2026 FIFA World Cup”. Hosting across North America, this massive event will drive immense demand for sportswear products. From a long-term perspective, sportswear products are expected to remain fundamentally attractive, driven by sustained high awareness of health

and fitness globally, coupled with elevated sports participation rates worldwide. This enduring demand, together with the growing athleisure trend, continues to support a stable outlook for the sector.

As the key driver of our long-term growth, we remain dedicated to identifying new clientele and expanding our customer base. By broadening our customer portfolio, we aim to enhance our leading market position and secure sustainable long-term growth.

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

Although the Group recorded loss primarily due to the strategic adjustment to reduce reliance on outsourced garment manufacturers and progressively increase in-house production capacity, resulting in a temporary decline in revenue and short-term profitability pressure, management remains confident in the Group's long-term prospects. This transition, while causing initial inefficiencies and ramp-up costs, strengthens product quality control and operating efficiency over the longer term, reinforcing the competitive edge of High-end Functional Outerwear Manufacturing Business.

Looking ahead to 2026, with the strategic adjustment largely completed and in-house capacity approaching optimal levels, the Group expects a gradual revenue recovery and improvement in profitability. By leveraging quality enhancement, key strategic partnerships and the traditional peak season, the Group is well positioned to recapture business momentum and achieve sustainable growth.

### **Fashion Brands and Licensing Business**

The Group successfully transitioned to the asset-light Fashion Brands and Licensing Business segment in 2025, following the successful launch of the franchise model for "**Barbour**" in late 2024. This strategic shift from capital-intensive direct retailing to wholesale, franchise and brand management has proven effective.

The new model has eliminated ongoing loss from high-end fashion retailing, released working capital and enabled resources reallocation to higher-growth areas. Under this new business model, the Group will maintain minimal level of direct operated brand showcase retail stores, inventories, sales workforce, working capital requirements as well as lease commitments.

Looking to 2026 and beyond, management is optimistic about sustained momentum. The franchise approach leverages established brand appeal for rapid, low-capital expansion, diversified revenue and better adaptability to local markets. In addition, the new business model will also be applied to any new brand we are going to operate in future.

With the transition largely complete, this segment is well positioned to deliver steady revenue growth, improved margins and enhanced profitability and creating long-term shareholder value.

## 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 31 December 2025, the Group had cash and bank balances of HK\$264.4 million (2024: HK\$250.3 million) and net borrowings (bank borrowings less cash and bank balances and pledged bank deposit) of HK\$244.6 million (2024: HK\$214.7 million), together with available undrawn banking facilities of HK\$543.7 million (2024: HK\$713.9 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 31 December 2025 was 18.8% (2024: 16.0%).

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 results announcement.

## 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 year given that HKD was pegged against USD.

The Group's revenue and purchases were primarily denominated in USD, Renminbi (“RMB”) and HKD. During the year, approximately 69.0%, 28.8% and 2.2% of revenue were denominated in USD, RMB and HKD respectively, whereas approximately 76.5%, 20.1% and 1.6% of purchases were denominated in USD, RMB and HKD respectively.

As at 31 December 2025, approximately 35.5%, 52.8% and 8.7% of cash and bank balances were denominated in USD, RMB and HKD respectively, and approximately 44.8%, 45.8% and 9.4% 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 31 December 2025, the Group had approximately 16,500 employees (2024: approximately 17,000 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 31 December 2025, bank deposit of HK\$20.4 million was placed at a bank as collateral against certain banking facilities of the Group (2024: 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\$78.9 million (2024: HK\$82.0 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 31 December 2025.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2025.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the code of conduct regarding directors' securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Having made enquiry to all Directors, they all have confirmed that they have complied with the required standards as set out in the Model Code during the year.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares as defined under the Listing Rules) during the year. As at 31 December 2025, the Company and its subsidiaries did not hold any treasury shares.

## **DIVIDENDS**

The Board does not recommend the payment of dividend for the year ended 31 December 2025.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Friday, 12 June 2026 to Thursday, 18 June 2026 (both dates inclusive), during which period no transfer of shares of the Company will be registered. The record date for determining the eligibility of the Shareholders to attend and vote at the annual general meeting will be Thursday, 18 June 2026. In order to qualify for attendance and voting at the forthcoming annual general meeting of the Company, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar and transfer office of the Company, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 11 June 2026.

## **CORPORATE GOVERNANCE**

The Company has applied the principles and complied with the code provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules during the year.

## **PUBLICATION OF RESULTS AND ANNUAL REPORT**

This results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.winhanverky.com>). The annual report for the year ended 31 December 2025 will be sent to the Shareholders and will be available on the aforesaid websites in due course.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be held on Thursday, 18 June 2026. The notice of the annual general meeting, which constitutes part of the circular to the Shareholders, will be published on the aforesaid websites and sent to the Shareholders together with the Company's annual report 2025 in due course.

## **AUDIT COMMITTEE REVIEW**

The Audit Committee has discussed with the management of the Company the internal control and financial reporting matters related to the preparation of the consolidated financial statements for the year ended 31 December 2025. It has also reviewed the consolidated financial statements for the year ended 31 December 2025 with the management and the auditor of the Company and recommended them to the Board for approval.

## **SCOPE OF WORK OF AUDITOR**

The figures in respect of the Group's consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagement or Hong Kong Standards on Assurance Engagements as issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

## **BOARD OF DIRECTORS**

As at the date of this announcement, the Board comprises Mr. LI Kwok Tung Roy, Mr. LAI Ching Ping, Mr. LI Chun Ho Fredrick and Mr. WONG Chi Keung being the executive directors, and Mr. KWAN Kai Cheong, Ms. CHAN Kit Fun Fanny and Ms. CHAU Pui Lin being the independent non-executive directors.

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

Hong Kong, 19 March 2026