WINOX

WINOX HOLDINGS LIMITED
盈利時控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 6838)

2013 INTERIM RESULTS

FINANCIAL HIGHLIGHTS

- The Group's turnover amounted to HKD306,709,000, representing a corresponding increase of 16.0%.
- The Group's gross profit amounted to HKD99,218,000, representing a corresponding decrease of 2.1%.
- The Group's profit for the period amounted to HKD41,681,000, representing a corresponding decrease of 7.8%.
- Earnings per share amounted to HK8.3 cents, representing a corresponding decrease of 7.8%.
- The Board declared an interim dividend of HK4 cents per ordinary share for the six months ended 30 June 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The first half of 2013 was filled with challenges. During the six months ended 30 June 2013, the Group recorded a growth of 16.0% in turnover, which was mainly driven by the increase in sales of mobile phone cases and parts, the broadening of customer base and diversification of product mix. However, the challenges in rising production cost, cost for additional resources put in developing mobile phone cases and parts product segment and Renminbi appreciation impacted the profit margins of the Group. We shall remain prudent in the present volatile global economy 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.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2013, the Group's unaudited consolidated turnover increased by 16.0% to HKD306,709,000 (2012: HKD264,353,000) 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 68.1%, 15.4%, 4.5% and 12.0% respectively (2012: 78.5%, 16.6%, 4.8% and 0.1% respectively).

In the last six months, global demands of luxury Swiss made watches slowed down. As a result, turnover of watch bracelets reported a slight growth of 0.7% to HKD208,973,000 (2012: HKD207,497,000) during the period.

Turnover of costume jewellery maintained a constant growth of 7.7% to HKD47,193,000 (2012: HKD43,818,000) compared to the same period of last year. The Group will continue to maintain close relationship with our existing prominent customers and make every effort to absorb quality new clients.

Given that we have allocated part of our production capacity to cater for new product development, sales of accessories and parts for leather goods amounted to HKD13,665,000 (2012: HKD12,775,000), representing a constant increase of 7.0%.

Mobile phone cases and parts remained our key area of product development and we started getting orders from customers in the first half of 2013. During the period, sales of mobile phone cases and parts was HKD36,878,000 (2012: HKD263,000).

Profit

During the period, we encountered major stresses in the form of rising labour and raw material cost and production overheads. As a result, gross profit dropped slightly by 2.1% to HKD99,218,000 (2012: HKD101,312,000) as compared to the same period of last year. Gross profit margin for the period decreased to 32.3% (2012: 38.3%). Profit for the period decreased by 7.8% to HKD41,681,000 (2012: HKD45,183,000) and basic earnings per share for the period decreased by 7.8% to HK8.3 cents (2012: HK9.0 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 breakdown of our cost of sales for the six months ended 30 June 2013:

Six months ended 30 June
(unaudited)

	2013	2012
	HKD'000	HKD'000
Direct material costs	**81,383**	69,973
Direct labour costs	**76,625**	58,720
Manufacturing overhead and other costs	**49,483**	34,348
	207,491	163,041

During the six months ended 30 June 2013, direct material costs accounted for 39.3% (2012: 42.9%) of the total cost of sales.

The prices of stainless steel rods and plates remained stable during the period. We did not engage in any hedging transactions with regard to our production materials as we considered that the fluctuations in the price of stainless steel materials were generally corresponding to the fluctuation of the selling price of our products.

For the six months ended 30 June 2013, direct labour costs and manufacturing overheads and other costs accounted for about 36.9% and 23.8% of the total cost of sales respectively (2012: 36.0% and 21.1% respectively).

Other Income

During the first half of 2013, other income amounted to HKD4,161,000 (2012: HKD2,716,000) was primarily derived from the gain on disposal of scrapped materials, management fee income and bank interest income.

Other Expenses

Selling and distribution expenses dropped by approximately 7.9% to HKD13,092,000 for the first six months of 2013 as compared to HKD14,210,000 for the same period of last year. This favourable outcome was attributable to the redefining of commission policy with both of our customers and sales executives.

Impacted primarily by the rise of salaries and appreciation of Renminbi, administrative expenses increased by 9.6% to HKD36,076,000 (2012: HKD32,925,000) during the period.

As a result of further draw down of new bank loans in the second half of 2012, finance costs for the six months ended 30 June 2013 amounted to HKD2,024,000 (2012: HKD1,767,000), representing an increase of 14.5%. During the period, the Group obtained additional banking facilities of HKD100,000,000, in which HKD20,000,000 was drawn by the Group by the end of June 2013. As such, the impact on the finance costs for the period was insignificant.

Taxation

The entitlement to a 50% relief from PRC Enterprise Income Tax of a subsidiary of the Group located at Dongguan expired on 31 December 2012. As a result, the tax rate applicable to the profit of this subsidiary for the six months ended 30 June 2013 was 25.0% (2012: 12.5%).

Inventories

	At 30 June 2013 HKD'000 *(unaudited)*	At 31 December 2012 HKD'000 *(audited)*
Raw materials	**14,482**	17,479
Work in progress	**66,625**	59,648
Finished goods	**3,272**	3,296
	84,379	80,423

As at 30 June 2013, the Group recorded an inventory balance of HKD84,379,000 (31 December 2012: HKD80,423,000), representing an increase of 4.9%. Inventory turnover for the first half of 2013 was 71.9 days as compared to 74.6 days for the same period of 2012.

Trade Receivables

As at 30 June 2013, the Group recorded trade receivables of HKD68,637,000 (31 December 2012: HKD80,988,000). 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 44.1 days (for the year ended 31 December 2012: 43.4 days).

Trade Payables

As at 30 June 2013, the Group recorded trade payables of HKD42,022,000 (31 December 2012: HKD39,831,000). Our 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 2013 was 35.7 days (for the year ended 31 December 2012: 28.7 days).

Liquidity, Indebtedness and Charges on Assets

During the period, the Group sustained a satisfactory liquidity position. As at 30 June 2013, net current asset of the Group was HKD175,856,000 (31 December 2012: HKD218,357,000). Besides, the Group maintained cash and bank balances of HKD142,105,000 (31 December 2012: HKD189,258,000), of which 59.6% was in Hong Kong dollars, 2.6% was in Swiss Franc, 35.1% was in Renminbi, 2.7% was in United State dollars and that in other currencies was insignificant.

In addition, as at 30 June 2013, the Group had a time deposit in Renminbi equivalent to approximately HKD63,666,000 (31 December 2012: HKD49,769,000).

The Group’s outstanding bank borrowings as at 30 June 2013 was HKD126,941,000 (31 December 2012: HKD124,264,000), of which 88.7% was in Hong Kong dollars and 11.3% was in Renminbi. All of the Group’s outstanding bank borrowings were interest bearing at floating rates and contained repayment on demand clause at any time at the discretion of the bank. Under the Hong Kong Financial Reporting Standards, all of the aforementioned bank borrowings were classified as current liabilities in the consolidated statements of financial position of the Group as at 30 June 2013. Despite that, amongst those bank borrowings, HKD14,397,000 was short term revolving loan, HKD34,835,000 was loans repayable within one year and the balancing HKD77,709,000 was repayable after one year.

Part of the bank loan was secured by certain of our Group's assets with an aggregate carrying value of HKD58,494,000 as at 30 June 2013. The charged assets included a piece of land in Dongguan where our factory was situated, certain properties constructed thereon and the deposits for two keyman life insurance policies. The banking facilities were also secured by corporate guarantees in favour of the bank from the Company.

As at 30 June 2013, the Group's gearing ratio was 0.17 (31 December 2012: 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 2013, 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 4.5% and 1.7% respectively (2012: 4.4% and 3.1% respectively). The expenses of the Group were mainly denominated in Renminbi. As Hong Kong dollar was pegged with United States dollar and the sales denominated in Swiss Franc was not material, 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 overheads were mainly denominated in Renminbi. The appreciation of Renminbi might affect the overall production cost 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 2013. We would continue to monitor closely the exchange rate risk arising from the Group's existing operations and new investments in future. We would further 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 for in the unaudited consolidated financial statements as at 30 June 2013 was HKD34,208,000 (31 December 2012 audited: HKD14,545,000), which was mainly related to the acquisition of property, plant and equipment. Capital expenditure authorised but not contracted for as at 30 June 2013 amounted to HKD158,203,000 (31 December 2012: HKD232,356,000).

Use of Proceeds

The proceeds raised from the initial public offerings in 2011 ("**IPO**") were approximately HKD198,350,000.

On 15 May 2012, the Board resolved to change the proposed use of the un-utilised net proceeds from the IPO originally allocated for financing the development of the Huzhen Factory (such as defraying the related construction and land costs) in the amount of approximately HKD46,773,000 to finance the development of the Dongfengcun Factory (such as defraying the related construction and decoration/renovation costs).

The usages of net proceeds up to 30 June 2013 were as follows:

Particulars	**Planned HKD'000**	**Reallocated HKD'000**	**Utilised HKD'000**	**Un-utilised HKD'000**
Financing the development of the Huzhen Factory	49,588	(46,773)	(2,815)	–
Financing the development of the Dongfengcun Factory	–	46,773	(30,801)	15,972
Acquiring equipment and machinery for the Dongfengcun Factory and Huzhen Factory and for expansion of the production facility of our existing facilities	128,927	N/A	(58,414)	70,513
General working capital and other general corporate purposes of the Group	19,835	N/A	(19,835)	–
TOTAL	**198,350**	**–**	**(111,865)**	**86,485**

The remaining net proceeds were deposited on short-term basis in licensed financial institutions in Hong Kong.

Contingent Liabilities

As at 30 June 2013, save for the granting of corporate guarantee 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 2013, the total number of employees of the Group was approximately 3,400. During the period under review, employees cost (including Directors' emoluments) amounted to approximately HKD99,245,000 (2012: HKD77,718,000). 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 2013, no options had been granted by the Company pursuant to the share option scheme.

PROSPECTS

Amidst the fluctuating economic environment of the world, the Group maintained a stable results for the six months ended 30 June 2013. Having said that, the slackening of demand in Swiss watches, slowdown of the growth of Asian-Pacific economy, keen competition in the industry, inflation of labour and material cost and appreciation of Renminbi are the major challenges compressing the Group's profitability. Nevertheless, we remain cautious optimistic on the outlook of 2013. The Group will continue to take cautious measures and explore new business opportunities with the aim of optimising the value of the Group and our shareholders as a whole.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 June

	Notes	**2013**	2012
		HKD'000	HKD'000
		(unaudited)	*(unaudited)*
Turnover	3	**306,709**	264,353
Cost of sales		**(207,491)**	(163,041)
Gross profit		**99,218**	101,312
Other income		**4,161**	2,716
Other gains and losses		**(102)**	(1,406)
Selling and distribution expenses		**(13,092)**	(14,210)
Administrative expenses		**(36,076)**	(32,925)
Finance costs		**(2,024)**	(1,767)
Profit before taxation	4	**52,085**	53,720
Taxation	5	**(10,404)**	(8,537)
Profit for the period		**41,681**	45,183
Other comprehensive income (expense)			
- Item that may be subsequently re-classified to profit or loss			
- Exchange differences on translation of financial statements of foreign operation		**7,970**	(2,438)
Total comprehensive income for the period attributable to owners of the Company		**49,651**	42,745
Earnings per share - Basic	7	**HK8.3 cents**	HK9.0 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2013 HKD'000 (unaudited)	At 31 December 2012 HKD'000 (audited)
Non-current assets			
Property, plant and equipment		**261,879**	197,696
Prepaid lease payments		**38,568**	38,423
Deposit for land use right		**22,948**	22,586
Deposits paid for acquisition of property, plant and equipment		**15,118**	22,520
Deposit and prepayments for a life insurance policy		**4,982**	5,118
		343,495	286,343
Current assets			
Inventories		**84,379**	80,423
Trade and other receivables	8	**95,932**	102,545
Time deposits		**63,666**	49,769
Bank balances and cash		**142,105**	189,258
		386,082	421,995
Current liabilities			
Trade and other payables	9	**74,674**	74,863
Taxation payable		**8,611**	4,511
Bank borrowings		**126,941**	124,264
		210,226	203,638
Net current assets		**175,856**	218,357
		519,351	504,700
Capital and reserves			
Share capital		**50,000**	50,000
Reserves		**469,351**	454,700
		519,351	504,700

NOTES

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 ("**HKD**"), 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 2013 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA:

Amendments to HKFRSs	Annual improvements to HKFRSs 2009 – 2011 cycle
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
Amendments to HKAS 1	Presentation of items of other comprehensive income
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current interim period, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

The impact of the application of the relevant standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements and HK(SIC) – INT 12 "Consolidation – Special purpose entities". HKFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The directors of the Company have assessed the impact of the application of HKFRS 10 and concluded that it has had no material effect on the Group's financial performance and positions for the current interim period and prior year.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income". In addition, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Except as described above, the application of the other new or revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

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, and other countries. During the year ended 31 December 2012, revenue from mobile phone cases and parts (originally included in accessories and parts for leather goods) was separately presented and in the current interim period, revenue from People's Republic of China ("**PRC**") was separately presented as the CODM believed these products and PRC were parts of the Group's key areas of revenue. The comparative figures of turnover by products and by location of customers have been represented for the purpose of revenue analysis to conform with the current interim period's presentation. 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 June
(unaudited)

	2013	2012
	HKD'000	HKD'000
Watch bracelets	**208,973**	207,497
Costume jewellery	**47,193**	43,818
Mobile phone cases and parts	**36,878**	263
Accessories and parts for leather goods	**13,665**	12,775
	306,709	264,353

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

Six months ended 30 June
(unaudited)

	2013	2012
	HKD'000	HKD'000
Switzerland	**197,594**	195,245
Liechtenstein	**39,938**	33,090
PRC	**36,748**	263
Hong Kong	**17,677**	23,824
Other European and Asian countries	**14,752**	11,931
	306,709	264,353

Turnover from customers of the corresponding period contributing over 10% (except otherwise stated) of the total turnover of the Group are as follows:

Six months ended 30 June
(unaudited)

	2013	2012
	HKD'000	HKD'000
Customer A[1]	**180,197**	164,584
Customer B[2]	**39,938**	33,090
Customer C[3]	**35,523**	- [4]

Notes:
[1] Turnover from sales of watch bracelets
[2] Turnover from sales of costume jewellery and accessories and parts for leather goods
[3] Turnover from sales of mobile phone cases and parts
[4] The corresponding turnover did not contribute over 10% of total turnover of the Group

4. Profit Before Taxation

Six months ended 30 June
(unaudited)

	2013	2012
	HKD'000	HKD'000
Profit before taxation has been arrived at after charging:		
Cost of inventories recognised as expenses	**198,835**	156,816
Depreciation of property, plant and equipment	**10,299**	6,671
Release of prepaid lease payments	**410**	82
Net exchange loss	**58**	1,406

5. Taxation

Six months ended 30 June
(unaudited)

	2013	2012
	HKD'000	HKD'000
The charge comprises:		
Hong Kong Profits Tax	**8,220**	5,840
PRC Enterprise Income Tax ("**PRC EIT**")	**2,184**	2,697
	10,404	8,537

Hong Kong Profit Tax

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

PRC EIT

On 16 March 2007, the PRC promulgated the Law on Enterprise Income Tax ("**New EIT Law**") by Order No. 63 of the President of the PRC. On 6 December 2008, the State Council of the PRC issued Implementation Regulation of the EIT Law. Under the New EIT Law and Implementation Regulation, the statutory EIT rate of the group entities in the PRC has been reduced to 25% from 1 January 2008 onwards.

Notwithstanding the above, according to the approval granted by Dongguan State Administration of Taxation Office which under the old enterprise income tax system in the PRC, 盈利時錶業（東莞）有限公司 Winox Watch Manufactory (Dongguan) Limited* is entitled to exemptions from the PRC EIT for two years commencing from 2008 to 2009 and thereafter entitled to a 50% relief from PRC EIT for the next three years from 2010 to 2012 (the "**Income Tax Holidays**"). According to Guofa [2007] No.39, the PRC enterprises which have started to enjoy the Income Tax Holidays before the effective date of the New EIT Law can continue to enjoy the remaining period of the Income Tax Holidays. For those PRC enterprises whose Income Tax Holidays has not yet started before the effective date of the New EIT Law, they are deemed to have started to enjoy them from 1 January 2008. Accordingly, PRC EIT is calculated at 25% of the estimated assessable profit for all PRC enterprises within the Group for the current interim period.

6. Dividends

During the current interim period, a final dividend of HK7 cents per share in respect of the year ended 31 December 2012 (2012: HK6 cents final dividend for the year ended 31 December 2011) was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared and paid in the current interim period amounted to HKD35,000,000 (2012: HKD30,000,000).

On 23 August 2013, the board of directors of the Company has resolved to declare an interim dividend of HK4 cents per ordinary share totalling not less than HKD20,000,000 for the six months ended 30 June 2013 (six months ended 30 June 2012: HK4 cents per ordinary share totalling not less than HKD20,000,000). The interim dividend is payable on 26 September 2013 to the shareholders of the Company whose names appear on the Company's register of members on 13 September 2013.

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 June
(unaudited)

	2013	2012
	HKD'000	HKD'000
Earnings for the purposes of calculating basic earnings per share (profit for the period attributable to owners of the Company)	**41,681**	45,183

* For identification purposes only

Six months ended 30 June
(unaudited)

	Number of Shares	
	2013	2012
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 is no potential ordinary share during both periods.

8. 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:

	At 30 June 2013	At 31 December 2012
	HKD'000	HKD'000
	(unaudited)	*(audited)*
0 to 30 days	**52,269**	62,745
31 to 60 days	**7,945**	12,527
61 to 90 days	**2,938**	1,115
Over 90 days	**5,485**	4,601
	68,637	80,988

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.

9. Trade and Other Payables

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

	At 30 June 2013	At 31 December 2012
	HKD'000	HKD'000
	(unaudited)	*(audited)*
0 to 30 days	**10,565**	15,258
31 to 60 days	**12,385**	16,532
61 to 90 days	**7,886**	3,717
Over 90 days	**11,186**	4,324
	42,022	39,831

CORPORATE GOVERNANCE

Throughout the six months ended 30 June 2013, Winox Holdings Limited (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 on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and complied with all applicable code provisions of the CG Code, 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) 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 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, is also an Executive Director, no meeting shall be held between the Chairman and Non-executive Directors without the Executive Directors present.

Under code provision A.6.7 of the Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Certain Non-executive Directors (including Independent Non-executive Directors) were unable to attend the Company's annual general meeting held on 16 May 2013 due to their other business engagements.

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

For the six months ended 30 June 2013, the Company or any of its subsidiaries had not purchased, sold or redeemed any of its listed securities.

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 securities of the Company by the Directors. Having made specific enquiry, all Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code for the six months ended 30 June 2013 and up to the date of this announcement.

INTERIM DIVIDEND

The Board resolved to pay an interim dividend of HK4 cents per ordinary share (2012: HK4 cents per ordinary share), payable on or about Thursday, 26 September 2013 to Shareholders whose names appear on the register of members of the Company ("**Register of Members**") at the close of business on Friday, 13 September 2013.

BOOK CLOSURE

For the purpose of ascertaining the shareholders' entitlement to the proposed final dividend, the Register of Members will be closed on Friday, 13 September 2013, on which no transfer of shares of the Company will be registered. In order to be entitled to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 12 September 2013.

REVIEW OF INTERIM RESULTS

The interim results of the Company for the six months ended 30 June 2013 are unaudited, but have been reviewed 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, by Messr. Deloitte Touche Tohmatsu whose unmodified review report is included in the interim report to be sent to the shareholders. The interim results have also been reviewed by the Group's Audit Committee.

APPRECIATION

On behalf of the Board, I would like to express our gratitude to all our customers, suppliers and shareholders for their continuous support. We would also like to thank our team of dedicated staff for their invaluable services and contributions throughout the period.

By Order of the Board
Yiu Hon Ming
Chairman and Managing Director

Hong Kong • 23 August 2013

As at the date of this announcement, the Board comprises (a) three executive directors, namely Mr. Yiu Hon Ming, Ms. Law Wai Ping and Mr. Chau Kam Wing Donald; (b) one non-executive director, namely, Mr. Au Wai Ming; and (c) three independent non-executive directors, namely Mr. Ma Weihua, Mr. Carson Wen and Professor Wong Lung Tak Patrick.