

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Winox Holdings Limited (the “Company”), you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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WINOX
WINOX HOLDINGS LIMITED
盈利時控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6838)

DISCLOSEABLE AND CONNECTED TRANSACTION

Financial adviser to the Company



**Independent financial adviser to
the independent board committee
and the independent shareholders of the Company**



SOMERLEY LIMITED

A letter from the independent board committee of the Company containing its recommendation to the independent shareholders of the Company is set out on page 15 of this circular. A letter from Somerley Limited, the independent financial adviser, containing its advice to the independent board committee and the independent shareholders of the Company is set out on pages 16 to 26 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at 18th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong on 25 July 2012 at 2:30 p.m. is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

9 July 2012

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“Assets”	land with the total site area of 66,666 sq. m. (together with four buildings erected thereon) located in Dongfeng Village, Huzhen Town, Boluo County, Huizhou, Guangdong Province, the PRC
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	board of Directors
“Company”	Winox Holdings Limited (stock code: 6838), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Transaction
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held on 25 July 2012 at 2:30 p.m. at which an ordinary resolution will be proposed to consider and, if thought fit, approve the Master Agreement and the transactions contemplated thereunder
“Enlarged Group”	the Group and Ming Fung Kitchen after Completion
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Ma Weihua, Mr. Carson Wen and Professor Wong Lung Tak Patrick, established for the purpose of advising the Independent Shareholders in relation to the Master Agreement and the transactions contemplated thereunder

DEFINITIONS

“Independent Shareholders”	Shareholders other than those who are required under the Listing Rules to abstain from voting on the resolution to be proposed at the EGM to approve the Master Agreement and the transactions contemplated thereunder
“Latest Practicable Date”	5 July 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	the loans in the aggregate amount of RMB28,959,096.95 owing from Ming Fung Kitchen to Mr. Yiu and his associates
“Master Agreement”	the master agreement dated 15 May 2012 entered into between Mr. Yiu, the Purchaser and the Nominee in relation to the Transaction
“Ming Fung Kitchen”	博羅明豐廚具製造有限公司 (Bo Luo Ming Fung Kitchen Appliance Manufacturing Limited*), a company with limited liability established in the PRC on 31 December 2010 and the entire issued equity capital of which was held by the Nominee for and to the order of Mr. Yiu as at the Latest Practicable Date
“Mr. Yiu”	Mr. Yiu Hon Ming, the chairman and managing director of the Company, an executive Director and a controlling Shareholder
“Nominee”	李輝柱先生 (Mr. Li Huizhu*), who legally held the entire equity capital of Ming Fung Kitchen as at the Latest Practicable Date and had entered into an entrustment agreement to hold the entire equity capital of Ming Fung Kitchen on behalf of Mr. Yiu. The Nominee is the brother-in-law of Mr. Yiu
“PRC”	the People’s Republic of China which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

DEFINITIONS

“PRC Agreement”	documentation containing further detailed terms and provisions required to implement the transactions contemplated by the Master Agreement
“Prospectus”	the prospectus of the Company dated 30 June 2011 in relation to the initial public offering of the Company
“Purchase Consideration”	RMB1 million, being the consideration payable by the Purchaser to Mr. Yiu for the sale and purchase of the Sale Equity
“Purchaser”	Super Powerful Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale Equity”	the entire equity capital of Ming Fung Kitchen
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Somerley”	Somerley Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Master Agreement and the transactions contemplated thereunder
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the proposed acquisition of the Sale Equity by the Purchaser and putting of funds in Ming Fung Kitchen to repay the Loans by the Purchaser pursuant to the Master Agreement and the PRC Agreement

DEFINITIONS

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq. m.”	square meter(s)
“%”	per cent.

* *The English translation is for identification purposes only.*

LETTER FROM THE BOARD



WINOX

WINOX HOLDINGS LIMITED

盈利時控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6838)

Executive Directors:

YIU Hon Ming (*Chairman and Managing Director*)

LAW Wai Ping

CHAU Kam Wing Donald (*Finance Director*)

Non-executive Director:

AU Wai Ming (*Deputy Chairman*)

Independent non-executive Directors:

MA Weihua

Carson WEN

WONG Lung Tak Patrick

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:*

18th Floor

Guangdong Investment Tower

148 Connaught Road Central

Hong Kong

9 July 2012

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

On 15 May 2012, the Board announced that on the same date (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, Mr. Yiu and the Nominee entered into the Master Agreement, pursuant to which the Purchaser conditionally agreed to acquire, and Mr. Yiu conditionally agreed to procure the sale of, the Sale Equity, being the entire equity capital of Ming Fung Kitchen, at the Purchase Consideration of RMB1 million, and the Purchaser also conditionally agreed to put funds in Ming Fung Kitchen to repay the Loans. As at the Latest Practicable Date, the aggregate outstanding amount of the Loans was RMB28,959,096.95.

LETTER FROM THE BOARD

The Transaction constitutes a discloseable and connected transaction for the Company under the Listing Rules. The purpose of this circular is to provide you with, among other things, (i) further information on the Transaction; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Master Agreement and the transactions contemplated thereunder; (iii) the letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders in relation to the Master Agreement and the transactions contemplated thereunder; (iv) the valuation report on the Assets; (v) the notice of the EGM; and (vi) all other information as required under the Listing Rules.

THE MASTER AGREEMENT

Date

15 May 2012

Parties

- (i) Mr. Yiu, as vendor;
- (ii) Super Powerful Limited, an indirect wholly-owned subsidiary of the Company, as purchaser; and
- (iii) 李輝柱先生 (Mr. Li Huizhu*), as nominee.

Subject matter of the Transaction

Subject to the satisfaction (or waiver) of the conditions precedent and to the other terms and conditions set out in the Master Agreement and the PRC Agreement, the Purchaser will acquire the Sale Equity at the Purchase Consideration and put funds in Ming Fung Kitchen to repay the Loans.

Purchase Consideration and repayment of the Loans

The Purchase Consideration (i.e. the consideration for the sale and purchase of the Sale Equity) shall be RMB1 million, which shall be payable in cash within 15 business days after Completion, and subject to Completion having taken place and after the determination of the Completion NAV (as defined below), the Purchaser shall procure that Ming Fung Kitchen shall repay the Loans (being in the aggregate amount of RMB28,959,096.95) in full.

The Purchase Consideration was arrived at after arm's length negotiations between the parties to the Master Agreement after taking into account, among others, (i) the unaudited net assets value of Ming Fung Kitchen as at 30 April 2012 based on its management accounts as at 30 April 2012 (the "Accounts") after excluding the Loans,

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LETTER FROM THE BOARD

amounting to approximately RMB29.8 million; (ii) the independent valuation of the Assets as at 30 April 2012 in the amount of RMB30.1 million; and (iii) the fact that the aggregate of the Purchase Consideration and the Loans, being approximately RMB30.0 million is approximately equal to the book value of the unaudited net assets value of Ming Fung Kitchen as at 30 April 2012 excluding the Loans. Please refer to Appendix I to this circular for the valuation report issued by DTZ Debenham Tie Leung Limited.

In the event that the net assets value of Ming Fung Kitchen as at Completion (the “**Completion NAV**”, and the balance sheet as at the date of Completion and the income statement for the period commencing 1 January 2012 to the date of Completion shall together be referred to as the “**Completion Accounts**”) shall be less than RMB600,000 (being the agreed net assets value of Ming Fung Kitchen as determined by reference to, among others, the Accounts after agreed adjustments for anticipated expenses and taxes), the Purchase Consideration shall be reduced by an amount equal to the difference between the Completion NAV and RMB600,000. For the purpose of determining the Completion NAV, the value of the Assets shall not be higher than their carrying value as stated in the Accounts. The Vendor shall procure that the Completion Accounts and the Completion NAV shall be (i) prepared and compiled (as the case may be) in the form and with such details as the Purchaser may reasonably require, and (ii) delivered to the Purchaser on the day of Completion. Having considered that: (i) the aforesaid threshold of net assets value of Ming Fung Kitchen of RMB600,000 has been determined by reference to, among others, the Accounts after agreed adjustments for anticipated expenses and taxes; and (ii) even if the Completion NAV is RMB600,000, if the valuation of the Assets as at 30 April 2012 and the possible related deferred tax (if any) are taken into account, the net assets value of Ming Fung Kitchen after adjusted for such valuation and possible related deferred tax (if any) is estimated to be not less than the Purchase Consideration, the Directors consider that the aforesaid threshold of net assets value of RMB600,000 is fair and reasonable.

Conditions precedent of the Transaction

Completion shall be subject to the satisfaction (or waiver) of the following conditions precedent:

- (i) the results of the due diligence investigation being to the satisfaction of the Purchaser (in its sole opinion);
- (ii) the PRC Agreement being entered into and executed by the parties thereto on or before 31 July 2012, or such later date as the Purchaser may, in writing, agree;
- (iii) there being, in the sole opinion of the Purchaser, no material adverse change, or prospective material adverse change, in the business or financial conditions or assets (including for the avoidance of doubt, the conditions of and title to the Assets) of Ming Fung Kitchen;

LETTER FROM THE BOARD

- (iv) the passing by shareholders of the Company (other than those prohibited from voting under the Listing Rules, if applicable) of the necessary resolution(s) at an extraordinary general meeting of the Company convened in accordance with the Listing Rules in relation to the Transaction;
- (v) the approvals of PRC government authorities having been obtained in relation to the conversion of Ming Fung Kitchen into a wholly foreign owned enterprise and the transfer of the Sale Equity to the Purchaser, respectively, and a new business licence having been issued to Ming Fung Kitchen reflecting the aforesaid; and
- (vi) all approvals (regulatory, administrative or otherwise, and whether relating to contractual provisions, licence, title document or otherwise), if any, required for the consummation of the Transaction (or any of the transactions or matters stipulated in the PRC Agreement) having, in the sole opinion of the Purchaser, been obtained.

The above condition precedents (i) and (vi) may be waived (in whole or in part) by the Purchaser at its absolute discretion. Completion shall take place on the date upon which the last of the conditions precedent is satisfied or waived or such other date as the parties may mutually agree in writing. If the conditions precedent shall not have been fulfilled and/or waived (as herein provided) in full on or before 5:00 p.m. on 31 December 2012 (or such later date as the Purchaser may, in writing, agree), all rights, obligations and liabilities of the parties under the Master Agreement (and/or under the PRC Agreement, as the case may be) shall cease and terminate and none of the parties shall have any claim against any other in respect of the Master Agreement (or the PRC Agreement, as the case may be) save for any antecedent breach of the Master Agreement (and/or under the PRC Agreement, as the case may be).

Further documentation

As one of the conditions precedent to Completion, the PRC Agreement containing further detailed terms and provisions required to implement the transactions contemplated by the Master Agreement has to be entered into and executed by the parties thereto on or before 31 July 2012 or such later date as the Purchaser may agree in writing. Pursuant to the Master Agreement, Mr. Yiu shall procure that the Nominee shall enter into the PRC Agreement with the Purchaser as soon as practicable within seven business days after the passing of the necessary resolution(s) at an extraordinary general meeting of the Company convened in accordance with the Listing Rules in relation to the Transaction (or such later date as the Purchaser may, in writing, agree) on such terms reflecting the terms in the Master Agreement as the Purchaser may reasonably require, and the Nominee agrees to enter into such PRC Agreement with the Purchaser on such terms reflecting the terms in the Master Agreement as the Purchaser may reasonably require. The Master Agreement will survive the execution of the PRC Agreement.

Pursuant to the Master Agreement, Mr. Yiu shall, upon the execution of the PRC Agreement by the parties thereto, execute and deliver a deed of guarantee and indemnity (on such terms as the Purchaser shall reasonably require) under which Mr. Yiu shall, among others, (i) guarantee the performance and payment obligations of the Nominee

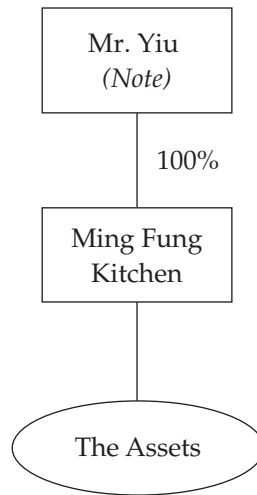
LETTER FROM THE BOARD

under the PRC Agreement in favour of the Purchaser, and (ii) indemnify Ming Fung Kitchen and the Purchaser against any liabilities and/or taxes (including any penalties relating thereto) incurred by Ming Fung Kitchen (whether in respect of the Assets or otherwise) which have not been expressly disclosed in the Accounts.

INFORMATION ON MING FUNG KITCHEN

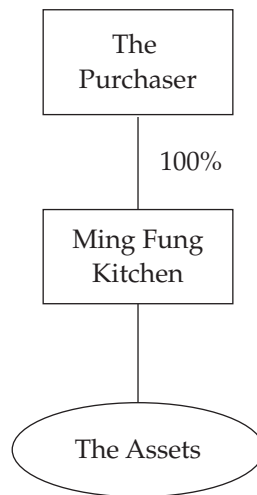
Shareholding structure of Ming Fung Kitchen

As at the Latest Practicable Date and immediately before Completion:



Note: As at the Latest Practicable Date, the entire equity capital of Ming Fung Kitchen was legally held by the Nominee, who had entered into an entrustment agreement to hold the entire equity capital of Ming Fung Kitchen for and to the order of Mr. Yiu.

Immediately after Completion:



LETTER FROM THE BOARD

Information on Ming Fung Kitchen

Ming Fung Kitchen was established in the PRC with limited liability on 31 December 2010. As at the Latest Practicable Date, the entire equity capital of Ming Fung Kitchen was legally held by the Nominee, who had entered into an entrustment agreement to hold the entire equity capital of Ming Fung Kitchen for and to the order of Mr. Yiu. Ming Fung Kitchen is principally engaged in the holding of the Assets and part of the Assets are currently leased to the Group for rental income. Information on the Assets are set out in the paragraph headed "Information on the Assets" below.

Set out below is the unaudited financial information of Ming Fung Kitchen for the period from 31 December 2010 (date of incorporation) to 30 April 2012 based on its management accounts prepared under the generally accepted accounting principles in the PRC.

	For the four months ended 30 April 2012	From 31 December 2010 (date of incorporation) to 31 December 2011
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Revenue	220	385
Loss before taxation	(90)	(22)
Loss after taxation	(90)	(22)

Based on the Accounts, as at 30 April 2012, the unaudited net assets value of Ming Fung Kitchen was approximately RMB0.9 million.

Upon Completion, Ming Fung Kitchen will become an indirect wholly-owned subsidiary of the Company and the results, assets and liabilities of Ming Fung Kitchen will be consolidated into the Group's consolidated financial statements.

Information on the Assets

The Assets are land use rights for two adjacent site areas of 6,666 sq. m. and 60,000 sq. m. with a term due to expire on 7 March 2061 and 27 September 2061, respectively, located in Dongfeng Village, Huzhen Town, Boluo County, Huizhou, Guangdong Province, the PRC for industrial use (together with the four buildings erected thereon). Currently, there are four buildings located on the aforesaid land with a site area of 6,666 sq. m., namely a factory building, two ancillary buildings and one electricity room, with an aggregate gross floor area of approximately 3,732 sq. m., which have been leased to the Group for its production for a term of two years from 23 May 2011 to 22 May 2013 under a lease agreement dated 23 May 2011 ("**PRC Lease Agreement**"), further details of which are set out in the paragraph headed "3. Directors' interests in assets and contracts – (c) PRC Lease Agreement" in Appendix II to this circular. The other parts of the land of the Assets are currently vacant.

LETTER FROM THE BOARD

It is at the discretion of the Group to determine whether to terminate the PRC Lease Agreement after Completion. In the event that Completion takes place and the PRC Lease Agreement is terminated after Completion and before its expiry, no penalty is payable by the Group to Mr. Yiu for such early termination.

The original cost of investment incurred by Mr. Yiu and/or his associates for the entire equity capital of Ming Fung Kitchen taking into account the capital injected into Ming Fung Kitchen together with the aggregate outstanding loans owing from Ming Fung Kitchen to Mr. Yiu and/or his associates amounted to approximately RMB30.0 million.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group is a stainless steel products manufacturer principally engaged in the development and manufacture of stainless steel watch bracelets, costume jewellery and accessories, and mobile phone cases and parts for its customers on original equipment manufacturing basis.

The Directors consider that the Transaction is in line with the business strategies and expansion plan of the Group which is to continue to establish its market presence in the industry and broaden its product portfolio to capture growth in the market, further details of which have been disclosed in the Prospectus under the section headed “Business – Business strategies”. In order to capture the rising demand for usage of stainless steel in products including costume jewellery and mobile phone cases, as part of the Group’s business strategies, it has been the Group’s long-term plan to expand the Group’s production capacity. In this respect, (a) the Group has leased from Ming Fung Kitchen the factory building and electricity room and other ancillary buildings in Dongfeng Village for temporary production use and commenced the operation of its factory at Dongfeng Village in 2011. As set out in the Prospectus, the Group planned that the annual production capacity of the aforesaid production site at Dongfeng Village would reach about 948,000 stainless steel mobile phone cases; and (b) as further mentioned in the Prospectus, the Group intended to establish a new production plant at another site in Huzhen, Boluo County, Huizhou (the “**Huzhen Site**”) for the manufacturing of stainless steel costume jewellery, accessories and mobile phone cases, and, as a prerequisite for the construction of factory on the Huzhen Site, among others, the construction land quota (建設用地指標) has to be granted by the relevant land bureau and the approval for the conversion of the current permitted land uses of the site from agricultural land uses to industrial land uses by the relevant land administrative or government authorities has to be obtained.

As at the Latest Practicable Date, the requisite construction land quota in respect of the Huzhen Site or part thereof has not been granted, and accordingly the development of production premises at Huzhen Site is expected to be delayed. The Directors consider that the Group’s existing production capacity may not be sufficient to cater for the Group’s expansion needs. In view of the aforesaid delay and the production need of the Group, the Group decided to implement its expansion plan by first expanding the production site of Dongfeng Village and hence entered into the Master Agreement for the acquisition of the Assets for its long-term production use. The Assets are located next to the town centre of Huzhen Town, Huizhou with ground levelling completed, which facilitates the

LETTER FROM THE BOARD

construction of new factory and ancillary buildings on the site. It is intended that the Group's initial stage of development of the site area of 60,000 sq. m. (the "New Factory Site") of the Assets shall consist of constructing in phases certain factory buildings with a total gross floor area of about 27,000 sq. m. and a dormitory building, detailed planning of which shall be subject to the obtaining of all necessary approvals from the relevant government authorities and the compliance with applicable laws and regulations. Assuming that the acquisition of the Sale Equity (and in turn the Assets) is completed by the third quarter of 2012, the Directors expect that for such initial stage of development, the construction of the relevant factory and dormitory buildings shall be completed in phases by the end of 2013.

Based on the aforementioned plan, the Group currently expects an increase of about 50% of the Group's existing production capacity after completion of the initial stage of development of the New Factory Site. It is estimated that the capital expenditure for the initial stage of development of the New Factory Site will amount to approximately RMB190 million, which is expected to be financed by internal resources of the Group and/or borrowings, and proceeds from the share offer made under the Prospectus in 2011 (details of which have been disclosed in the announcement of the Company dated 15 May 2012). The development plan of the Group may change as it shall be subject to, among others, the obtaining of all necessary approvals from the relevant government authorities. The Group currently plans that the New Factory Site will be assigned for the production of costume jewellery, accessories and mobile phone parts, for a long-term basis instead of a temporary basis.

As the New Factory Site is located adjacent to the current production facilities of the Group in Dongfeng Village and the Group currently intends to acquire the Assets for its long-term production use, the Group's original plan of relocating the operations of the current Dongfeng Village facilities (details of which were disclosed in the section headed "Business – Business strategies – Expansion of production capacity" of the Prospectus) will no longer be necessary. Accordingly, any interruption to the current business operations of the Group will be minimised and relocation costs will be saved. Further, since the certificates for the use of state-owned land and relevant levelling works in respect of the Assets have already been obtained and/or completed as at the Latest Practicable Date, the Directors consider that the construction of the new factory and ancillary buildings on the New Factory Site could commence shortly after the completion of the acquisition of the Assets, which would in turn expedite the Group's expansion plan.

The Directors consider that the Transaction will allow the Group to streamline its operations by concentrating the production of costume jewellery, accessories and mobile phone cases and parts in its production premises located in Dongfeng Village while sparing the production capacity of its production premises located in Dalang Town, Dongguan, Guangdong for concentrating on the production of watch bracelets. The Directors consider that through the Transaction, the Group will be in a better position to capture the market demand and business growth. The Directors consider that the Transaction is in the interests of the Company and the Shareholders as a whole and the terms of the Master Agreement are fair and reasonable. The Group intends to finance the Transaction by internal resources and/or borrowings.

The Directors consider that it is in the interests of the Group to acquire more land for production use in order to cater for the long-term development plan of the Group.

LETTER FROM THE BOARD

Accordingly, it is the present intention of the Group to continue to negotiate with the local government authorities for the grant of the construction land quota and for the approval of the conversion of the permitted land uses of the Huzhen Site to industrial land uses. However, there is no assurance that the Group will be able to acquire all or part of the Huzhen Site that is needed by the Group for its production, and to overcome the potential legal obstacles and complete legal procedures in relation thereto. The development of the Huzhen Site, including the size and exact plot(s) of land to be developed and timing of the development, will depend on the granting of the requisite construction land quota, and the circumstances (such as the market demand for the Group's products, the Group's production capacity and rate of utilisation) at the relevant time, and the initial phase of the size of the Huzhen Site may be reduced having taken into account the aforesaid circumstances. The Company will inform the Shareholders when there is progress in the obtaining of the construction land quota for the Huzhen Site.

GENERAL

The Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. In addition, as at the Latest Practicable Date, Mr. Yiu was a controlling Shareholder (as at the Latest Practicable Date, Ming Fung Investment Limited, which was owned as to approximately 86.93% by Ming Fung Holdings (Hong Kong) Limited (a company owned as to 60% by Mr. Yiu and 40% by Ms. Law Wai Ping (the spouse of Mr. Yiu and an executive Director)), owned 66% of the total issued share capital of the Company), an executive Director, the chairman and the managing director of the Company. Accordingly, Mr. Yiu is a connected person of the Company and the Transaction constitutes a connected transaction for the Company under the Chapter 14A of Listing Rules. The Transaction is subject to the reporting and announcement requirements and the approval of the Independent Shareholders by way of poll at the EGM under the Listing Rules.

Mr. Yiu and his associates will abstain from voting on the proposed resolution approving the Master Agreement and the transactions contemplated thereunder at the EGM. So far as the Company is aware after having made all reasonable enquiries, as at the Latest Practicable Date, Mr. Yiu and his associates were beneficially interested in an aggregate of 334,394,000 Shares (representing approximately 66.88% of the entire existing issued share capital of the Company), being the number of Shares in respect of which they would control or would be entitled to exercise control over the voting rights at general meetings of the Company. As at the Latest Practicable Date, (i) no voting trust or other agreement or arrangement or understanding (other than an outright sale) had been entered into by or binding upon any of such persons, and (ii) there was no obligation or entitlement of any of such persons whereby any of such persons had or might have temporarily or permanently passed control over the exercise of the voting right in respect of its/his/her Shares to a third party, either generally or on a case-by-case basis.

Mr. Yiu and Ms. Law Wai Ping, being the spouse of Mr. Yiu, have abstained from voting on the Board resolution approving the Transaction.

EGM

Set out on pages EGM-1 to EGM-2 is a notice convening the EGM to be held at 18th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong on 25 July

LETTER FROM THE BOARD

2012 at 2:30 p.m. at which an ordinary resolution will be proposed to consider and, if thought fit, approve the Master Agreement and the transactions contemplated thereunder.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. Voting on the proposed resolution at the EGM will be taken by poll.

RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on page 15 of this circular and the letter from Somerley on pages 16 to 26 of this circular which contains their advice to the Independent Board Committee and the Independent Shareholders regarding the Master Agreement and the transactions contemplated thereunder as well as the principal factors and reasons taken into consideration in arriving at their advice.

The Directors consider that the terms of the Transaction are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Master Agreement and the transactions contemplated thereunder. You are advised to read the letter from the Independent Board Committee and the letter from Somerley mentioned above before deciding how to vote on the resolution to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
Winox Holdings Limited
Au Wai Ming
Deputy Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders, which has been prepared for the purpose of incorporation in this circular.



WINOX WINOX HOLDINGS LIMITED 盈利時控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6838)

9 July 2012

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

We refer to the circular of the Company dated 9 July 2012 (the "Circular"), of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise you on the terms of the Master Agreement and the transactions contemplated thereunder. Somerley has been appointed as the independent financial adviser to advise you and us in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving such advice, are set out on pages 16 to 26 of the Circular. Your attention is also drawn to the "Letter from the Board" in the Circular and the additional information set out in the appendices thereto.

Having considered the terms of the Master Agreement and the transactions contemplated thereunder, and taking into account the advice of Somerley, in particular the principal factors, reasons and recommendation as set out in their letter, we consider that the entering into of the Master Agreement and the performance of the transactions contemplated thereunder are in the interests of the Company and the Independent Shareholders as a whole, and the terms of the Master Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. We therefore recommend you to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Master Agreement and the transactions contemplated thereunder.

Ma Weihua

Yours faithfully,
Independent Board Committee
Carson Wen
Independent non-executive Directors

Wong Lung Tak, Patrick

LETTER FROM SOMERLEY

The following is the text of the letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY LIMITED
10th Floor
The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

9 July 2012

To: *the Independent Board Committee and the Independent Shareholders of
Winox Holdings Limited*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders on the terms of the Master Agreement and the transactions contemplated thereunder. Details of the Transaction are set out in the letter from the Board contained in the circular (the “**Circular**”) of the Company to the Shareholders dated 9 July 2012, of which this letter forms a part. Unless otherwise defined, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On 15 May 2012, the Purchaser, an indirect wholly-owned subsidiary of the Company, Mr. Yiu and the Nominee entered into the Master Agreement, pursuant to which the Purchaser conditionally agreed to acquire, and Mr. Yiu conditionally agreed to procure the sale of, the Sale Equity, being the entire equity capital of Ming Fung Kitchen, at the Purchase Consideration of RMB1 million, and the Purchaser also conditionally agreed to put funds in Ming Fung Kitchen to repay the Loans.

As at the Latest Practicable Date, Mr. Yiu was a controlling Shareholder (as at the Latest Practicable Date, Ming Fung Investment Limited, which was owned as to approximately 86.93% by Ming Fung Holdings (Hong Kong) Limited (a company owned as to 60% by Mr. Yiu and 40% by Ms. Law Wai Ping (the spouse of Mr. Yiu and an executive Director)), owned 66% of the total issued share capital of the Company), an executive Director, the chairman and the managing director of the Company. Accordingly, Mr. Yiu is a connected person of the Company and the Transaction constitutes a connected transaction for the Company under the Chapter 14A of Listing Rules. The Transaction is subject to, among other things, the approval of the Independent Shareholders by way of poll at the EGM under the Listing Rules. Mr. Yiu and his associates will abstain from voting on the proposed resolution approving the Master Agreement and the transactions contemplated thereunder at the EGM.

LETTER FROM SOMERLEY

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Mr. Ma Weihua, Mr. Carson Wen and Professor Wong Lung Tak, Patrick, has been established to make a recommendation to the Independent Shareholders as to the Master Agreement and the transactions contemplated thereunder. We, Somerley, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on these matters.

We are not associated with the Company, Mr. Yiu and the Nominee or their respective substantial shareholders or associates and, accordingly, are considered eligible to give independent advice on the Master Agreement and the transactions contemplated thereunder. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, Mr. Yiu and the Nominee or their respective substantial shareholders or associates.

In formulating our opinion, we have reviewed, among other things, the Master Agreement, the PRC legal opinion issued by 國信聯合律師事務所 (Goldsun Law Firm), the Prospectus, the annual report of the Company for the financial year ended 31 December 2011 (the “**2011 Annual Report**”) and the valuation report (the “**Valuation Report**”) as set out in Appendix I to the Circular and other information contained in the Circular.

In addition, we have relied on the information and facts supplied, and the opinions expressed, by the Company and have assumed that the information and facts provided, and the opinions expressed to us are true, accurate and complete in all material aspects at the time they were made and will remain true, accurate and complete up to the date of the EGM. We have also sought and received confirmation from the Company that no material facts have been omitted from the information supplied and that the opinions expressed to us are not misleading in any material respect. We consider that the information we have received is sufficient for us to formulate our opinion and recommendation as set out in this letter and have no reason to believe that any material information has been omitted or withheld, nor to doubt the truth or accuracy of the information provided to us. We have not, however, conducted any independent investigation into the business and affairs of the Group or Ming Fung Kitchen, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion with regard to the Master Agreement and the transactions contemplated thereunder, we have taken into account the following principal factors and reasons:

1. Information on the Group

The Group is a stainless steel products manufacturer principally engaged in the development and manufacture of stainless steel watch bracelets, costume jewellery and accessories, and mobile phone cases and parts for its customers on original equipment manufacturing basis.

LETTER FROM SOMERLEY

Set out below is a summary of the financial performance of the Group for each of the three financial years ended 31 December 2011 (the “**Review Period**”) extracted from the Prospectus and 2011 Annual Report:

	For the year ended 31 December		
	2009	2010	2011
	<i>HK\$'000</i> (Audited)	<i>HK\$'000</i> (Audited)	<i>HK\$'000</i> (Audited)
Revenue			
– Watch bracelets	180,855	308,008	425,202
– Costume jewellery	67,480	69,500	55,255
– Accessories and others	8,593	21,098	39,013
	256,928	398,606	519,470
Profit before taxation	58,464	108,246	136,011
Net profit for the year	52,168	90,979	112,885

The Group’s turnover showed an upward trend during the Review Period. As the key product line of the Group, watch bracelets contributed over 70% of the total turnover of the Group for each of the three years ended 31 December 2011 and have shown a continuous growth in its sales during the Review Period. As mentioned in the Prospectus, the products manufactured by the Group were mainly supplied to international renowned brands with significant presence in the luxury market. Therefore, the business of the Group, in particular the demand for watch bracelets, is largely related to global economic and market conditions.

Because of the impact of the global financial crisis in 2009, the Group’s turnover and net profit reached its bottom to approximately HK\$256.9 million and approximately HK\$52.2 million respectively for the year ended 31 December 2009. Following the recovery in global economy in 2010, turnover of the Group recovered to approximately HK\$398.6 million and recorded a remarkable growth in net profit to approximately HK\$91.0 million for the year ended 31 December 2010, representing an increase of approximately 55.1% and approximately 74.4% respectively as compared with the corresponding period in 2009. Having benefited from the buoyant China retail market, especially the strong demand for internationally renowned luxury watch, watch bracelets products became a potent driver to the Group’s income. The total turnover and net profit of the Group for the year ended 31 December 2011 amounted to approximately HK\$519.5 million and approximately HK\$112.9 million respectively, representing a respective increase of approximately 30.3% and approximately 24.1% as compared with the corresponding period in 2010.

As at 31 December 2011, the consolidated audited net assets of the Group was approximately HK\$441.6 million. The Group had cash and bank balances of approximately HK\$245.9 million as at 31 December 2011 which mainly comprised the un-utilised proceeds raised from the share offer of the Company in July 2011 of approximately HK\$160.7 million.

LETTER FROM SOMERLEY

2. Information on Ming Fung Kitchen and the Assets

2.1 *Ming Fung Kitchen*

- (i) Background and principal business activities of Ming Fung Kitchen

Ming Fung Kitchen was established in the PRC with limited liability on 31 December 2010. As at the Latest Practicable Date, the entire equity capital of Ming Fung Kitchen was legally held by the Nominee, who had entered into an entrustment agreement to hold the entire equity capital of Ming Fung Kitchen for and to the order of Mr. Yiu. Ming Fung Kitchen is principally engaged in the holding of the Assets and part of the Assets are currently leased to the Group for rental income. As disclosed in the paragraph headed "3. Directors' interests in assets and contracts – (c) PRC Lease Agreement" in Appendix II to the Circular, the annual rental for the leasing of part of the Assets by the Group is RMB660,000.

- (ii) Financial information on Ming Fung Kitchen

Set out below is the unaudited financial information of Ming Fung Kitchen for the period from 31 December 2010 (date of incorporation) to 30 April 2012 based on its management accounts prepared under the generally accepted accounting principles in the PRC:

	For the four months ended 30 April 2012	From 31 December 2010 (date of incorporation) to 31 December 2011
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Revenue	220	385
Loss before taxation	(90)	(22)
Loss after taxation	(90)	(22)

As disclosed in the letter from the Board of the Circular, based on the management accounts of Ming Fung Kitchen, as at 30 April 2012, the unaudited net assets value of Ming Fung Kitchen was approximately RMB0.9 million and the carrying value of the Assets was approximately RMB28.97 million.

2.2 *The Assets*

As mentioned in the letter from the Board of the Circular, the Assets are the land use rights for two adjacent site areas of 6,666 sq. m. and 60,000 sq. m. with a term due to expire on 7 March 2061 and 27 September 2061, respectively, located in Dongfeng Village, Huzhen Town, Boluo County, Huizhou, Guangdong Province, the PRC for industrial use (together with the four buildings erected thereon). Currently, there are four buildings located on the aforesaid land with a site area of 6,666 sq. m., namely a factory building, two ancillary buildings and one electricity room, with an aggregate gross floor area of approximately 3,732 sq. m., which have been leased to the Group for its production for a term of two years from 23 May 2011 to 22 May 2013 under a lease agreement dated 23 May 2011 (“**PRC Lease Agreement**”), further details of which are set out in the paragraph headed “3. Directors’ interests in assets and contracts – (c) PRC Lease Agreement” in Appendix II to the Circular. The other parts of the land of the Assets are currently vacant. It is at the discretion of the Group to determine whether to terminate the PRC Lease Agreement after Completion. In the event that Completion takes place and the PRC Lease Agreement is terminated after Completion and before its expiry, no penalty is payable by the Group to Mr. Yiu for such early termination.

The original cost of investment incurred by Mr. Yiu and/or his associates for the entire equity capital of Ming Fung Kitchen taking into account the capital injected into Ming Fung Kitchen together with the aggregate outstanding loans owing from Ming Fung Kitchen to Mr. Yiu and/or his associates amounted to approximately RMB30.0 million.

3. The Transaction

(i) *Background to and reasons for the Transaction*

As disclosed in the Prospectus, the Group aims to continue to establish its market presence in the industry and expand its product category to capture growth in the market. In order to capture the rising demand for usage of stainless steel in products including costume jewellery and mobile phone cases, as part of the Group’s business strategies, it has been the Group’s long-term plan to expand the Group’s production capacity. In this respect, (a) the Group has leased from Ming Fung Kitchen the factory building and other ancillary buildings and electricity room in Dongfeng Village for temporary production use and commenced the operation of the factory at Dongfeng Village in 2011. As stated in the Prospectus, the Group planned that the annual production capacity of the aforesaid production site at Dongfeng Village would reach about 948,000 stainless steel mobile phone cases; and (b) as mentioned in the Prospectus, the Group intended to establish a new production plant at another site in Huzhen, Boluo County, Huizhou (the “**Huzhen Site**”) for the manufacturing of stainless steel costume jewellery, accessories and mobile phone cases.

LETTER FROM SOMERLEY

As a prerequisite for the construction of factory on the Huzhen Site, among others, the construction land quota (建設用地指標) has to be granted by the relevant land bureau and the approval for the conversion of the current permitted land uses of the site from agricultural land uses to industrial land uses by the relevant land administrative or government authorities has to be obtained. However, as at the Latest Practicable Date, the requisite construction land quota in respect of the Huzhen Site has not been granted, and accordingly the development of production premises at Huzhen Site is expected to be delayed.

The management of the Company expects that the sales of the Group will continue to grow for the year 2012 and we are advised by the Company that the outstanding orders received by the end of May 2012 amounted to over HK\$350 million which already represented over 67% of the Group's total revenue for the financial year 2011. Having considered the positive market outlook and the orders on hand, the Directors consider that the Group's existing production capacity may not be sufficient to cater for further growth in its customers' demand. In view of the production need of the Group and in particular, the uncertainty on the production expansion plan with respect to the Huzhen Site as discussed above, the Group decided to implement its expansion plan by first expanding the production site of Dongfeng Village and hence entered into the Master Agreement for the acquisition of the Assets for its long-term production use.

As mentioned in the letter from the Board of the Circular, the initial stage of development of the site area of 60,000 sq. m. (the "New Factory Site") of the Assets should consist of constructing in phases certain factory building with a total gross floor area of about 27,000 sq. m. and a dormitory building, detailed planning of which shall be subject to the obtaining of all necessary approvals from the relevant government authorities and the compliance with applicable laws and regulations. Assuming that the acquisition of the Sale Equity (and in turn the Assets) is completed by the third quarter of 2012, the Directors expect that for such initial stage of development, the construction of the relevant factory and dormitory buildings shall be completed in phases by the end of 2013. Based on the aforementioned plan, the Group currently expects an increase of about 50% of the Group's existing production capacity after completion of the initial stage of development of the New Factory Site. The Group currently plans that the New Factory Site will be assigned for the production of costume jewellery, accessories and mobile phone parts, on long term basis.

As the New Factory Site is located adjacent to the current production facilities of the Group in Dongfeng Village and the Group currently intends to acquire the Assets for its long-term production use, the Group's original plan of relocating the operations of the current Dongfeng Village facilities (details of which were disclosed in the section headed "Business – Business strategies – Expansion of production capacity" of the Prospectus) will no longer be necessary. Accordingly, any interruption to the current business operations of the Group will be minimised and relocation costs will be saved. Further, since the certificates for the use of state-owned land and relevant levelling works in respect of the Assets have already been obtained and/or completed as at the

LETTER FROM SOMERLEY

Latest Practicable Date, the Directors consider that the construction of the new factory and ancillary buildings on the New Factory Site could commence shortly after the completion of the acquisition of the Assets, which would in turn expedite the Group's expansion plan.

The Directors also consider that the Transaction will allow the Group to streamline its operations by concentrating the production of costume jewellery, accessories and mobile phone cases and parts in its production premises in Dongfeng Village while sparing the production capacity of its production premises in Dalang Town, Dongguan, Guangdong for concentrating on the production of watch bracelets. The Directors are also of the view that the Transaction is in line with the business strategies and expansion plan of the Group, and through the Transaction, the Group will be in a better position to capture the market demand and business growth.

Having considered, among other things, (i) the continued growth in the Group's business and turnover in the recent three financial years as discussed under the section headed "Information on the Group" above; (ii) the delay in the construction of Huzhen Site which may hinder the expansion plan of the Group as well as its business growth; (iii) the Transaction will enable the Group to secure the production premises in Dongfeng Village for its long-term production use with the spare part of land of the Assets being readily available for the construction of new factory and ancillary buildings; and (iv) the reallocation of production capacity for different products between its two production premises following the completion of the construction of new factory on the New Factory Site is expected to allow the Group to be in a better position to capture future market demand and business growth, we concur with the view of the Directors that the Transaction is in line with the business strategies and expansion plan of the Group and is in the interests of the Company and the Independent Shareholders as a whole.

(ii) Valuation of the Assets

The Assets have been valued by DTZ Debenham Tie Leung Limited, an independent valuer (the "Valuer"). The full text of the valuation report and certificate on the Assets regarding its market value in existing state as at 30 April 2012 is set out in Appendix I to the Circular. According to the Valuation Report, as at 30 April 2012, the market value in existing state of the Assets was RMB30.1 million (the "Valuation").

We have reviewed the Valuation Report and discussed with the Valuer regarding the methodology of, and bases and assumptions adopted for the valuations and adjustments made to arrive at the Valuation. We note that the Valuer has carried out inspections, made relevant enquiries and searches for the purpose of the Valuation. We also noted that the Valuer has adopted depreciated replacement costs approach to arrive at the Valuation by adding together the market value of the land in its existing use and the current gross replacement costs of the improvements, less allowances for physical

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deterioration and all relevant forms of obsolescence. As disclosed in the Valuation Report, the land was valued on an assumption of sale with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market. The term gross replacement cost is defined as the estimated cost of erecting the building or a modern substitute building having the same area as the existing building at prices current at the relevant date, which includes fees and finance charges payable during the construction period and other associated expenses directly related to the construction of the building. As disclosed in the Valuation Report, the depreciated replacement costs approach generally furnishes a reliable indication of value for properties with specific nature and design of buildings, in the absence of identifiable market sales comparables.

The above valuation methodology is, in our opinion, a reasonable approach in establishing the market value of the Assets.

(iii) Basis for the Purchase Consideration

The Purchase Consideration shall be RMB1 million, which shall be payable in cash within 15 business days after Completion, and subject to Completion having taken place and after the determination of the Completion NAV (as defined below). The Purchaser shall procure that Ming Fung Kitchen shall repay the Loans (being in the aggregate amount of RMB28,959,096.95) in full.

The Purchase Consideration was arrived at after arm's length negotiations between the parties to the Master Agreement after taking into account, among others, the followings:

- a) the unaudited net assets value of Ming Fung Kitchen as at 30 April 2012 based on its management accounts as at 30 April 2012 (the "Accounts") after excluding the Loans, amounting to approximately RMB29.8 million;
- b) the independent valuation of the Assets as at 30 April 2012 in the amount of RMB30.1 million; and
- c) the fact that the aggregate of the Purchase Consideration and the Loans, being approximately RMB30.0 million (the "Aggregate Consideration") is approximately equal to the book value of the unaudited net assets value of Ming Fung Kitchen as at 30 April 2012 excluding the Loans.

We noted that the Aggregate Consideration of approximately RMB30.0 million is roughly equivalent to the book value of the unaudited net assets value of Ming Fung Kitchen as at 30 April 2012 based on its management accounts as at 30 April 2012 plus the Loans. In addition, the Aggregate Consideration represents a discount of approximately 0.5% to the market

LETTER FROM SOMERLEY

value of the Assets of RMB30.1 million as at 30 April 2012, as well as a discount to the estimated net asset value of Ming Fung Kitchen after adjusting for the valuation of the Assets as at 30 April 2012 and the possible related deferred tax (if any) plus the Loans. On such basis, we consider that the Aggregate Consideration is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

(iv) Other terms of the Master Agreement

According to the Master Agreement, as one of the conditions precedent to Completion, the PRC Agreement containing further detailed terms and provisions required to implement the transactions contemplated by the Master Agreement has to be entered into and executed by the parties thereto on or before 31 July 2012 or such later date as the Purchaser may agree in writing. Pursuant to the Master Agreement, Mr. Yiu shall procure that the Nominee shall enter into the PRC Agreement with the Purchaser as soon as practicable within seven business days after the passing of the necessary resolution(s) at an extraordinary general meeting of the Company convened in accordance with the Listing Rules in relation to the Transaction (or such later date as the Purchaser may, in writing, agree) on such terms reflecting the terms in the Master Agreement as the Purchaser may reasonably require, and the Nominee agrees to enter into such PRC Agreement with the Purchaser on such terms reflecting the terms in the Master Agreement as the Purchaser may reasonably require. In addition, the parties to the Master Agreement agree that the terms of the PRC Agreement shall not contradict with or constitute any material change to the terms in the Master Agreement. The Master Agreement will survive the execution of the PRC Agreement.

Pursuant to the terms of the Master Agreement, in the event that the net assets value of Ming Fung Kitchen as at Completion (the “**Completion NAV**”) shall be less than RMB600,000 (being the agreed net asset value of Ming Fung Kitchen as determined by reference to, among others, the Accounts after agreed adjustments for anticipated expenses and taxes), the Purchase Consideration shall be reduced by an amount equal to the difference between the Completion NAV and RMB600,000. For the purpose of determining the Completion NAV, the value of the Assets shall not be higher than their carrying value as stated in the Accounts. We were provided by the Company with, and we have reviewed, a schedule showing the estimation of the aforesaid RMB600,000 net asset threshold. From the schedule we understand that the RMB600,000 threshold of net assets value of Ming Fung Kitchen has been determined by reference to, among others, the Accounts after agreed adjustments for anticipated expenses and taxes. Having considered that, (a) the determination of the aforesaid net asset value threshold was mainly based on the agreed estimated expenses and taxes; and (b) the expected net asset value of Ming Fung Kitchen based on the RMB600,000 net asset value threshold and after taking into account the adjustments for the valuation of the Assets as at 30 April 2012 (and applicable deferred tax relating thereto, if any) is estimated to be not less than the Purchase Consideration, we concur with the Directors’ view that the aforesaid threshold of net assets value of RMB600,000 is fair and reasonable.

LETTER FROM SOMERLEY

Pursuant to the Master Agreement, we also note that Mr. Yiu shall, upon the execution of the PRC Agreement by the parties thereto, execute and deliver a deed of guarantee and indemnity (on such terms as the Purchaser shall reasonably require) under which Mr. Yiu shall, among others, (i) guarantee the performance and payment obligations of the Nominee under the PRC Agreement in favour of the Purchaser, and (ii) indemnify Ming Fung Kitchen and the Purchaser against any liabilities and/or taxes (including any penalties relating thereto) incurred by Ming Fung Kitchen (whether in respect of the Assets or otherwise) which have not been expressly disclosed in the Accounts.

We concur with the Directors' view that the Completion NAV provision and the deed of guarantee and indemnity would effectively protect the Company, in particular, from any unexpected material reduction in the net asset value of Ming Fung Kitchen prior to Completion, which are considered in the interests of the Company and the Independent Shareholders as a whole.

4. Financial effect of the Transaction

Earnings

Upon Completion, Ming Fung Kitchen will become an indirect wholly-owned subsidiary of the Company and the results, assets and liabilities of Ming Fung Kitchen will be consolidated into the Group's consolidated financial statements.

The Company advised us that, immediately upon Completion, there will not be any significant effect on the consolidated income statement of the Group resulting from the Transaction. As discussed in the section headed "Background to and reasons for the Transaction" above, the Directors consider that the Transaction will allow the Group to streamline its operations so as to allow the Group to be in a better position to capture the market demand, which is, therefore considered beneficial to the long term business growth of the Group.

Net asset value

As reported in 2011 Annual Report, the audited consolidated net assets of the Group were approximately HK\$441.6 million as at 31 December 2011. We are advised by the Company that, according to the applicable accounting policy, Ming Fung Kitchen will be accounted for at fair value on Completion based on the Purchase Consideration. Since the Purchase Consideration and the repayment of the Loans will be satisfied in full in cash, the Company expects that there will not be significant impact on the net assets of the Group as a result of the completion of the Transaction.

LETTER FROM SOMERLEY

Working capital

As stated in the letter of the Board of the Circular, the Aggregate Consideration of approximately RMB30.0 million (equivalent to approximately HK\$36.0 million) will be payable in cash and will be financed by the Group's internal resources and/or borrowings.

According to 2011 Annual Report, the Group had cash and bank balances of approximately HK\$245.9 million as at 31 December 2011, which included the cash to be paid as dividend in the total amount of HK\$30.0 million and the unutilised net proceeds from the share offer of the Company in July 2011 of approximately HK\$160.7 million as at 31 December 2011 which have been ear-marked for specific purposes. We are advised by the Company that, as at the Latest Practicable Date, the Group had additional working capital of approximately HK\$30.0 million from a draw-down of a facility, and had undrawn banking facilities which are available for general working capital purpose amounting to approximately HK\$18.0 million. Taking into account the above and as the settlement of the Aggregate Consideration is not expected to significantly impact the working capital of the Group, we concur with the view of Directors that the Transaction will not have significant adverse impact on the cash position and the normal operations of the Group following Completion.

Based on the above, we are of the view that the Transaction will not have material adverse effect on the Group's earnings, net assets and working capital immediately upon Completion.

5. Recommendation

Having taken into account the above principal factors and reasons, we consider that the terms of the Master Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the entering into of the Master Agreement and the transactions contemplated thereunder is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Independent Shareholders as a whole. We therefore advise the Independent Board Committee to recommend, and ourselves recommend, the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Master Agreement and the transactions contemplated thereunder.

Yours faithfully,
for and on behalf of
SOMERLEY LIMITED

Kenneth Chow
Managing Director – Corporate Finance

Lyan Tam
Director

**APPENDIX I VALUATION REPORT ON THE PROPERTY INTERESTS
OF MING FUNG KITCHEN**

The following is the text of the letter and valuation certificate received from DTZ Debenham Tie Leung Limited in connection with its valuation of market value of the property interests of Ming Fung Kitchen as at 30 April 2012 prepared for the purpose of incorporation in this circular.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

9 July 2012

The Directors
Winox Holdings Limited
18th Floor
Guangdong Investment Tower
148 Connaught Road Central
Hong Kong

Dear Sirs,

Re: Two parcels of land of Lot Nos. 13140000034 and 13140000035 with the total site area of 66,666 sq.m. (together with four buildings erected thereon) located in Dongfeng Village, Huzhen Town, Boluo County, Huizhou, Guangdong Province, the PRC (the "Property")

INSTRUCTIONS, PURPOSE & DATE OF VALUATION

In accordance with the instruction of Winox Holdings Limited (the "**Company**") for us to value the Property which is held in the People's Republic of China (the "**PRC**") by 博羅明豐廚具製造有限公司 (Bo Luo Ming Fung Kitchen Appliance Manufacturing Limited*) ("**Ming Fung Kitchen**"), a company established in the PRC with limited liability and the entire issued equity capital of which is held by 李輝柱先生 (Mr. Li Huizhu*) for and to the order of Mr. Yiu Hon Ming ("**Mr. Yiu**"), the chairman and managing director, an executive director and a controlling shareholder of the Company; accordingly, Mr. Yiu is a connected person of the Company; we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of market value in existing state of the Property as at 30 April 2012 (the "**date of valuation**") for the purpose of incorporation in the circular of the Company.

BASIS OF VALUATION

Our valuation of the Property represents its market value which in accordance with the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors is defined as “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

VALUATION ASSUMPTION

Our valuation of the Property exclude an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In the course of our valuation of the Property situated in the PRC, we have assumed that transferable land use rights in respect of the Property for its specific term at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have relied on the information and advice given by the Company and the opinion of the Company’s PRC legal adviser, 國信聯合律師事務所 (Goldsun Law Firm*), regarding the title to the Property and the interest in the Property. In valuing the Property, we have assumed that the owners have enforceable title to the Property and have free and uninterrupted rights to use, occupy or assign the Property for the whole of the unexpired term as granted.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of onerous nature which could affect its value.

We have valued the whole interest in the Property.

METHOD OF VALUATION

The Property is currently occupied by a subsidiary of the Company subject to a connected party tenancy; however, we are instructed to disregard the said tenancy.

In valuing the Property to be held for owner-occupation/development in the PRC, we have valued it on vacant possession basis by “Depreciated Replacement Costs (“DRC”) Approach”. DRC Approach is a method where the value of a property is derived by adding together the market value of the land in its existing use and the current gross replacement costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence.

APPENDIX I	VALUATION REPORT ON THE PROPERTY INTERESTS OF MING FUNG KITCHEN
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We have valued the land on an assumption of sale with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market. The term gross replacement cost is defined as the estimated cost of erecting the building or a modern substitute building having the same area as the existing building at prices current at the relevant date. This figure includes fees and finance charges payable during the construction period and other associated expenses directly related to the construction of the building. The DRC Approach generally furnishes a reliable indication of value for properties with specific nature and design of buildings, in the absence of identifiable market sales comparables. The DRC Approach is subject to adequate potential profitability of the business.

In valuing the Property, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors.

SOURCE OF INFORMATION

We have relied to a very considerable extent on the information given by the Company and the opinion of the Company's PRC legal adviser as to the PRC laws. We have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of the Property, particulars of occupancy, construction cost, development scheme, tenancy details, site and floor areas and all other relevant matters.

Dimension, measurements and areas included in this valuation report are based on the information provided to us and are therefore only approximation. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We were also advised that no material facts have been omitted from the information supplied.

We would point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese edition of the documents and consult your legal adviser regarding the legality and interpretation of these documents.

TITLE INVESTIGATION

We have been provided by the Company with copies or extracts of documents. However, we have not searched the original documents to verify ownership or to ascertain any amendments. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

SITE INSPECTION

Our DTZ Shenzhen Office valuer Qu Han and Gan Hai Yan (China Real Estate Appraisers) have inspected the exterior and, wherever possible, the interior of the Property on 8 May 2012. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Moreover, we have not carried out any investigations to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period.

We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the Property and we have assumed that the areas shown on the copies of documents handed to us are correct.

CURRENCY

Unless otherwise stated, all sums stated in our valuation are in Renminbi, the official currency of the PRC.

We attach herewith our valuation certificate.

Yours faithfully,
for and on behalf of
DTZ Debenham Tie Leung Limited
Philip C Y Tsang
Registered Professional Surveyor (General Practice)
Registered China Real Estate Appraiser
MSc, MRICS, MHKIS
Director

Note: Mr. Philip C Y Tsang is a Registered Professional Surveyor (General Practice) who has over 19 years' experience in the valuation of properties in the PRC.

* *The English translation is for identification purposes only.*

VALUATION CERTIFICATE

Property to be held for owner-occupation/development in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 April 2012
Two parcels of land of Lot Nos. 13140000034 and 13140000035 with the total site area of 66,666 sq.m. (together with four buildings erected thereon) located in Dongfeng Village, Huzhen Town, Boluo County, Huizhou, Guangdong Province, the PRC	<p>The Property comprises four buildings – one single-storey factory, two ancillary buildings and one electricity room with a total gross floor area of approximately 3,731.54 sq.m. erected on a parcel of land with a site area of 6,666 sq.m. completed in May 2011; and a parcel of adjacent land with a site area of approximately 60,000 sq.m.</p> <p>According to the information provided by the Company, the floor areas of four buildings are as follows:</p>	Please see Note 5 below.	RMB30,100,000 (According to the information provided, the total land cost and construction cost was approximately RMB29,500,000.)
	Approximate Gross Floor Area (sq.m.)		
	Portion		
	Single Storey Factory Building	3,276.00	
	Single Storey Electricity Room	260.00	
	Single Storey Toilet	96.00	
	Single Storey Security Room	99.54	
	Total:	<u>3,731.54</u>	

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 April 2012
	<p>The Property is located at Dongfeng Village, Huzhen Town in Boluo County, which is in rural area of Huizhou. Developments nearby are mainly industrial and residential development. According to the Company, the Property is planned for industrial use; there is no environmental issue and litigation dispute; there is no plan for renovation of the four buildings, or change the use of the Property. The vacant 60,000 sq.m. land has a development potential of total gross floor area of not exceeding 90,000 sq.m. The Company plans to erect certain Factory Buildings and a Dormitory Building on the vacant 60,000 sq.m. land. However, it is a preliminary plan and is subject to further amendment. The Company has not applied for the Construction Works Planning Permit in respect of the said preliminary plan yet. According to the information provided by the Company, there is no condition imposed as to construction of municipal road, drainage and other facilities for public use.</p> <p>The land use rights of the Property have been granted for a term due to expire on 7 March 2061 and 27 September 2061 respectively for industrial uses.</p>		

Notes:

- (1) According to State-owned Land Use Rights Grant Contract No. 441322-2011-000053 dated 8 March 2011:
- (i) Grantee : Ming Fung Kitchen
 - (ii) Site Area : 6,666 sq.m.
 - (iii) Land Use : Industrial
 - (iv) Plot Ratio : less than 1.5
 - (v) Land Premium : RMB1,500,000
 - (vi) Land Use Term : 50 years from 10 March 2011
 - (vii) Building Covenant : Construction should commence before 9 September 2011 and complete before 9 March 2013

APPENDIX I	VALUATION REPORT ON THE PROPERTY INTERESTS OF MING FUNG KITCHEN
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(2) According to State-owned Land Use Rights Grant Contract No. 441322-2011-000208 dated 28 September 2011:

- (i) Grantee : Ming Fung Kitchen
- (ii) Site Area : 60,000 sq.m.
- (iii) Land Use : Industrial
- (iv) Plot Ratio : less than 1.5
- (v) Land Premium : RMB13,500,000
- (vi) Land Use Term : 50 years from 28 October 2011
- (vii) Building Covenant : Construction should commence before 28 April 2012 and complete before 28 October 2013

(3) According to two Certificates for the Use of State-owned Land, the land use rights of the Property, comprising a total site area of 66,666 sq.m., have been granted to Ming Fung Kitchen for a term due to expire on 7 March 2061 and 27 September 2061 respectively for industrial uses:

Certificate No.	Lot No.	Land Use Term Expiry Date	Usage	Issuing Date	Site Area (sq.m.)
(2011) 130005	13140000034	7 March 2061	Industrial Land	10 March 2011	6,666
(2011) 130062	13140000035	27 September 2061	Industrial Land	25 October 2011	60,000
Total					66,666

(4) According to four Real Estate Title Certificates, the building ownership of the four buildings, comprising a total gross floor area of 3,731.54 sq.m., have been vested in Ming Fung Kitchen:

Certificate No.	Date	Building Ref. No.	Completion Date	Gross Floor Area (sq.m.)
DJ00150842	21 June 2012	8197654886092	May 2011	3,276.00
DJ00150840	21 June 2012	9179976646475	May 2011	260.00
DJ00150841	21 June 2012	3242983254520	2011	96.00
DJ00150839	21 June 2012	9262569934205	May 2011	99.54
Total				3,731.54

(5) Four buildings are leased from Ming Fung Kitchen, a company whose shareholder entered into an entrustment agreement (代持協議) with Mr. Yiu to hold the entire equity interest in such company on behalf of Mr. Yiu (a director and controlling shareholder of the Company, hence a connected person of the Company under the Listing Rules to 惠州豐采貴金屬製造有限公司 (Huizhou Fengcai Precious Metal Manufacturing Limited*), formerly known as 惠州豐采置業有限公司 (Huizhou Fengcai Zhiye Limited*), an indirect wholly-owned subsidiary of the Company, for industrial use for a term of 2 years from 23 May 2011 to 22 May 2013 at a monthly rent of RMB55,000 (exclusive of utilities fee).

The adjacent 60,000 sq.m. vacant industrial land is currently a bare site pending for development.

(6) According to Business Licence No. 441322000048050 dated 31 December 2010, Ming Fung Kitchen was established as a limited liability company with a registered capital of RMB1,000,000 for an operation period from 31 December 2010 to 31 December 2020.

APPENDIX I	VALUATION REPORT ON THE PROPERTY INTERESTS OF MING FUNG KITCHEN
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- (7) According to the PRC legal opinion:
- (i) Ming Fung Kitchen has obtained valid Business Licence and is legally established;
 - (ii) The two State-owned Land Use Rights Grant Contracts are legal and valid; Ming Fung Kitchen has fully settled all the land premium of the Property;
 - (iii) The two Certificates for the Use of State-owned Land are legal and valid and Ming Fung Kitchen is the only legal owner of two parcels of land with a total site area of 66,666 sq.m. and has the rights to use, transfer, lease and pledge of the two parcels of land of the Property;
 - (iv) The two parcels of land of the Property is not subject to any litigation, non-litigation punishment, seal, seizure, compulsory requisition and sales;
 - (v) Ming Fung Kitchen does not violate the State-owned Land Use Rights Grant Contract of the land with site area of 6,666 sq.m. (including but not limited to, all industrial factory and ancillary facilities construction conditions); the rights and liability of Ming Fung Kitchen are supported by the conditions of the State-owned Land Use Rights Grant Contract;
 - (vi) In the State-owned Land Use Rights Grant Contract of the land with site area of 60,000 sq.m., Ming Fung Kitchen agrees to commence the construction works on the land with site area of 60,000 sq.m. before 28 April 2012. According to the Huizhou City Idle Land Consolidated Implementation Measures, the land will be classified as idle land if the construction works have not been commenced before 28 April 2013. Therefore, it is currently not classified as idle land and will not be withdrawn without compensation. Although Ming Fung Kitchen does not commence the construction works before 28 April 2012 as stated in the State-owned Land Use Rights Grant Contract, there is no adverse legal consequence;
 - (vii) The usage of the land with site area of 60,000 sq.m. is industrial factory and ancillary facilities. Ming Fung Kitchen does not require to construct municipal road, drainage and other public facilities;
 - (viii) Ming Fung Kitchen requires to proceed the following procedures with relevant government departments before erecting buildings on the land with site area of 60,000 sq.m.: 1) approval of the project proposal from the Development and Reform Bureau of Bo Luo County. 2) Obtaining the Construction Land Planning Permit, Construction Works Planning Permit and Construction Works Commencement Permit from the Housing Construction Planning Bureau of Bo Luo County. 3) Approval of the Construction Project Environmental Impact Report and the Construction Project Environmental Impact Registration Form from the Environmental Protection Bureau of Bo Luo County. 4) Registration of the Enterprise Investment Project Approval on the Administrative Service Center of Bo Luo County. Ming Fung Kitchen has not yet obtained the above approvals from the relevant government departments. In accordance with the current situation, there is no legal obstacle in erecting buildings and obtaining the above approvals and permits;
 - (ix) The usage of the four buildings is consistent with the relevant State-owned Land Use Rights Grant Contract and Certificate for the Use of State-owned Land. Ming Fung Kitchen has obtained the Real Estate Title Certificates of the four buildings. Ming Fung Kitchen has the rights to transfer and pledge of the four buildings and the relevant land. The four buildings are not subject to retention, pledge, permit or other third parties' rights, and dispute of ownership;
 - (x) Ming Fung Kitchen is the legal owner of the four buildings of the Property and has the rights to lease the four buildings of the Property to 惠州豐采貴金屬製造有限公司 (Huizhou Fengcai Precious Metal Manufacturing Limited*). The lease agreement is legal and valid and application for registration has been submitted to the relevant real estate departments. As Ming Fung Kitchen has issued tax invoice to the tenant, the lease agreement is still valid without registration.
- (8) The status of title and grant of major approvals and licences in accordance with the information provided by the Company and the opinion of the PRC legal adviser are as follows:

State-owned Land Use Rights Grant Contract	Yes
Certificate for the Use of State-owned Land	Yes
Real Estate Title Certificate	Yes
Business Licence	Yes

* The English translation is for identification purposes only.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Enlarged Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, the interests and short positions of the Directors 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 SFO) which were required to be 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 they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Interests in the shares of the Company

Name of Director	Nature of interest	Class of securities interested or deemed to be interested	Number of securities interested or deemed to be interested	Approximate percentage interest in the entire issued share capital of the Company as at the Latest Practicable Date
Mr. Yiu	Interest in a controlled corporation (<i>Note 1</i>)	Ordinary Shares (long position)	330,000,000 Shares	66.00%
Law Wai Ping	Interest in a controlled corporation (<i>Note 2</i>)	Ordinary Shares (long position)	330,000,000 Shares	66.00%
	Beneficial owner	Ordinary Shares (long position)	1,700,000 Shares	0.34%
Au Wai Ming	Beneficial owner	Ordinary Shares (long position)	3,776,000 Shares	0.76%

Notes:

1. Mr. Yiu was the legal and beneficial owner of 60% of the entire issued share capital of Ming Fung Holdings (Hong Kong) Limited, which in turn was the legal and beneficial owner of about 86.93% of the entire issued share capital of Ming Fung Investment Limited, and Ming Fung Investment Limited was the legal and beneficial owner of 330,000,000 Shares. As such, Mr. Yiu was deemed to be interested in the 330,000,000 Shares held by Ming Fung Investment Limited. Mr. Yiu was the husband of Ms. Law Wai Ping.
2. Ms. Law Wai Ping was the legal and beneficial owner of 40% of the entire issued share capital of Ming Fung Holdings (Hong Kong) Limited, which in turn was the legal and beneficial owner of about 86.93% of the entire issued share capital of Ming Fung Investment Limited, and Ming Fung Investment Limited was the legal and beneficial owner of 330,000,000 Shares. As such, Ms. Law Wai Ping was deemed to be interested in the 330,000,000 Shares held by Ming Fung Investment Limited. Ms. Law Wai Ping was the wife of Mr. Yiu.

Interests in the shares of associated corporations of the Company

Name of Director	Name of associated corporation	Nature of interest	Class and number of securities interested or deemed to be interested	Approximate percentage interest in the entire issued share capital of associated corporations as at the Latest Practicable Date
Mr. Yiu (<i>Note 1</i>)	Ming Fung Holdings (Hong Kong) Limited	Beneficial interest	60 ordinary shares (long position)	60%
	Ming Fung Investment Limited	Interest in a controlled corporation	765 ordinary shares (long position)	86.93%
Law Wai Ping (<i>Note 2</i>)	Ming Fung Holdings (Hong Kong) Limited	Beneficial interest	40 ordinary shares (long position)	40%
	Ming Fung Investment Limited	Interest in a controlled corporation	765 ordinary shares (long position)	86.93%

Notes:

1. Mr. Yiu was the legal and beneficial owner of 60% of the entire issued share capital of Ming Fung Holdings (Hong Kong) Limited, which in turn was the legal and beneficial owner of about 86.93% of the entire issued share capital of Ming Fung Investment Limited. Mr. Yiu was the husband of Ms. Law Wai Ping.
2. Ms. Law Wai Ping was the legal and beneficial owner of 40% of the entire issued share capital of Ming Fung Holdings (Hong Kong) Limited, which in turn was the legal and beneficial owner of about 86.93% of the entire issued share capital of Ming Fung Investment Limited. Ms. Law Wai Ping was the wife of Mr. Yiu.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or 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 (within the meaning of Part XV of the SFO) which were required to be 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 they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

The following Directors are also directors of the companies which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Company which had such discloseable interest or short position
Mr. Yiu	Ming Fung Holdings (Hong Kong) Limited and Ming Fung Investment Limited
Law Wai Ping	Ming Fung Holdings (Hong Kong) Limited

3. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

(a) Mr. Yiu is interested in the Transaction and the Loans, details of which are set out in this circular.

(b) Hong Kong tenancy agreement

The Group has entered into a tenancy agreement ("**Hong Kong Tenancy Agreement**") as tenant with Mr. Yiu. Particulars of the tenancy agreement are set out below:

Commencement date of the tenancy	Landlord	Tenant	Usage by the Group	Term	Annual rental	Property
1 January 2011	Mr. Yiu	Winox Enterprise Company Limited, an indirect wholly-owned subsidiary of the Company	Warehouse and ancillary offices	Two years	HK\$402,360	Rooms 2B, 2C and 3, 1st Floor, Sunray Industrial Centre, 610 Cha Kwo Ling Road, Yau Tong, Kowloon, Hong Kong

(c) PRC Lease Agreement

惠州豐采貴金屬製造有限公司 (Huizhou Fengcai Precious Metal Manufacturing Limited*) (“**Huizhou Fengcai**”), an indirect wholly-owned subsidiary of the Company, entered into the PRC Lease Agreement as tenant with Ming Fung Kitchen, under which Ming Fung Kitchen has agreed to lease four buildings (including a factory building, an electricity room, a security room and toilet) erected on the land located in Dongfeng Village to Huizhou Fengcai.

Pursuant to the PRC Lease Agreement, Huizhou Fengcai has the right to terminate the PRC Lease Agreement at any time during the term of the lease, and has been granted the right to renew the lease on the same terms upon its expiration. Particulars of the PRC Lease Agreement are set out below:

Commencement date of the tenancy	Landlord	Tenant	Usage by the Group	Term	Annual rental	Property
23 May 2011	Ming Fung Kitchen	Huizhou Fengcai	Production	Two years	RMB660,000	Dongfeng Village, Huzhen Town, Boluo County, Huizhou, Guangdong Province, the PRC

As at the Latest Practicable Date, save as disclosed above, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2011 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Enlarged Group, or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group, and no contract or arrangement in which any of the Directors was materially interested and which was significant in relation to the business of the Enlarged Group subsisted as at the Latest Practicable Date.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective associates were interested in any business, apart from the Group's businesses, which competes or is likely to compete, either directly or indirectly, with the Group's businesses, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

* The English translation is for identification purposes only.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2011, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Enlarged Group (other than contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

7. EXPERTS AND CONSENTS

The following are the qualifications of the experts whose advices and/or letters and/or reports are contained in this circular:

Name	Qualification
Somerley	A licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
DTZ Debenham Tie Leung Limited (“DTZ”)	Independent professional valuer

Each of Somerley and DTZ has given and has not withdrawn its written consent to the issue of this circular with inclusion of its advice and/or letter and/or report and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of Somerley and DTZ did not have any shareholding in any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of Somerley and DTZ had any direct or indirect interests in any assets which have been, since 31 December 2011 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Enlarged Group, or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. on any weekday (other than Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong at 18th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong from the date of this circular up to and including the date of the EGM:

- (i) the Master Agreement;
- (ii) the Hong Kong Tenancy Agreement; and
- (iii) the PRC Lease Agreement.

NOTICE OF THE EGM



WINOX

WINOX HOLDINGS LIMITED

盈利時控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6838)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Winox Holdings Limited (the “**Company**”) will be held at 18th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong on 25 July 2012, Wednesday at 2:30 p.m. (or any adjournment thereof) for the purpose of considering and, if thought fit, passing the following resolution (with or without amendments):

ORDINARY RESOLUTION

“THAT

- (a) the master agreement dated 15 May 2012 (the “**Master Agreement**”) entered into between Super Powerful Limited (the “**Purchaser**”), an indirect wholly-owned subsidiary of the Company, as the purchaser, Mr. Yiu Hon Ming (“**Mr. Yiu**”) as the vendor and 李輝柱先生 (Mr. Li Huizhu) (the “**Nominee**”) as the nominee (a copy of which signed by the chairman of the meeting for the purpose of identification, has been produced to the meeting and is marked as “A”), pursuant to which Mr. Yiu and the Nominee agree to sell and transfer and the Purchaser agrees to purchase and accept the transfer of the entire equity capital of 博羅明豐廚具製造有限公司 (Bo Luo Ming Fung Kitchen Appliance Manufacturing Limited), be and is hereby approved, confirmed and ratified, and that the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) the board of directors of the Company (the “**Board**”) be and is hereby generally and unconditionally authorised to do all such acts and things and execute all such documents as it considers necessary or expedient or desirable in connection with or to give effect to the Master Agreement and to implement the transactions contemplated thereunder and to agree to such variation, amendments or waivers of matters relating thereto as are, in the opinion of the Board, in the interest of the Company.”

By Order of the Board of
Winox Holdings Limited
Au Wai Ming
Deputy Chairman

Hong Kong, 9 July 2012

NOTICE OF THE EGM

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:*
18th Floor
Guangdong Investment Tower
148 Connaught Road Central
Hong Kong

Notes:

- (1) A shareholder entitled to attend and vote at the above extraordinary general meeting may appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a shareholder of the Company.
- (2) To be valid, the form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed (or a notarially certified copy of such power of authority) must be delivered to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the meeting or adjourned meeting. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the meeting or any adjourned meeting if he so wishes. If a shareholder who has lodged a form of proxy attends the meeting, his form of proxy will be deemed to have been revoked.
- (3) In case of joint shareholders, the vote of the senior who tenders a vote, whether in person, or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Company's register of members in respect of the joint holding.

As at the date of this notice, the board of directors 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.