



WINOX

WINOX HOLDINGS LIMITED

盈利時控股有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 6838

INTERIM REPORT
中期報告 **2015**

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CORPORATE INFORMATION AND KEY DATES

BOARD OF DIRECTORS

Yiu Hon Ming (*Chairman & Managing Director*)
Au Wai Ming[#] (*Deputy Chairman*)
Law Wai Ping
Chau Kam Wing Donald (*Finance Director*)
Li Chin Keung
Yiu Ho Ting
Carson Wen*
Wong Lung Tak Patrick*
Wu Ming Lam*

[#] *Non-executive Director*

* *Independent Non-executive Director*

AUDIT COMMITTEE

Wong Lung Tak Patrick (*Chairman*)
Carson Wen
Wu Ming Lam

REMUNERATION COMMITTEE

Wong Lung Tak Patrick (*Chairman*)
Yiu Hon Ming
Carson Wen
Wu Ming Lam

NOMINATION COMMITTEE

Yiu Hon Ming (*Chairman*)
Carson Wen
Wong Lung Tak Patrick
Wu Ming Lam

COMPANY SECRETARY

Huen Lai Chun

AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL BANK

The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

INFORMATION OF SHARES

Place of Listing : Main Board of The Stock Exchange
of Hong Kong Limited
Stock Code : 6838
Board Lot : 2,000 shares
Financial Year End : 31 December
Interim dividend : HK3 cents per ordinary share

KEY DATES

Closure of register of : 11 September 2015
members for interim
dividend
Record date for interim: 11 September 2015
dividend
Interim dividend : 25 September 2015
payment date

FINANCIAL HIGHLIGHTS

	Six months ended 30 June 2015 HKD'000	Six months ended 30 June 2014 HKD'000	Change
RESULTS HIGHLIGHTS			
Turnover	316,496	250,212	26.5%
Gross profit	87,631	69,083	26.8%
Profit for the period	32,154	18,955	69.6%
Basic earnings per share (HK cents)	6.4	3.8	68.4%
Interim dividend per share (HK cents)	3.0	2.0	50.0%
	As at 30 June 2015 HKD'000	As at 31 December 2014 HKD'000	Change
BALANCE SHEET HIGHLIGHTS			
Total assets	757,875	738,036	2.7%
Total borrowings	108,543	132,683	-18.2%
Net assets	552,371	529,413	4.3%
Net assets per share (HKD)	1.10	1.06	3.8%
Current ratio	1.82	2.14	
Gearing ratio ¹	0.14	0.18	

¹ Gearing ratio = Total borrowings/Total assets

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the six months ended 30 June 2015, Winox Holdings Limited ("Company", together with its subsidiaries, "Group") recorded a growth of 26.5% in turnover, which was mainly due to the increase in sales of watch bracelets and costume jewellery. Despite the satisfactory increase in turnover, the Group's profit margin was still hindered by the continuous escalated staff and labour costs and remained at the similar level as compared to the same period of last year. We shall remain prudent and implement stringent cost control policy and advance our supply chain management for the sustainable development of the Group.

The principal focus of the Group is on the development and manufacture of premium stainless steel products, and our major business segments are, namely, watch bracelets, costume jewellery, accessories and parts for leather goods, and mobile phone cases and parts.

During the six months ended 30 June 2015, the construction work for the first phase development of our Dongfeng Village Factory has completed and certain areas have been equipped for the production of costume jewellery, and mobile phone cases and parts.

FINANCIAL REVIEW

Turnover

For the six months ended 30 June 2015, the Group's unaudited consolidated turnover increased by 26.5% to HK\$316,496,000 (2014: HK\$250,212,000) as compared to the same period of last year. Turnover attributable to watch bracelets, costume jewellery, accessories and parts for leather goods, and mobile phone cases and parts were 66.4%, 30.6%, 1.9% and 1.1% respectively (2014: 68.7%, 25.2%, 5.5% and 0.6% respectively).

In the last six months, global demands of luxury Swiss made watches slightly recovered. As a result, turnover of watch bracelets reported a growth of 22.1% to HK\$210,052,000 (2014: HK\$172,101,000) during the period.

Turnover of costume jewellery achieved satisfactory growth of 53.5% to HK\$96,727,000 (2014: HK\$62,997,000) compared to the same period of last year which was attributable to the effort we put to maintain our close relationship with our existing prominent customers.

During the period, sales of accessories and parts for leather goods amounted to HK\$6,166,000 (2014: HK\$13,717,000), representing a decrease of 55.0%.

During the period, sales of mobile phone cases and parts was HK\$3,551,000 (2014: HK\$1,397,000), representing an increase of 154.2%. The picking up of sales was due to the results of the ongoing screening and selection of high quality customers exercise implemented in last year.

Profit

As a result of the increase in sales, gross profit increased by 26.8% to HK\$87,631,000 (2014: HK\$69,083,000) as compared to the same period of last year. Gross profit margin for the period slightly increased to 27.7% (2014: 27.6%). Profit for the period increased by 69.6% to HK\$32,154,000 (2014: HK\$18,955,000) and basic earnings per share for the period increased by 68.4% to HK6.4 cents (2014: HK3.8 cents).

Cost of sales

Cost of sales included costs of production materials, labour, and manufacturing overhead and other costs. The following table sets forth the breakdowns of our cost of sales for the six months ended 30 June 2015:

	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Direct material costs	82,331	61,519
Direct labour costs	96,470	70,922
Manufacturing overhead and other costs	50,064	48,688
	228,865	181,129

During the six months ended 30 June 2015, direct material costs accounted for about 36.0% (2014: 34.0%) of the total cost of sales, while direct labour costs, and manufacturing overhead and other costs accounted for about 42.1% and 21.9% (2014: 39.1% and 26.9%) of the total cost of sales respectively.

Other Income

Other income decreased by approximately 39.2% to HK\$2,568,000 for the six month ended 30 June 2015 as compared to HK\$4,221,000 for the same period last year which was primarily due to no government grant was received during the period under review.

Other Expenses

Selling and distribution expenses increased by approximately 25.4% to HK\$12,461,000 for the first six months of 2015 as compared to HK\$9,937,000 for the same period in last year which was in line with the increase in sales.

With stringent cost control, administrative expenses increased slightly by 1.1% to HK\$34,662,000 (2014: HK\$34,290,000) during the period.

Finance costs for the six months ended 30 June 2015 amounted to HK\$2,134,000 (2014: HK\$2,065,000), representing an increase of 3.3%.

Inventories

	At 30 June 2015 HK\$'000 (unaudited)	At 31 December 2014 HK\$'000 (audited)
Raw materials	19,840	12,714
Work in progress	60,970	50,408
Finished goods	3,112	12,272
	83,922	75,394

As at 30 June 2015, the Group recorded an inventory balance of HK\$83,922,000 (31 December 2014: HK\$75,394,000), representing an increase of 11.3% which was due to the increase in sales. Inventory turnover for the first half of 2015 was 63.0 days as compared to 76.3 days for the first half of 2014.

Trade Receivables

As at 30 June 2015, the Group recorded trade receivables of HK\$98,332,000 (31 December 2014: HK\$49,039,000). The increase in trade receivables was due to the increase in sales. The credit periods granted to our customers was considered on individual basis ranging from 30 days to 90 days. Generally, no credit would be granted to customers which are new, short-term and placing orders in immaterial scale. As most of our customers are internationally renowned brand owners, we considered we were exposed to relatively minimal default risk. The trade receivables turnover of the Group for the period was 42.1 days (for the year ended 31 December 2014: 31.7 days).

Trade Payables

As at 30 June 2015, the Group recorded trade payables of HK\$42,226,000 (31 December 2014: HK\$31,238,000). The trade payables were primarily related to the purchase of raw materials from suppliers with credit periods ranging from 30 days to 90 days. The trade payables turnover of the Group for the six months ended 30 June 2015 was 29.0 days (for the year ended 31 December 2014: 23.8 days).

Liquidity, Indebtedness and Charges on Assets

During the period, the Group sustained a satisfactory liquidity level. As at 30 June 2015, net current assets of the Group was HK\$146,997,000 (31 December 2014: HK\$172,153,000). Besides, the Group maintained cash and bank balances of HK\$121,471,000 (31 December 2014: HK\$177,653,000), of which 35.0% was in Hong Kong dollars, 56.0% was in Renminbi, 8.6% was in Swiss Franc and 0.4% was in United State dollars and other currencies.

The Group's outstanding bank borrowings as at 30 June 2015 was HK\$108,543,000 (31 December 2014: HK\$132,683,000), of which 96.5% was in Hong Kong dollars and 3.5% was in Renminbi. All of the Group's bank borrowings were arranged on floating rate basis. Except for certain bank borrowings which were committed loan facilities with specific maturity dates, the Group's borrowings contained repayment on demand clause at any time at the discretion of the bank. Under the Hong Kong Accounting Standards, the Group had separated and classified the bank borrowings as current and non-current liabilities in the consolidated statements of financial position as at 30 June 2015 in accordance with the settlement terms. Of the total bank borrowings, according to the repayment schedule, HK\$3,752,000 was short-term revolving loans, HK\$40,143,000 was loans repayable within one year and the balancing of HK\$64,648,000 was repayable after one year.

Part of the bank loans was secured by certain of our Group's assets with an aggregate carrying value of HK\$53,968,000 as at 30 June 2015. The charged assets included a piece of land in Dongguan where our factory was situated, certain properties constructed thereon and the deposits for keyman life insurance policies. The banking facilities to the Company's wholly owned subsidiaries were also secured by corporate guarantees in favour of the bank from the Company.

As at 30 June 2015, the Group's gearing ratio was 0.14 (31 December 2014: 0.18), which was calculated on the basis of outstanding borrowings over the total assets of the Group.

Treasury

The Group adopted conservative treasury policies in cash and financial management. Cash was generally placed in short-term deposits. The Group's liquidity and financing requirements were reviewed regularly.

For the six months ended 30 June 2015, a large amount of the Group's sales was denominated in Hong Kong dollars whereas the foreign currency sales were mainly denominated in United States dollars and Swiss Franc that were contributed to the total turnover of 2.4% and 0.7% respectively (for the six months ended 30 June 2014: 5.3% and 3.2% respectively). The expenses of the Group were mainly denominated in Renminbi. As Hong Kong dollars was pegged with United States dollars and the sales denominated in Swiss Franc was not material, the directors of the Company ("Directors") considered the Group was exposed to limited risk in this aspect. Despite that, the Group's production plants were located in mainland China and the labour costs and manufacturing overhead were mainly denominated in Renminbi. The appreciation of Renminbi might affect the overall production costs of the Group.

During the period, the Group did not use any financial instruments for hedging purposes and the Group did not have any hedging instruments outstanding as at 30 June 2015. We would continue to monitor closely the exchange rate risk arising from the Group's existing operations and new investments in future. We would implement the necessary hedging arrangement to mitigate any significant foreign exchange risk when and if appropriate.

Capital Commitments and Significant Investment

Capital expenditure contracted for by the Group but not yet provided in the unaudited condensed consolidated financial statements as at 30 June 2015 was HK\$14,987,000 (31 December 2014: HK\$30,909,000), which was mainly related to the acquisition of property, plant and equipment. Capital expenditure authorised but not contracted for as at 30 June 2015 amounted to HK\$111,345,000 (31 December 2014: HK\$117,917,000).

Contingent Liabilities

As at 30 June 2015, save for the granting of corporate guarantees by the Company to its wholly-owned subsidiaries as described above, the Group did not have any significant contingent liabilities.

Employment and Remuneration Policy

As at 30 June 2015, the total number of employees of the Group was approximately 3,987 (2014: 3,146). During the period under review, staff costs (including Directors' emoluments) amounted to approximately HK\$118,239,000 (2014: HK\$90,779,000). Remuneration of the employees which included salary and discretionary bonus was based on the Group's results and individual performance. Medical and retirement benefits schemes were made available to all levels of personnel.

The Company had adopted a share option scheme to incentivise its senior management and employees. As at 30 June 2015, no options have been granted by the Company pursuant to the share option scheme.

Prospects

We believe that there is a steady and increasing demand on precision stainless steel products. We aim at taking advantage of utilizing our strengths and expertise to explore new business opportunities in order to alleviate concentration risk.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



TO THE BOARD OF DIRECTORS OF WINOX HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Winox Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 9 to 19, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements 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 these condensed consolidated financial statements 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.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

24 August 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	NOTES	Six months ended	
		30.6.2015 HK\$'000 (unaudited)	30.6.2014 HK\$'000 (unaudited)
Turnover	3	316,496	250,212
Cost of sales		(228,865)	(181,129)
Gross profit		87,631	69,083
Other income		2,568	4,221
Other gains and losses		(477)	(1,853)
Selling and distribution expenses		(12,461)	(9,937)
Administrative expenses		(34,662)	(34,290)
Finance costs		(2,134)	(2,065)
Profit before taxation	4	40,465	25,159
Taxation	5	(8,311)	(6,204)
Profit for the period		32,154	18,955
Other comprehensive income (expense)			
Item that may be subsequently reclassified to profit or loss			
Exchange differences on translation of financial statements of foreign operation		804	(11,506)
Total comprehensive income for the period attributable to owners of the Company		32,958	7,449
Earnings per share – Basic	7	HK6.4 cents	HK3.8 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2015

	NOTES	30.6.2015 HK\$'000 (unaudited)	31.12.2014 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	8	357,108	337,560
Prepaid lease payments		36,556	36,952
Deposit for land use right		22,708	22,685
Deposits paid for acquisition of property, plant and equipment		10,374	13,689
Deposit and prepayments for a life insurance policy		4,462	4,588
		431,208	415,474
Current assets			
Inventories		83,922	75,394
Trade and other receivables	9	121,274	69,515
Bank balances and cash		121,471	177,653
		326,667	322,562
Current liabilities			
Trade and other payables	10	85,694	72,388
Taxation payable		11,267	3,552
Bank borrowings – amount due within one year	11	82,709	74,469
		179,670	150,409
Net current assets		146,997	172,153
Total assets less current liabilities		578,205	587,627
Non-current liability			
Bank borrowings – amount due after one year	11	25,834	58,214
		552,371	529,413
Capital and reserves			
Share capital	12	50,000	50,000
Reserves		502,371	479,413
		552,371	529,413

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2014 (audited)	50,000	213,244	34,276	213,048	510,568
Profit for the period	–	–	–	18,955	18,955
Exchange differences on translation of financial statements of foreign operation	–	–	(11,506)	–	(11,506)
Total comprehensive income for the period	–	–	(11,506)	18,955	7,449
Dividend	–	–	–	(5,000)	(5,000)
At 30 June 2014 (unaudited)	50,000	213,244	22,770	227,003	513,017
At 1 January 2015 (audited)	50,000	213,244	22,451	243,718	529,413
Profit for the period	–	–	–	32,154	32,154
Exchange differences on translation of financial statements of foreign operation	–	–	804	–	804
Total comprehensive income for the period	–	–	804	32,154	32,958
Dividend	–	–	–	(10,000)	(10,000)
At 30 June 2015 (unaudited)	50,000	213,244	23,255	265,872	552,371

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Six months ended	
	30.6.2015 HK\$'000 (unaudited)	30.6.2014 HK\$'000 (unaudited)
Operating cash flows before movements in working capital	57,363	42,273
Increase in inventories	(8,452)	(2,373)
Increase in trade and other receivables	(51,720)	(48,685)
Increase in trade and other payables	20,777	14,482
Cash generated from operations	17,968	5,697
Hong Kong Profits Tax paid	(416)	(3,392)
PRC Enterprise Income Tax paid	(191)	(1,029)
Net cash from operating activities	17,361	1,276
Net cash used in investing activities		
Purchases of property, plant and equipment	(28,922)	(20,024)
Deposits paid for acquisition of property, plant and equipment	(10,374)	(17,446)
Other investing cash flows	1,699	377
	(37,597)	(37,093)
Net cash used in financing activities		
Repayment of bank borrowings	(27,885)	(30,986)
Dividend paid to shareholders	(10,000)	(5,000)
Interest paid	(2,134)	(2,065)
Bank borrowings raised	3,740	40,027
	(36,279)	1,976
Net decrease in cash and cash equivalents	(56,515)	(33,841)
Cash and cash equivalents at beginning of the period	177,653	167,511
Effect of foreign exchange rate changes	333	(2,663)
Cash and cash equivalents at end of the period, representing bank balances and cash	121,471	131,007

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Except as described below, the accounting policies and method of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following amendments of Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

FOR THE SIX MONTHS ENDED 30 JUNE 2015

3. TURNOVER AND SEGMENT INFORMATION

The Group's operating activities are attributable to a single reporting segment focusing on manufacture and trading of stainless steel products. This reportable segment has been identified on the basis of internal management reports prepared in accordance with accounting policies that conform to HKFRSs, that are regularly reviewed by the chief operating decision makers (the "CODM"), who are the members of executive directors of the Company. The CODM regularly reviews revenue analysis by products, including watch bracelets, costume jewellery, accessories and parts for leather goods, and mobile phone cases and parts, and by locations of customers, including Switzerland, Liechtenstein, Hong Kong, the People's Republic of China ("PRC") and other countries. However, other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance by respective products and locations of customers. The CODM reviews the results of the Group as a whole to make decisions. Accordingly, no analysis of this single reporting segment is presented.

Turnover represents the fair value of the consideration received or receivable for goods sold to outside customers during the period.

Turnover by products are as follows:

	Six months ended	
	30.6.2015 HK\$'000 (unaudited)	30.6.2014 HK\$'000 (unaudited)
Watch bracelets	210,052	172,101
Costume jewellery	96,727	62,997
Accessories and parts for leather goods	6,166	13,717
Mobile phone cases and parts	3,551	1,397
	316,496	250,212

Turnover from external customers based on locations of customers attributed to the Group by geographical areas are as follows:

	Six months ended	
	30.6.2015 HK\$'000 (unaudited)	30.6.2014 HK\$'000 (unaudited)
Switzerland	205,502	168,305
Liechtenstein	90,434	49,766
Hong Kong	10,814	15,867
PRC	3,078	1,553
Other countries	6,668	14,721
	316,496	250,212

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

Turnover from customers of the corresponding period contributing over 10% of the total turnover of the Group are as follows:

	Six months ended	
	30.6.2015 HK\$'000 (unaudited)	30.6.2014 HK\$'000 (unaudited)
Customer A ¹	189,079	141,700
Customer B ²	90,434	49,766

Notes:

¹ Turnover from sales of watch bracelets

² Turnover from sales of costume jewellery, and accessories and parts for leather goods

4. PROFIT BEFORE TAXATION

	Six months ended	
	30.6.2015 HK\$'000 (unaudited)	30.6.2014 HK\$'000 (unaudited)
Profit before taxation has been arrived at after charging:		
Cost of inventories recognised as expenses	219,391	174,767
Depreciation of property, plant and equipment	15,164	12,047
Release of prepaid lease payments	416	410
Bank interest income	(933)	(256)
(Gain) loss on disposal of property, plant and equipment	(9)	222
Net foreign exchange loss	486	1,631
Write-off of trade receivables	–	2,494

FOR THE SIX MONTHS ENDED 30 JUNE 2015

5. TAXATION

	Six months ended	
	30.6.2015 HK\$'000 (unaudited)	30.6.2014 HK\$'000 (unaudited)
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	5,543	3,491
PRC Enterprise Income Tax ("PRC EIT")	2,768	2,713
	8,311	6,204

(i) Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

(ii) PRC EIT

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the group entities in the PRC is 25% from 1 January 2008 onwards.

6. DIVIDENDS

During the current interim period, a final dividend of HK2 cents per ordinary share in respect of the year ended 31 December 2014 (2014: HK1 cent per ordinary share in respect of the year ended 31 December 2013) was declared and paid to the shareholders of the Company. The aggregate amount of the final dividend declared and paid in the current interim period amounted to HK\$10,000,000 (2014: HK\$5,000,000).

On 24 August 2015, the board of directors of the Company has resolved to declare an interim dividend of HK3 cents per ordinary share totalling not less than HK\$15,000,000 for the six months ended 30 June 2015 (six months ended 30 June 2014: HK2 cents per ordinary share totalling not less than HK\$10,000,000). The interim dividend will be payable on or about 25 September 2015 to the shareholders of the Company whose names appear on the register of members on 11 September 2015.

FOR THE SIX MONTHS ENDED 30 JUNE 2015

7. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended	
	30.6.2015 HK\$'000 (unaudited)	30.6.2014 HK\$'000 (unaudited)
Earnings for the purposes of calculating basic earnings per share (profit for the period attributable to owners of the Company)	32,154	18,955
	Number of shares	
Number of shares for the purpose of calculating basic earnings per share	500,000,000	500,000,000

No dilutive earnings per share is presented as there are no potential dilutive ordinary shares during both periods.

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group incurred approximately HK\$35,067,000 (six months ended 30 June 2014: HK\$30,863,000) mainly for additions to manufacturing plants in PRC for upgrading and expanding its manufacturing capacity.

9. TRADE AND OTHER RECEIVABLES

The following is an aging analysis of trade receivables presented based on the invoice date, which approximated the revenue recognition date:

	30.6.2015 HK\$'000 (unaudited)	31.12.2014 HK\$'000 (audited)
0 to 30 days	82,860	35,572
31 to 60 days	13,278	8,678
61 to 90 days	1,307	3,092
Over 90 days	887	1,697
	98,332	49,039

The Group allows a credit period ranging from 30 to 90 days to its trade customers. A longer credit period may be granted to large or long-established customers with good payment history.

Included in other receivables is an amount of HK\$834,000 (31.12.2014: HK\$818,000), representing the current portion of the Group's prepaid lease payments.

FOR THE SIX MONTHS ENDED 30 JUNE 2015

10. TRADE AND OTHER PAYABLES

The following is an aging analysis of trade payables presented based on the invoice date:

	30.6.2015 HK\$'000 (unaudited)	31.12.2014 HK\$'000 (audited)
0 to 30 days	23,530	11,566
31 to 60 days	15,582	10,899
61 to 90 days	2,110	6,425
Over 90 days	1,004	2,348
	42,226	31,238

11. BANK BORROWINGS

During the current interim period, the Group obtained new bank borrowings of HK\$3,740,000 (six months ended 30 June 2014: HK\$40,027,000) and repaid bank borrowings of HK\$27,885,000 (six months ended 30 June 2014: HK\$30,986,000). The existing borrowings carry variable interest rates at (i) 3.25% over Hong Kong Interbank Offered Rate, which is repayable up to a period of 7 years based on the repayment schedule and contains a repayment on demand clause at any time after 2 years from the drawdown date at the discretion of the bank; and (ii) 2.7% over the People's Bank of China Standard Loan interest rate, which contains a repayment on demand clause at any time. The proceeds are used to finance the Group's operation and the acquisition of property, plant and equipment.

12. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Authorised: At 1 January 2014, 30 June 2014, 1 January 2015 and 30 June 2015	4,000,000	400,000
Issued and fully paid: At 1 January 2014, 30 June 2014, 1 January 2015 and 30 June 2015 – ordinary shares with no par value	500,000	50,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

13. COMMITMENTS

	30.6.2015 HK\$'000 (unaudited)	31.12.2014 HK\$'000 (audited)
Capital expenditure authorised but not contracted for in respect of:		
– acquisition of property, plant and equipment	84,903	91,472
– acquisition of land use right	26,442	26,445
	111,345	117,917
Capital expenditure contracted for but not provided in respect of:		
– acquisition of property, plant and equipment	14,987	30,909

14. RELATED PARTY TRANSACTIONS

(a) During the current interim period, the Group had entered into the following related party transactions:

	Six months ended	
	30.6.2015 HK\$'000 (unaudited)	30.6.2014 HK\$'000 (unaudited)
Management and administrative services fee received from a related company controlled by Mr. Yiu	126	126
Rental expenses fee paid to Mr. Yiu	338	338

Note: Mr. Yiu Hon Ming ("Mr. Yiu") is the ultimate controlling shareholder and a director of the Company.

(b) The key management personnel are the directors of the Company. During the period, the remuneration of the key management personnel includes short-term employee benefits of HK\$2,206,000 and post-employment benefits of HK\$45,000 (six months ended 30 June 2014: HK\$1,370,000 and HK\$23,000).

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE

Winox Holdings Limited ("Company", together with its subsidiaries, "Group") is committed to establish and maintain high standard of corporate governance and believes that good corporate governance system provides a sustainable and solid foundation for the Company to manage business risks, enhance transparency, advance accountability and maximize shareholders' interests.

The Company has applied the principles of the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") and complied with all the applicable code provisions of the CG Code throughout the six months ended 30 June 2015, save and except for the deviations from code provisions A.2.1, A.2.7 and A.6.7.

Under code provision A.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yiu Hon Ming is the Chairman and Managing Director (being defined as chief executive under the CG Code) of the Company who is responsible for overseeing the overall operations of the Group. Mr. Yiu is the founder of the Group who possesses comprehensive knowledge and experience of the industry and has in-depth understanding of the Group's overall operations. The directors of the Company ("Directors") consider this structure is conducive to strong and consistent leadership, effective and efficient planning and implementation of business decisions and strategies of the Company. The board of Directors ("Board") meets regularly to discuss major matters affecting the Group's operations and considers this structure does not impair the balance of power and authority between the Board and the management of the Group.

Under code provision A.2.7, the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present. Taking into account Mr. Yiu Hon Ming, the Chairman and Managing Director of the Company, is also an Executive Director, no meeting shall therefore be held between the Chairman and Non-executive Directors without the Executive Directors present.

Under code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. An Independent Non-executive Director was unable to attend the Company's annual general meeting held on 26 May 2015 due to his other business engagement.

At the annual general meeting of the Company held on 26 May 2015, Mr. Yiu Hon Ming, Ms. Law Wai Ping, Mr. Li Chin Keung, Ms. Yiu Ho Ting, Mr. Carson Wen and Mr. Wu Ming Lam retired and were re-elected as Directors. As at the date of this report, the Board comprises:

Executive Directors

Mr. Yiu Hon Ming (*Chairman and Managing Director*)
Ms. Law Wai Ping
Mr. Chau Kam Wing Donald (*Finance Director*)
Mr. Li Chin Keung
Ms. Yiu Ho Ting

Non-executive Director

Mr. Au Wai Ming (*Deputy Chairman*)

Independent Non-executive Directors

Mr. Carson Wen
Professor Wong Lung Tak Patrick
Mr. Wu Ming Lam

The audit committee of the Company ("Audit Committee") was established on 25 June 2011 with written terms of reference specifying its authority and duties which is available on the websites of the Stock Exchange and the Company. The Audit Committee comprised three Independent Non-executive Directors. The Audit Committee has reviewed with the senior management and the external auditor the accounting principles and practices adopted by the Group and also discussed internal controls and financial reporting matters including the review of the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2015.

The remuneration committee of the Company ("Remuneration Committee") was established on 25 June 2011 with written terms of reference specifying its authority and duties which is available on the websites of the Stock Exchange and the Company. The Remuneration Committee comprised four members, amongst which three are Independent Non-executive Directors and one is Executive Director.

The nomination committee of the Company ("Nomination Committee") was established on 25 June 2011 with written terms of reference specifying its authority and duties which is available on the websites of the Stock Exchange and the Company. The Nomination Committee comprised four members, amongst which three are Independent Non-executive Directors and one is Executive Director.

CHANGES IN DIRECTORS' INFORMATION

The following information is set out pursuant to the requirements of Rule 13.51B(1) of the Listing Rules:

Mr. Chau Kam Wing resigned as the independent non-executive director of Zhejiang Shibao Company Limited (Stock Code: 1057) with effect from 30 June 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealing in the securities of the Company by the Directors. Having made specific enquiry to all Directors, all Directors confirmed that they complied with the required standard of dealings as set out in the Model Code throughout the six months ended 30 June 2015.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2015, the interests and short positions of each Director and chief executive of the Company 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, Chapter 571 of the Laws of Hong Kong ("SFO")) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive have taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company under section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(a) The Company

Director	Note	Capacity	Total number of ordinary shares interested or deemed to be interested (Long positions)	Approximate percentage of total issued share capital of the Company
Yiu Hon Ming	1	Interest in controlled corporation and interest of spouse	331,700,000	66.34%
Law Wai Ping	2	Beneficial owner and interest in controlled corporation	331,700,000	66.34%
Yiu Ho Ting	3	Beneficial owner and interest of spouse	5,358,000	1.07%
Li Chin Keung	4	Interest of spouse	804,000	0.16%
Au Wai Ming		Beneficial owner	3,776,000	0.76%

Notes:

- Mr. Yiu Hon Ming ("Mr. Yiu") is legally and beneficially interested in 60% of the entire issued share capital of Ming Fung Holdings (Hong Kong) Limited, which in turn has an interest of approximately 95.45% of the entire issued share capital of Ming Fung Investment Limited, which in turn is directly interested in 330,000,000 shares of the Company. Mr. Yiu is the husband of Ms. Law Wai Ping ("Ms. Law"). By virtue of the SFO, Mr. Yiu is deemed to be interested in the same block of ordinary shares in which Ms. Law is interested.
- Ms. Law is legally and beneficially interested in 40% of the entire issued share capital of Ming Fung Holdings (Hong Kong) Limited, which in turn has an interest of approximately 95.45% of the entire issued share capital of Ming Fung Investment Limited, which in turn is directly interested in 330,000,000 shares of the Company. In addition, Ms. Law is directly and beneficially interested in 1,700,000 shares of the Company. Ms. Law is the wife of Mr. Yiu. By virtue of the SFO, Ms. Law is deemed to be interested in the same block of ordinary shares in which Mr. Yiu is interested.
- Ms. Yiu Ho Ting ("Ms. Yiu") is directly and beneficially interested in 4,340,000 shares of the Company. In addition, her husband, Mr. Cheung Justin Chi Yen ("Mr. Cheung"), is directly interested in 1,018,000 shares of the Company. By virtue of the SFO, Ms. Yiu is deemed to be interested in the same block of ordinary shares in which Mr. Cheung is interested.
- Ms. Cheung Wing Yan ("Ms. Cheung"), wife of Mr. Li Chin Keung ("Mr. Li"), is directly interested in 804,000 shares of the Company. By virtue of the SFO, Mr. Li is deemed to be interested in the same block of ordinary shares in which Ms. Cheung is interested.

(b) Associated Corporations

Director	<i>Note</i>	Associated corporation	Capacity	Total number of securities interested in associated corporation (Long positions)	Approximate percentage of total issued share capital of associated corporation
Yiu Hon Ming	1	Ming Fung Holdings (Hong Kong) Limited	Beneficial owner	60 ordinary shares	60%
		Ming Fung Investment Limited	Interest in controlled corporation	840 ordinary shares	95.45%
Law Wai Ping	2	Ming Fung Holdings (Hong Kong) Limited	Beneficial owner	40 ordinary shares	40%
		Ming Fung Investment Limited	Interest in controlled corporation	840 ordinary shares	95.45%
Li Chin Keung	3	Winholme Holdings Limited	Beneficial owner	75 ordinary shares	8.82%

Notes:

1. Mr. Yiu is legally and beneficially interested in 60% of the entire issued share capital of Ming Fung Holdings (Hong Kong) Limited, which in turn has an interest of approximately 95.45% of the entire issued share capital of Ming Fung Investment Limited, which in turn is directly interested in 330,000,000 shares of the Company.
2. Ms. Law is legally and beneficially interested in 40% of the entire issued share capital of Ming Fung Holdings (Hong Kong) Limited, which in turn has an interest of approximately 95.45% of the entire issued share capital of Ming Fung Investment Limited, which in turn is directly interested in 330,000,000 shares of the Company.
3. Mr. Li is legally and beneficially interested in 8.82% of the entire issued share capital of Winholme Holdings Limited, which in turn is directly interested in 42,500,000 shares of the Company.

Save as disclosed above, as at 30 June 2015, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive have taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company under section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2015, each of the following persons and entities, other than a Director or chief executive of the Company, had or were deemed to have interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name	Note	Capacity	Total number of ordinary shares interested or deemed to be interested (Long positions)	Approximate percentage of total issued share capital of the Company
Ming Fung Investment Limited	1	Beneficial owner	330,000,000	66%
Ming Fung Holdings (Hong Kong) Limited	1	Interest in controlled corporation	330,000,000	66%
Winholme Holdings Limited		Beneficial owner	42,500,000	8.5%
Tang Wai Fong	2	Interest in controlled corporation	42,500,000	8.5%
Chan Kai Ming	3	Interest in controlled corporation	42,500,000	8.5%
Leung Wai Yin Edith	4	Interest of spouse	42,500,000	8.5%

Notes:

1. Ming Fung Holdings (Hong Kong) Limited is interested in approximately 95.45% of the entire issued share capital of Ming Fung Investment Limited.
2. Ms. Tang Wai Fong is the legal and beneficial owner of approximately 44.12% of the entire issued share capital of Winholme Holdings Limited.
3. Mr. Chan Kai Ming is the legal and beneficial owner of approximately 35.29% of the entire issued share capital of Winholme Holdings Limited.
4. Ms. Leung Wai Yin Edith is the wife of Mr. Chan Kai Ming. By virtue of the SFO, she is deemed to be interested in the same block of shares in which Mr. Chan Kai Ming is interested.

Save as disclosed above, as at 30 June 2015, the Company has not been notified by any person or entity who had or were deemed to have interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTIONS

During the six months ended 30 June 2015, the Group has no share option being granted, outstanding, lapsed or cancelled pursuant to the share option scheme adopted by the Company on 25 June 2011.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER

On 24 February 2011, Winox Enterprise Company Limited ("Winox Enterprise"), an indirectly wholly-owned subsidiary of the Company, as borrower, entered into certain revised facilities letters with a financial institution to supersede the then facilities letters in order to facilitate the listing of the Company on the Stock Exchange in July 2011. These loan facilities (a) are interest bearing and secured; (b) are repayable by instalments ranging from a period of three quarters to 80 months commencing on 24 February 2011; and (c) contain repayment on demand clause at the discretion of the financial institution (the repayment on demand clause for certain committed loans was effective after 31 March 2013).

On 15 May 2012, Winox Enterprise, as borrower, entered into another facilities letter with the same financial institution in relation to two 5-year term loans at an aggregate amount of HK\$70,000,000. These loan facilities (a) are interest bearing and secured; (b) are repayable by 60 monthly instalments commencing one month after each drawdown; and (c) contain repayment on demand clause at the discretion of the financial institution. The loans were drawn by 5 instalments on dates ranging from 28 May 2012 to 24 December 2012.

On 21 June 2013, Winox Enterprise, as borrower, entered into another facilities letter with the same financial institution in relation to two term loans, which are interest bearing and secured, at the amounts of HK\$40,000,000 (converted to committed loan on 27 December 2013, and is repayable by 12 equal quarterly instalments and will be fully repaid by 30 September 2016) and HK\$60,000,000 (converted to committed loan on 24 March 2014 for the first 2 years from the loan drawdown date and is repayable by 28 equal quarterly instalments) respectively. During the year ended 31 December 2014, HK\$30,000,000 was drawn from the latter loan on 25 June 2014 and HKD30,000,000 was drawn on 25 September 2014.

Pursuant to these facilities letters, the controlling shareholder of the Company, Mr. Yiu Hon Ming and his family are required, at all times, to hold not less than 50% of the issued shares of the Company ("Specific Performance Obligations"). The breach of the Specific Performance Obligations will cause a default in respect of these loan facilities and the financial institution shall have the right to terminate the commitments and declare all outstanding amounts together with interests accrued thereon and all other sums payable under these loan facilities be immediately due and payable.

As at 30 June 2015, the amount of loan outstanding under these loan facilities was approximately HK\$104,591,000 and the unutilised facilities available for drawdown amounted to HK\$2,000,000.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK3 cents per ordinary share, totalling HK\$15,000,000, for the six months ended 30 June 2015. The interim dividend will be payable on or about Friday, 25 September 2015 to shareholders of the Company whose names appear on the Company's register of members on Friday, 11 September 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed and no transfer of shares will be registered on Friday, 11 September 2015 for the purpose of determining shareholders' entitlements to the interim dividend for the six months ended 30 June 2015.

To qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 10 September 2015.

REVIEW OF INTERIM RESULTS

The interim results of the Company for the six months ended 30 June 2015 are unaudited, but have been reviewed in accordance with the 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, by Messrs. Deloitte Touche Tohmatsu whose unmodified review report is set out on page 8 of this report. The interim results have also been reviewed by the Audit Committee.

INVESTOR RELATIONS

The Company recognises the importance to maintain effective communication with the financial community and other stakeholders in order to achieve a fair valuation on the Company's securities as well as to enhance its shareholders' value. Designated management staff of the Company meets with research analysts and institutional investors on an on-going basis. In addition, the Company utilises its website (www.winox.com) as a channel to provide updated information in a timely manner.