WINOX HOLDINGS LIMITED

盈利時控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6838)

2011 Final Results Announcement

FINANCIAL HIGHLIGHTS

- The Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited on 20 July 2011 with net proceeds of approximately HK$198,350,000.
- The Group's turnover amounted to HK$519,470,000, representing an increase of 30.3%.
- The Group's gross profit amounted to HK$224,600,000, representing an increase of 31.6%.
- The Group's net profit amounted to HK$112,885,000, representing an increase of 24.1%; excluding the non-recurring listing expenses amounting to HK$13,484,000 (2010: HK$5,240,000), adjusted net profit would amount to HK$126,369,000, representing an increase of 31.3%.
- Earnings per share amounted to HK 26.2 cents, representing an increase of 7.8%; excluding the non-recurring listing expenses amounting to HK$13,484,000, the adjusted earnings per share would amount to HK 29.30 cents, representing an increase of 14%.
- The board of directors of the Company recommends a final dividend for the year ended 31 December 2011 of HK 6 cents per ordinary share.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of Winox Holdings Limited (the "Board"), I am pleased to present the Group's results for the financial year ended 31 December 2011.

The Group recorded an increase in turnover of 30.3% to HK$519,470,000 for 2011. Profit for the year of the Group was HK$112,885,000, and profit for the previous year was HK$90,979,000. The earnings per share for this year was HK 26.2 cents (2010: HK 24.3 cents).

The Board recommends a final dividend of HK 6 cents, and is subject to the approval of shareholders at the 2012 annual general meeting. Together with the interim dividends of HK 2 cents per share and HK 3 cents per share paid in October 2011 and January 2012 respectively, the total amount of dividend for the year 2011 is HK 11 cents.

Business

2011 was a special year to the Company. Looking back to where the Group started, we witness the transformation and development of Hong Kong industry. We started in the early 60s of the last century when we were merely a small factory producing watch bracelets in Hong Kong with around thirty workers. With the growth of the luxury watch markets in Europe and the United States, our production lines in Hong Kong were modernised with boosting production capacity during the 1960s and 1970s. In the 1980s, Hong Kong economy underwent a transformation, and in order to cope with the changes, we re-located our production facilities to the Pearl River Delta in Guangdong, China. After gaining a solid and sound business footing at the beginning of this century, we advanced our business through vigorous transformation and upgrading, and established a wholly Hong Kong-owned enterprise in China. In 2011, our remarkable business results achieved in the last couple years warranted our shares to be listed on the Main Board of The Stock Exchange of Hong Kong Limited, which symbolized a new chapter to the Group's history.

2011 was also a year with full of challenges and opportunities as well. The prospect of the global economy was dim and sovereign debt crises kept haunting the Euro area. Various countries, one after another, faced the pressure sourced from the downgrading of their respective credit rating and austerity measures. All these economic difficulties might lead to a reduction in consumption sentiment. Our customers, vast majority of which are internationally renowned brands, were inevitably affected by the economic downturn in Europe and the United States. Nevertheless, the economic development in Asia, especially China, remained strong. Rather than being upset by the global economy downturn, the demands for high-end commodities, in particular luxurious watches, kept rising.

Manufacturing and supplying stainless steel watch bracelets is our core business. Taking advantage of the high demand in commodities in Asia, particularly China, the Group's turnover increased 30.3% in 2011 as compared to 2010, and the Group achieved a double-digit growth in both turnover and profits. At the same time, the orders on hand by the end of February 2012 amounts to HK$355,663,000 which was satisfactory.

Apart from stainless steel watch bracelets, we noticed that stainless steel accessories were increasingly popular amongst consumers. This was due to, on the one hand, the continued rise in using environmentally friendly materials by the internationally renowned brands; and on the other hand, more and more consumers were aware of the special features of stainless steel products, namely, superb quality yet in an affordable price. In view of this, the Group initiated business diversification a few years ago, and our expertise in stainless steel was progressively applied to producing other products, including costume jewellery and accessories, belt buckles and etc. Although the sales revenue and profits generated from these products could not match with those of watch bracelets at the moment, the orders and sales revenue showed a rising trend over the past few years. The recognition of stainless steel products and the trend of wearing stainless steel accessories in the market were evidenced. It is expected that stainless steel accessories will become the new growth engine of our business.

Outlook

In mid-March this year, news which facilitated the Group to map out its business kept appearing. This included the economy in Europe has been provisionally stabilized in view of the solutions available to Greece's sovereign debts, the economy of the United States has showed signs of preliminary recovery, and the growth of China economy in 2012 has been targeted at 7.5%. To mobilise our resources in a more effective manner and to improve in terms of productivity, the Group will continue its ongoing exercise of strategically broaden our product portfolio, and to select and explore strong and potential customers.

We are fully aware that we have to face enormous challenges and uncertainties in future, including the appreciation of Renminbi and the rise of labour costs in the mainland. We shall closely monitor the changes in the market, and initiate timely adjustment as appropriate. We shall ensure that each of our moves will be a solid step towards our destinated goal.

Appreciation

I would like to express my heartfelt gratitude to all our staff, in particular the senior staff members who lead the newcomers and facilitate the growth of the Group. It is hoped that all the staff will work together and contribute to the advance of the Group.

Yiu Hon Ming
Chairman and Managing Director

Hong Kong, 30 March 2012

MANAGEMENT DISCUSSION AND ANALYSIS

Despite the continued rise in production costs, 2011 still proved to be a remarkable year to the Company as we recorded a double-digit growth in both turnover and profit, and our shares successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Manufacturing top grade stainless steel products is still our focus. Having been benefited from the buoyant China luxury watches retail market, watch bracelets products remained the biggest contributor to the Company's stream of income. Stainless steel bag accessories and belt buckles also saw a rising trend as our cooperation with our customers was increasingly matured and secured. The production of mobile phone related products started in the fourth quarter of 2011 and gradually gained its pace in view of a steady increase in potential customers. Nonetheless, the sale of costume jewellery was slightly below our expectation.

We also proceeded with our expansion plan in Huizhou by completing the renovation of our Dongfengcun factory. Negotiation with local land administrative authorities for converting the use of part of the current permitted land of the Huizhou Huzhen factory site to state-owned land for industrial use was underway.

Nonetheless, the continued appreciation in Renminbi together with the increase in production costs, especially the labour costs, posed a tough operating environment to the Group. We continued to pay extra attention to the changes in external environment and strived to achieve better cost control and supply chain management so as to maintain a sustainable operating margin for the Group.

Revenue

Turnover of our Group for 2011 amounted to HK$519,470,000 (2010: HK$398,606,000), representing an increase of 30.3% over the previous year. The turnover attributable to watch bracelets, costume jewellery, bag accessories and belt buckles, and mobile phone related products accounted for 81.9%, 10.6%, 7.0% and 0.5% of our revenue.

Watch bracelets recorded a growth of 38.0% in 2011 as compared to 2010 with turnover increased from HK$308,008,000 to HK$425,202,000. The growth was mainly derived from the strong demand for internationally renowned Swiss made watches not only in China but also in Asia as well. We catered to the demands of our customers with reliable quality, flexible design and manufacturing process, and on-time delivery. The well-established business relationships with our major customers enabled us to secure large volume of stable orders. Orders on hand for watch bracelets as at 29 February 2012 amounted to HK$286,839,000.

Turnover of costume jewellery decreased by 20.5% from HK$69,500,000 in 2010 to HK$55,255,000 in 2011. The drop in 2011 was due to the ongoing screening and selection of potential customers in order to establish a strong and quality customer base. However, the Group was able to further fasten our relationships with existing prominent customers who continued to place sizeable orders. Customers also inclined to use stainless steel in place of copper as the base material for costume jewellery to take advantage of the tarnish resistance, lower cost and anti-allergic properties of stainless steel. In the second half of 2011, resources have been devoted to develop new product samples of costume jewellery to customers and, up to 29 February 2012, the Group has already obtained orders on hand which worth a total of HK$60,185,000.

Turnover of bag accessories and belt buckles increased by 71.5% from HK$21,098,000 in 2010 to HK$36,185,000 in 2011. Orders on hand for this category of products amounted to HK$8,639,000 as at 29 February 2012.

Mobile phone related accessories commenced its production in the fourth quarter of 2011 with a turnover amounted to HK$2,828,000. As a new player in the market, the competition was keener than that we anticipated. Nevertheless, we will continue to explore the market and adjust our marketing strategy to build up our customer base.

Profit

The Group's consolidated net profit attributable to shareholders for the year increased by 24.1% to HK$112,885,000 (2010: HK$90,979,000). Basic earnings per share for the year was HK26.2 cents (2010: HK24.3 cents), an increase of 7.8% over last year. Excluding the non-recurring listing expenses amounting to HK$13,484,000 (2010: HK$5,240,000), the adjusted net profit for the year would amount to HK$126,369,000, an increase of 31.3% as compared to last year.

Gross profit for the year was HK$224,600,000 (2010: HK$170,670,000) representing an increase of 31.6% as compared to last year. Gross profit margin for the year also slightly increased to about 43.2% (2010: 42.8%) as a result of the continuing improvement in our production efficiency through economies of scale, rigorous cost control and supply chain management.

Cost of goods sold

Cost of goods sold included costs of production materials, labour and manufacturing overhead and other costs. The following table set forth the breakdowns of our cost of goods sold during the period:

	2011 HK$'000	2010 HK$'000
Direct material costs	110,945	94,693
Direct labour costs	121,491	80,221
Manufacturing overhead and other costs	62,434	53,022
	294,870	227,936

The total cost of goods sold increased by approximately 29.4% from HK$227,936,000 in 2010 to HK$294,870,000 in 2011. The increase was tied up with the surge in turnover by 30.3% correspondingly. Nonetheless the operation environment of industry in China was getting tough with the appreciation in Renminbi and the continued rise in labour costs.

Costs of material and labour accounted for 37.6% and 41.2% of the total costs of goods sold for 2011 (2010: 41.5% and 35.2%) respectively. The disproportional increase of direct costs was mainly due to the substantial increase in minimum wage in Dongguan city from RMB920 to RMB1,100 effective from March 2011, an increase of 19.6%. The price of our major production materials such as stainless steel rods and stainless steel plates increased moderately. During the year, manufacturing overhead and other costs increased by 17.8% over last year, as compared to the 30.3% increase in turnover over the corresponding period in 2010.

The Group would, on the one hand, continue to monitor the direct production cost by imposing strict cost control measures, and on the other hand, adjust selling price of our products to absorb the increased cost.

Other income

Other income for 2011 amounted to HK$5,618,000 (2010: HK$4,055,000) was primarily due to the gain on disposal of scrapped materials, management fee income and bank interest income during the year.

Other expenses

Selling and distribution expenses increased by 32.8% to HK$26,652,000 for 2011 as compared to HK$20,075,000 last year. The increase was a result of the economies of scale brought by the growth in turnover, selling and distribution costs which only accounted for 5.1% (2010: 5.0%) of the total turnover in 2011, slightly up by 0.1 percentage point over the previous year.

Administration expenses increased from HK$35,010,000 in 2010 to HK$51,244,000 in 2011. The overall administrative expenses to turnover ratio was 9.9% (2010: 8.8%), increased by 1.1 percentage point over last year. The difference was mainly due to the additional professional fees, and salaries and allowance of administration and management staff of the Group in connection with the day-to-day operations of the Company for its listing on the Stock Exchange.

A net amount of HK$42,636,000 bank loans has been repaid by the Group during the year. There was only a minor decrease in the finance costs from HK$4,900,000 for 2010 to HK$4,892,000 for 2011 due to the appreciation of Renminbi and the rise in interest rate.

Inventories analysis

	31.12.2011 HK$'000	31.12.2010 HK$'000
Raw materials	11,836	9,563
Work in progress	66,201	30,647
Finished goods	7,992	423
	86,029	40,633

As at 31 December 2011, the Group recorded an inventory balance of HK$86,029,000 (31 December 2010: HK$40,633,000), an increase of 111.7% as compared to 31 December 2010. The overall increase in inventories was mainly due to a significant increase in production volume. Inventory turnover for the year 2011 was 78.4 days as compared to 52.9 days in 2010.

Trade receivables

As at 31 December 2011, the Group recorded trade receivables balances of HK$69,734,000 (31 December 2010: HK$89,667,000). The decrease was mostly due to punctual payment of customers. Majority of our trade receivables represented the receivables from our customers. The credit periods granted to our customers was considered on a case-by-case basis ranging from 30 days to 90 days. Generally, no credit would be granted to new customers, short-term customers and customers with relatively small sales volume. As most of our customers are internationally renowned brand owners, the default risk faced by us is relatively minimal. Trade receivables turnover ratio of the Group for the years 2011 was 56.0 days (2010: 59.8 days).

Trade payables

As at 31 December 2011, the Group recorded trade payables balances of HK$24,188,000 (31 December 2010: 27,116,000). Our trade payables mainly related to the purchase of raw materials from our suppliers with credit terms generally between 30 days to 60 days. Trade payables turnover ratio of the Group for the years 2011 was 31.8 days (2010: 31.5 days).

Liquidity, indebtedness and charges on assets

It is our plan to maintain sufficient cash to meet our working capital requirements and our expansion plan in Huizhou in the near future. The Group's net current assets as at 31 December 2011 was significantly improved from HK$2,598,000 as at 31 December 2010 to HK$264,590,000 as at 31 December 2011. The improvement in liquidity was mainly derived from the net proceeds of approximately HK$198,350,000 after deducting the expenses relating the share offer of the Company in July 2011.

The Group had cash and bank balances of approximately HK$245,881,000 (as at 31 December 2010: HK$61,793,000), of which 43.0% was in Hong Kong dollar, 0.1% was in Swiss Franc, 53.3% was in Renminbi and 3.6% was in the United States dollar.

The Group's outstanding bank borrowings as at 31 December 2011 was HK$96,838,000 (31 December 2010: HK$139,474,000), of which 72% was in Hong Kong dollar and 28% was in Renminbi, all carried floating interest rates. Of these outstanding borrowings, HK$71,059,000 and HK$25,779,000 was respectively classified as current liabilities and non-current liability in the Condensed Consolidated Statement of Financial Position as required under the Hong Kong Financial Reporting Standard. According to the terms of repayment of the bank loan agreements, HK$27,102,000 was short term revolving loan, HK$24,785,000 was loans repayable within one year and the balancing HK$44,951,000 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 HK$42,464,000 as at 31 December 2011. Those charged assets included the piece of land where our factory in Dongguan was located, certain properties located in our factory in Dongguan and deposits for two keyman life insurance policies.

The bank facilities were guaranteed by an unlimited personal guarantee from Mr. Yiu Hon Ming, the Chairman and Managing Director of the Company, for the year ended 31 December 2010. The unlimited personal guarantee from Mr. Yiu had been released by the relevant financial institutions in December 2011 and a corporate guarantee had been given by the Company in place of the said personal guarantee.

The Group's gearing ratio as at 31 December 2011, which was calculated on the basis of outstanding borrowings as a percentage of total assets of the Group, was 0.16 (as at 31 December 2010: 0.42).

Treasury

The Group adopted conservative treasury policies in cash and financial management. The net proceeds from the share offer were mainly placed as short-term deposits with authorized financial institutions in Hong Kong. The Group's liquidity and financing requirements were reviewed regularly.

During the year, the Group's sales was mainly denominated in Hong Kong dollar, while the Group's foreign currency sales were mainly denominated in the United States dollar and Swiss Franc that contributed to the total turnover for the year of 5.1% and 3.8% respectively. Payments of the Group were mainly denominated in Renminbi. As Hong Kong dollar remained pegged to the United States dollar and the sales amount in Swiss Franc was not material, the Group had limited exposure in exchange rate fluctuation. Nonetheless, as the Group's production plants were located in mainland China, most of our labour costs and manufacturing overheads are denominated in Renminbi, the progressive appreciation in Renminbi might affect the overall cost of production and profitability of the Group.

During the year, the Group did not use any financial instruments for hedging purposes and the Group did not have any hedging instruments outstanding as at 31 December 2011. We would continue to monitor closely all possible exchange rate risks arising from the Group's existing operations and new investments in the future and would implement the necessary hedging arrangements to mitigate any significant foreign exchange risk when necessary.

Acquisition and disposal of subsidiaries and associated companies

Other than the group reorganization as disclosed in the Company's prospectus dated 30 June 2011, the Group had not acquired or disposed any subsidiaries or associated companies during the period under review.

Use of Proceeds

The new proceeds raised from the share offer of the Company in July 2011 was approximately HK$198,350,000. The usages of net proceeds up to 31 December 2011 were as follows:

Particulars	Planned amount HK$	Utilized amount HK$	Unutilized amount HK$
Financing the development of the Huzhen Factory	49,587,500	2,815,000	46,772,500
Acquiring equipment and machinery for the Dongfengcun Factory and Huzhen Factory and for expansion of the production facility of our existing facilities	128,927,500	15,034,000	113,893,500
General working capital and other general corporate purposes of our Group	19,835,000	19,835,000	-
TOTAL	198,350,000	37,684,000	160,666,000

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

Capital Commitments

Capital commitments contracted by the Group but not yet provided for in the consolidated financial statements as at 31 December 2011 were approximately HK$24,539,000, which was mainly related to the acquisition of items of property, plant and equipment. These capital commitments would be mainly financed by the net proceeds from the share offer.

Contingent liabilities

As at 31 December 2011 and 31 December 2010, other than corporate guarantee given 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 31 December 2011, the number of employees of the Group was about 3,542 (31 December 2010: about 3,100). Employees cost (including Directors' emoluments) amounted to about HK$151,601,000 for the year (2010: HK$93,993,000). Remuneration of the employees included salary and discretionary bonus which 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 incentivize its senior management and employees. As at 31 December 2011, no options had been granted by the Company pursuant to the share option scheme.

Prospects

Global economic growth is dimming as the financial turmoil in Europe has spread to developing and other high-income countries while growth in major developing countries such as China and India show signs of slowing down. Despite that, China and Asian luxury product markets seem unaffected by the global economic downturn. To meet with these challenges, the Group will continue its stringent cost optimization measures to maximize the productivity and to maintain a satisfactory return for its shareholders. The Group is well prepared and expects growth to continue in 2012. The management of the Group will cautiously monitor the operations of the Group to adapt itself to the challenging economic environment.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	NOTES	2011 HK$'000	2010 HK$'000
Turnover	3	519,470	398,606
Cost of goods sold		(294,870)	(227,936)
Gross profit		224,600	170,670
Other income		5,618	4,055
Other gains and losses		2,065	(1,254)
Selling and distribution costs		(26,652)	(20,075)
Administrative expenses		(51,244)	(35,010)
Listing expenses		(13,484)	(5,240)
Finance costs	4	(4,892)	(4,900)
Profit before taxation	5	136,011	108,246
Taxation	6	(23,126)	(17,267)
Profit for the year		112,885	90,979
Other comprehensive income			
- exchange differences arising on translation		9,270	4,254
Total comprehensive income for the year		122,155	95,233
Earnings per share - Basic	7	HK 26.2 cents	HK 24.3 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2011

	NOTES	2011 HK$'000	2010 HK$'000
Non-current assets			
Property, plant and equipment		146,241	94,580
Prepaid lease payments		7,130	6,970
Deposits for land use right		22,369	18,687
Deposits paid for acquisition of property, plant and equipment		21,638	7,443
Deposit and prepayments for a life insurance policy		5,396	5,682
		202,774	133,362
Current assets			
Inventories		86,029	40,633
Trade and other receivables	9	85,929	97,608
Amount due from a related party		-	538
Bank balances and cash		245,881	61,793
		417,839	200,572
Current liabilities			
Trade and other payables	10	59,154	56,119
Dividend payable		15,000	1,200
Taxation payable		8,036	1,125
Bank borrowings – amounts due within one year		71,059	139,474
Obligations under a finance lease		-	56
		153,249	197,974
Net current assets		264,590	2,598
Total assets less current liabilities		467,364	135,960
Non-current liability			
Bank borrowings – amounts due after one year		25,779	-
		441,585	135,960
Capital and reserves			
Share capital		50,000	1
Reserves		391,585	135,959
		441,585	135,960

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company is an exempted company incorporated in the Cayman Islands under the Companies Law of the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). It's ultimate holding company is Ming Fung Investment Limited, a company with limited liability incorporated in the British Virgin Islands. The address of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report. The Company is an investment holding company. Its principal subsidiaries are engaged in the manufacturing and trading in stainless steel products.

In preparing for the initial listing of the shares of the Company on the Main Board of the Stock Exchange, the companies now comprising the Company and its subsidiaries (hereinafter collectively referred to as the "Group") underwent the group reorganisation (the "Group Reorganisation") to rationalize the group structure. As a result of the Group Reorganisation, the Company became the holding company of the Group on 11 March 2011. Details of the Group Reorganisation are more fully explained in the section headed "Reorganisation" of the prospectus of the Company dated 30 June 2011 (the "Prospectus"). The Group resulting from the Group Reorganisation is regarded as a continuing entity under the common control of the controlling parties, who are disclosed in the Company's Prospectus, collectively prior to and after the Group Reorganisation, and that collective control is not transitory. Accordingly, the consolidated financial statements have been prepared using the principles of merger accounting in accordance with Accounting Guideline 5 "Merger accounting under common control combination" issued by the HKICPA. The consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for the year ended 31 December 2011 and 31 December 2010 have been prepared on the basis as if the current group structure has been in existence throughout the years. The consolidated statement of financial position of the Group as at 31 December 2010 has been prepared to present the assets and liabilities of the companies now comprising the Group as if the group structure has been in existence as at that date.

The shares of the Company are listed on the Stock Exchange on 20 July 2011.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised in 2009)	Related party disclosures
Amendment to HKAS 32	Classification of rights issues
Amendment to HK(IFRIC*) - INT 14	Prepayments of a minimum funding requirement
HK(IFRIC*) - INT 19	Extinguishing financial liabilities with equity instruments

* IFRIC represents the IFRS Interpretations Committee

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS - continued

Amendments to HKFRS 7	Disclosures – Transfers of financial assets[1]
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities[2]
Amendments to HKFRS 7 and HKFRS 9	Mandatory effective date of HKFRS 9 and transition disclosures[3]
HKFRS 9	Financial instruments[3]
HKFRS 10	Consolidated financial statements[3]
HKFRS 11	Joint arrangements[2]
HKFRS 12	Disclosures of interests in other entities[2]
HKFRS 13	Fair value measurements[2]
Amendments to HKAS 1	Presentation of items of other comprehensive income[5]
Amendments to HKAS12	Deferred tax – Recovery of underlying assets[4]
HKAS 19 (as revised in 2011)	Employee benefits[2]
HKAS 27 (as revised in 2011)	Separate financial statements[2]
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures[2]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[6]
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine[2]

1 Effective for annual periods beginning on or after 1 July 2011.
2 Effective for annual periods beginning on or after 1 January 2013.
3 Effective for annual periods beginning on or after 1 January 2015.
4 Effective for annual periods beginning on or after 1 January 2012.
5 Effective for annual periods beginning on or after 1 July 2012.
6 Effective for annual periods beginning on or after 1 January 2014.

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

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

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 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors of the Company anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The directors of the Company consider that the application of these five standards will have no material impact on the results and the financial position of the Group.

2. **ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS - continued**

Amendments to HKAS 1 presentation of items of other comprehensive income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, 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 directors anticipate that the amendments to HKAS 1 will be adopted in the Group's consolidated financial statements for annual period beginning on 1 January 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

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 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 and accessories and others, and by locations of customers, including Switzerland, Hong Kong and other European and Asian 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 year.

Turnover by products are as follows:

	2011 HK$'000	2010 HK$'000
Watch bracelets	425,202	308,008
Costume jewellery	55,255	69,500
Accessories and others	39,013	21,098
	519,470	398,606

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

	2011 HK$'000	2010 HK$'000
Switzerland	371,334	284,568
Hong Kong	86,136	69,832
Other European and Asian countries	62,000	44,206
	519,470	398,606

3. TURNOVER AND SEGMENT INFORMATION - continued

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

	2011 HK$'000	2010 HK$'000
Customer A[1]	311,300	218,682
Customer B[1]	56,814	50,673
Customer C[2]	34,151 [3]	41,724

Notes:

[1] Turnover from sales of watch bracelets
[2] Turnover from sales of costume jewellery and accessories
[3] The corresponding revenue did not contribute over 10% of total turnover of the Group.

At 31 December 2011, substantially all non-current assets of the Group were located in the Mainland China amounting to HK$193,298,000 (2010: HK$127,312,000).

4. FINANCE COSTS

	2011 HK$'000	2010 HK$'000
Interests on		
- Bank borrowings wholly repayable within five years	4,883	4,877
- Finance lease	9	23
	4,892	4,900

5. PROFIT BEFORE TAXATION

	2011 HK$'000	2010 HK$'000
Profit before taxation has been arrived at after charging:		
Directors' remuneration	4,678	1,451
Other staff's retirement benefits scheme contributions	9,735	5,143
Other staff costs	137,188	87,399
	151,601	93,993
Auditor's remuneration	1,200	1,774
Cost of inventories recognised as expenses	281,817	218,226
Depreciation	8,734	6,515
Release of prepaid lease payments	160	153
Operating lease rentals in respect of rented premises	3,515	627

6. TAXATION

	2011 HK$'000	2010 HK$'000
The charge comprises:		
Current tax - Hong Kong Profits Tax		
Current year	14,435	11,098
Underprovision in previous year	12	-
	14,447	11,098
Current tax - PRC Enterprise Income Tax ("PRC EIT")		
Current year	8,679	6,169
	23,126	17,267

6. TAXATION - continued

(i) Hong Kong Profits Tax

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

(ii) PRC EIT

On 16 March 2007, the PRC promulgated the Law on Enterprise Income Tax (the "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, a PRC subsidiary of the Group 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.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year is based on the consolidated profit attributable to owners of the Company and on the weighted average number at 431,352,459 (2010: 375,000,000) ordinary shares in issue during the year which is on the assumption that the Group Reorganisation and the capitalisation issue of 374,999,000 ordinary shares of HK$0.1 each of the Company at par value on 24 June 2011 had been effective on 1 January 2010.

No dilutive earnings per share is presented as there are no potential dilutive shares during the year.

8. DIVIDENDS

In January 2011, a subsidiary of the Company, Glorify Land Management Limited ("Glorify Land"), declared and paid an interim dividend of HK$8,800,000 for the year ended 31 December 2011 to its then shareholders prior to the Group Reorganisation.

On 27 August 2011 and 4 December 2011, the board of directors of the Company has resolved to declare interim dividends of HK2 cents and HK3 cents per ordinary share totaling HK$10,000,000 and HK$15,000,000 respectively.

On 30 March 2012, the board of directors of the Company has resolved to recommend a final dividend of HK 6 cents per ordinary share totalling HK$30,000,000 for the year ended 31 December 2011.

9. TRADE AND OTHER RECEIVABLES

	2011 HK$'000	2010 HK$'000
Trade receivables	69,734	89,667
Bill receivables	3,017	-
Prepayments and deposits	3,713	3,324
Prepaid lease payments	164	156
VAT receivables	6,589	2,846
Others	2,712	1,615
	85,929	97,608

Payment terms with customers are mainly on credit. Invoices are normally payable in 30 to 90 days by the customers from date of issuance. The following is an aged analysis of trade receivables at the end of each reporting period based on the invoice date:

	2011 HK$'000	2010 HK$'000
0 to 30 days	56,901	46,182
31 to 60 days	10,733	42,866
61 to 90 days	1,327	446
Over 90 days	773	173
	69,734	89,667

All bill receivables of the Group are aged within 30 days at the reporting date.

In determining the recoverability of the trade receivables, the Group monitors change in the credit quality of the trade receivables since the credit was granted and up to the reporting date. The directors considered that the trade receivables that are neither past due nor impaired to be of a good credit quality.

At 31 December 2011, included in the Group's trade receivable balances are trade receivables with aggregate carrying amount of HK$9,652,000 (2010: HK$41,839,000) which are past due at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on historical experience. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired is as follows:

	2011 HK$'000	2010 HK$'000
Within 60 days	9,107	41,666
61 to 90 days	485	-
Over 90 days	60	173
	9,652	41,839

10. TRADE AND OTHER PAYABLES

	2011 HK$'000	2010 HK$'000
Trade payables	24,188	27,116
Payroll and welfare payable	12,891	16,807
Commissions and other payable to intermediary agents	10,962	8,338
Payables for acquisition of property, plant and equipment	6,415	2,651
Others	4,698	1,207
	59,154	56,119

The Group normally receives credit terms of 30 to 90 days from its suppliers. The following is an aged analysis of trade payables at the end of the reporting period based on invoice date:

	2011 HK$'000	2010 HK$'000
Age		
0 to 30 days	9,427	9,177
31 to 60 days	9,975	10,112
61 to 90 days	2,912	4,133
Over 90 days	1,874	3,694
	24,188	27,116

CORPORATE GOVERNANCE AND OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Since the Company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 20 July 2011 (the "Listing Date") and up to 31 December 2011, the Company or any of its subsidiaries had not purchased, sold or redeemed any of its listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiry to all the Directors of the Company, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the period from the Listing Date and up to the date of this announcement.

CODE ON CORPORATE GOVERNANCE PRACTICES

Since the Listing Date and up to the date of this announcement, the Company was in compliance with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules, save and except for the following derivation:

Code Provision A.2.1

Under Code Provision A.2.1, the roles of chairman and managing director should be separated and should not be performed by the same individual. During the period from the Listing Date to the date of this announcement, the Company has not separated the roles of chairman and managing director. Mr. Yiu Hon Ming is the chairman and also managing director of the Company responsible for overseeing the operations of the Group. The Board will meet regularly to consider major matters affecting the operations of the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company and is conducive to strong and consistent leadership, enabling the Group to operate efficiently.

CHANGE OF CHAIRMAN OF REMUNERATION COMMITTEE

In order to comply with the forthcoming amendments to the Listing Rules which will be effective on 1 April 2012, Mr. Yiu Hon Ming, Chairman and Managing Director of the Company, has ceased to be Chairman of the Remuneration Committee of the Company but remains as a member of the Remuneration Committee; and Professor Wong Lung Tak Patrick, an Independent Non-executive Director of the Company who is an existing member of the Remuneration Committee, has been appointed as Chairman of the Remuneration Committee with effect from 30 March 2012.

REVIEW OF ANNUAL RESULTS

The Audit Committee has reviewed the consolidated financial results of the Group for the year ended 31 December 2011.

PRELIMINARY ANNOUNCEMENT OF THE GROUP'S RESULT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2011 as set out in the Preliminary Announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

BOOK CLOSURE

Annual General Meeting

The 2012 Annual General Meeting of the Company will be held at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 15 May 2012 at 3:00 p.m. The register of members of the Company will be closed and no transfer of shares will be registered on Monday, 14 May 2012 and Tuesday, 15 May 2012.

In order to qualify for attending and voting at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged at the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not later than 4.30 p.m. on Friday, 11 May 2012.

Entitlement for Final Dividend

The Board has resolved to recommend the payment of a final dividend of HK 6 cents per ordinary share for the year ended 31 December 2011, totaling HK$30,000,000 which is expected to be paid on 30 May 2012 to its shareholders whose names appear on the register of members of the Company on 21 May 2012 subject to the final approval in the annual general meeting to be held on 15 May 2012.

For the purpose of determining shareholders’ entitlements to the final dividend for the year ended 31 December 2011, the register of members will be closed on Monday, 21 May 2012, and no transfer of shares will be registered on that date. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged at the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at the above address not later than 4.30 p.m. on Friday, 18 May 2012.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This final results announcement is published on the websites of the Company (www.winox.com) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2011 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and make available on the abovementioned websites in due course.

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

Hong Kong, 30 March 2012

As at the date of this announcement, the Board of the Company 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.