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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)

### 2017 INTERIM RESULTS

#### FINANCIAL HIGHLIGHTS

- The Group's turnover amounted to HK\$342,594,000, representing a corresponding increase of 39.8%.
- The Group's gross profit amounted to HK\$97,021,000, representing a corresponding increase of 38.2%.
- The Group's profit for the period amounted to HK\$39,193,000, representing a corresponding increase of 139.6%.
- Basic earnings per share amounted to HK7.8 cents, representing a corresponding increase of 136.4%.
- The Board declared an interim dividend of HK4 cents per ordinary share for the six months ended 30 June 2017.

#### MANAGEMENT DISCUSSION AND ANALYSIS

##### BUSINESS REVIEW

The principal focus of Winox Holdings Limited (“**Company**”, together with its subsidiaries “**Group**”) remains on the development and manufacture of premium stainless steel products, and our major business segments are, namely, watch bracelets, costume jewellery, mobile phone cases and parts, and accessories and parts for leather goods.

During the first half of 2017, the demand for luxury goods has been slowly picked up as the economy of the world's major economies has achieved modest improvement. The Group recorded a growth of 39.8% in turnover for the first six months of 2017 as compared to the same

period of last year, which was mainly due to the increase in sales of watch bracelets, and mobile phone cases and parts. Our continuous stringent cost control policy and efficient supply chain management have maintained our gross profit margin level.

## **FINANCIAL REVIEW**

### **Turnover**

For the six months ended 30 June 2017, the Group's unaudited consolidated turnover increased by 39.8% to HK\$342,594,000 (2016: HK\$245,072,000) as compared to the same period of last year. Turnover attributable to watch bracelets, costume jewellery, mobile phone cases and parts, and accessories and parts for leather goods were 55.1%, 17.2%, 25.3% and 2.4% respectively (2016: 65.6%, 22.8%, 8.1% and 3.5%).

In the first six months of 2017, the downward trend of the global demand of Swiss made watches was improving. Turnover of watch bracelets reported an increase of 17.4% to HK\$188,673,000 (2016: HK\$160,712,000) during the period under review. Our client base has been extended to renowned wearable devices brands and we need to put into more efforts and time to grow the business volume in size.

During the period under review, turnover of costume jewellery recorded an increase of 5.7% to HK\$59,030,000 (2016: HK\$55,847,000) as compared to the same period of last year.

During the period under review, sales of mobile phone cases and parts was HK\$86,685,000 (2016: HK\$19,803,000), representing a significant increase of 337.7%. Despite the severe competition of the mobile phone market, we will continue to increase our efforts in serving our market leading customers, targeting to grow this segment into scale in the coming year.

During the period under review, sales of accessories and parts for leather goods amounted to HK\$8,206,000 (2016: HK\$8,710,000), representing a decrease of 5.8%.

### **Profit**

As a result of increase in sales, the Group's gross profit increased by 38.2% to HK\$97,021,000 (2016: HK\$70,190,000) as compared to the same period of last year. Gross profit margin for the period under review maintained at the similar level of 28.3% (2016: 28.6%). Profit for the period increased by 139.6% to HK\$39,193,000 (2016: HK\$16,359,000) and basic earnings per share for the period under review increased by 136.4% to HK7.8 cents (2016: HK3.3 cents).

## Cost of Sales

Cost of sales included costs of production materials, labour costs, and manufacturing overhead and other costs. The following table sets forth the breakdown of our cost of sales for the six months ended 30 June 2017:

	Six months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Direct materials costs	95,098	49,151
Direct labour costs	103,907	88,376
Manufacturing overhead and other costs	46,568	37,355
	<u>245,573</u>	<u>174,882</u>

During the six months ended 30 June 2017, direct materials costs accounted for about 38.7% (2016: 28.1%) of the total cost of sales, while direct labour costs, and manufacturing overhead and other costs accounted for about 42.3% and 19.0% (2016: 50.5% and 21.4%) of the total cost of sales respectively.

## Other Income

Other income increased by approximately 114.2% to HK\$4,384,000 for the six months ended 30 June 2017 as compared to HK\$2,047,000 for the same period last year mainly due to the increase in government subsidies received.

## Other Expenses

Selling and distribution expenses increased by approximately 13.0% to HK\$11,502,000 for the first six months of 2017 as compared to HK\$10,180,000 for the same period last year due to the increase in turnover.

Administrative expenses increased by 2.2% to HK\$39,448,000 (2016: HK\$38,598,000) during the period under review.

Finance costs for the six months ended 30 June 2017 amounted to HK\$1,895,000 (2016: HK\$2,282,000), representing a decrease of 17.0%.

## Taxation

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

Under the Law of the PRC on EIT (“**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

## Inventories

	<b>At 30 June 2017 HK\$'000 (unaudited)</b>	At 31 December 2016 HK\$'000 (audited)
Raw materials	13,291	9,550
Work in progress	45,496	33,023
Finished goods	16,659	10,874
	<b>75,446</b>	<b>53,447</b>

As at 30 June 2017, the Group recorded an inventory balance of HK\$75,446,000 (31 December 2016: HK\$53,447,000), representing an increase of 41.2% which was due to the increase in raw materials, work in progress and finished goods. Inventory turnover for the first half of 2017 was 47.5 days as compared to 59.7 days for the same period of 2016.

## Trade Receivables

As at 30 June 2017, the Group recorded trade receivables of HK\$92,709,000 (31 December 2016: HK\$88,938,000). The credit periods granted to our customers were considered on individual basis ranging from 30 days to 90 days. Generally, no credit would be granted to customers which are new, short-term and placing orders in immaterial scale. As most of our customers are internationally renowned brand owners, we considered we were exposed to relatively low default risk. The trade receivables turnover of the Group for the period under review was 48.0 days (for the year ended 31 December 2016: 51.2 days).

## Trade Payables

As at 30 June 2017, the Group recorded trade payables of HK\$71,554,000 (31 December 2016: HK\$42,852,000). The trade payables was primarily related to the purchase of raw materials from suppliers with credit periods ranging from 30 days to 90 days. The trade payables turnover of the Group for the six months ended 30 June 2017 was 42.2 days (for the year ended 31 December 2016: 33.2 days).

## Liquidity, Indebtedness and Charges on Assets

During the period under review, the Group maintained a satisfactory liquidity level. As at 30 June 2017, net current assets of the Group was HK\$166,820,000 (31 December 2016: HK\$180,678,000). Besides, the Group maintained cash and bank balances of HK\$174,311,000 (31 December 2016: HK\$179,247,000), of which 50.0% was in Hong Kong dollars, 33.1% was in United State dollars, 14.9% was in Renminbi, and 2.0% was in Swiss Franc and other currencies.

The Group's outstanding bank borrowings as at 30 June 2017 was HK\$88,965,000 (31 December 2016: HK\$110,739,000), which was all in Hong Kong dollars. All of the Group's bank borrowings were arranged on floating rate basis. Except for certain bank borrowings which were committed loan facilities with specific maturity dates, the Group's other bank borrowings contained repayment on demand clause at any time at the discretion of the bank. Under the Hong Kong Accounting Standards, the Group had separated and classified the bank borrowings as current and non-current liabilities in the consolidated statements of financial position as at 30 June 2017 in accordance with the settlement term. Of the total bank borrowings, according to the

repayment schedule, HK\$25,429,000 was loans repayable within one year and the balance of HK\$63,536,000 was repayable after one year.

Part of the bank borrowings was secured by certain of the Group's assets with an aggregate carrying value of HK\$50,153,000 as at 30 June 2017. The charged assets included a piece of land in Dongguan where our factory was situated, certain properties constructed thereon and the deposits for two keyman life insurance policies. The banking facilities to the Company's wholly-owned subsidiaries were also secured by corporate guarantees in favour of the bank from the Company.

As at 30 June 2017, the Group's gearing ratio was 0.11 (31 December 2016: 0.15), which was calculated on the basis of outstanding borrowings over the total assets of the Group.

### **Treasury**

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

For the six months ended 30 June 2017, a large amount of the Group's sales was denominated in Hong Kong dollars whereas the foreign currency sales were mainly denominated in United States dollars and Swiss Franc that were contributed to the total turnover of 29.8% and 0.2% respectively (for the six months ended 30 June 2016: 3.9% and 0.3%). As Hong Kong dollars was pegged with United States dollars and the sales denominated in Swiss Franc was not material, the directors of the Company ("**Directors**") considered the Group was exposed to limited risk in this aspect. Despite that, the Group's production plants were located in Mainland China and the labour costs and manufacturing overhead were mainly denominated in Renminbi. The appreciation and depreciation of Renminbi might affect the overall production costs of the Group.

During the period under review, the Group did not use any financial instruments for hedging purposes and the Group did not have any hedging instruments outstanding as at 30 June 2017. We would continue to monitor closely the exchange rate risk arising from the Group's existing operations and new investments in future. We would implement the necessary hedging arrangement to mitigate any significant foreign exchange risk when and if appropriate.

### **Capital Commitments and Significant Investments**

Capital expenditure contracted for by the Group but not yet provided in the unaudited condensed consolidated financial statements as at 30 June 2017 was HK\$4,458,000 (31 December 2016 (audited): HK\$10,346,000), which was mainly related to the acquisition of property, plant and equipment.

### **Contingent Liabilities**

As at 30 June 2017, save for the granting of corporate guarantees by the Company to its wholly-owned subsidiaries as described above, the Group did not have any significant contingent liabilities.

### **Employment and Remuneration Policy**

As at 30 June 2017, the total number of employees of the Group was approximately 3,402 (2016: 3,398). During the period under review, staff costs (including Directors' emoluments) amounted to approximately HK\$127,992,000 (2016: HK\$110,645,000). Remuneration of the employees which included salary and discretionary bonus was based on the Group's results and individual performance. Medical and retirement benefits schemes were made available to all levels of personnel.

The Company had adopted a share option scheme to incentivise its senior management and employees. As at 30 June 2017, no options had been granted by the Company pursuant to the share option scheme.

### **OUTLOOK**

The world has entered into a period of mixed situation of which the major economies including United States, China and Eurozone have been improving but at the same time there are still political uncertainty from the implementation of Brexit and the escalated military threats from North Korea. Nevertheless, we remain focused on the business segments that we have strengths and expertise. With the extensive experience of our core team and our advanced technology in handling precision stainless steel materials and product design, we are very optimistic on the development of stainless steel product business ahead. We are committed to improving our operation efficiency and will make the best use of our resources to enhance our profitability for the purpose of achieving the sustainable growth of the Group.

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	Notes	Six months ended	
		<u>30.6.2017</u> HK\$'000 (unaudited)	<u>30.6.2016</u> HK\$'000 (unaudited)
Turnover	3	<b>342,594</b>	245,072
Cost of sales		<b>(245,573)</b>	(174,882)
Gross profit		<b>97,021</b>	70,190
Other income		<b>4,384</b>	2,047
Other gains and losses		<b>(22)</b>	(137)
Selling and distribution expenses		<b>(11,502)</b>	(10,180)
Administrative expenses		<b>(39,448)</b>	(38,598)
Finance costs		<b>(1,895)</b>	(2,282)
Profit before taxation	4	<b>48,538</b>	21,040
Taxation	5	<b>(9,345)</b>	(4,681)
Profit for the period		<b>39,193</b>	16,359
Other comprehensive income (expense)			
Item that may be subsequently reclassified to profit or loss			
- Exchange differences on translation of financial statements of foreign operations		<b>14,315</b>	(10,940)
Total comprehensive income for the period attributable to owners of the Company		<b>53,508</b>	5,419
Earnings per share – Basic	7	<b>HK7.8 cents</b>	HK3.3 cents

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

	Notes	<b>30.6.2017</b> <b>HK\$'000</b> <b>(unaudited)</b>	<b>31.12.2016</b> <b>HK\$'000</b> <b>(audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	<b>334,712</b>	323,558
Prepaid lease payments		<b>32,154</b>	31,576
Deposits for land use right		<b>20,904</b>	20,276
Deposits paid for acquisition of property, plant and equipment		<b>12,417</b>	10,074
Deposits and prepayments for a life insurance policy		<b>4,174</b>	4,261
		<b>404,361</b>	389,745
<b>Current assets</b>			
Inventories		<b>75,446</b>	53,447
Trade and other receivables	9	<b>118,393</b>	112,467
Taxation recoverable		<b>2,800</b>	4,139
Bank balances and cash		<b>174,311</b>	179,247
		<b>370,950</b>	349,300
<b>Current liabilities</b>			
Trade and other payables	10	<b>109,014</b>	75,448
Taxation payable		<b>6,151</b>	5,185
Bank borrowings – amount due within one year	11	<b>88,965</b>	87,989
		<b>204,130</b>	168,622
<b>Net current assets</b>		<b>166,820</b>	180,678
<b>Total assets less current liabilities</b>		<b>571,181</b>	570,423
<b>Non-current liability</b>			
Bank borrowings – amount due after one year	11	-	22,750
		<b>571,181</b>	547,673
<b>Capital and reserves</b>			
Share capital		<b>50,000</b>	50,000
Reserves		<b>521,181</b>	497,673
		<b>571,181</b>	547,673

## NOTES

### 1. Basis of Preparation

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

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

### 2. Principal Accounting Policies

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2017 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016.

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA that are mandatorily effective for the current interim period.

The application of those amendments to HKFRSs in the current interim period has had no material impact on the amounts and/or disclosures reported in these condensed consolidated financial statements. Additional disclosures about changes in liabilities arising from financing activities, including both changes from cash flows and non-cash changes on application of amendments to HKAS 7 will be provided in the consolidated financial statements for the year ending 31 December 2017.

### 3. Turnover and Segment Information

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

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

Turnover by products are as follows:

	Six months ended	
	<u>30.6.2017</u>	<u>30.6.2016</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Watch bracelets	188,673	160,712
Mobile phone cases and parts	86,685	19,803
Costume jewellery	59,030	55,847
Accessories and parts for leather goods	8,206	8,710
	<u>342,594</u>	<u>245,072</u>

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

	Six months ended	
	<u>30.6.2017</u>	<u>30.6.2016</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Switzerland	172,275	150,499
Taiwan	67,547	28
Liechtenstein and other European countries	63,817	59,772
Hong Kong	18,838	14,478
PRC	14,566	19,871
Others	5,551	424
	<u>342,594</u>	<u>245,072</u>

#### 4. Profit Before Taxation

	Six months ended	
	<u>30.6.2017</u>	<u>30.6.2016</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit before taxation has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	16,609	16,725
Less: Capitalised in inventories	(11,895)	(12,037)
	<u>4,714</u>	<u>4,688</u>
Release of prepaid lease payments	379	396
Bank interest income	(154)	(90)
Loss on disposal of property, plant and equipment	502	738
Net foreign exchange gain	(480)	(601)
Interests on bank borrowings	<u>1,895</u>	<u>2,282</u>

#### 5. Taxation

	Six months ended	
	<u>30.6.2017</u>	<u>30.6.2016</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	5,323	2,799
PRC Enterprise Income Tax (" <b>PRC EIT</b> ")	4,022	1,882
	<u>9,345</u>	<u>4,681</u>

##### (i) Hong Kong Profits Tax

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

##### (ii) PRC EIT

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

## 6. Dividends

During the current interim period, a final dividend of HK3 cents and a special dividend of HK3 cents per ordinary share in respect of the year ended 31 December 2016 (2016: a final dividend of HK4 cents per ordinary share in respect of the year ended 31 December 2015) were declared and paid to the shareholders of the Company. The aggregate amount of the final and special dividend declared and paid in the current interim period amounted to HK\$30,000,000 (2016: HK\$20,000,000).

On 21 August 2017, the board of directors of the Company has resolved to declare an interim dividend of HK4 cents per ordinary share totalling not less than HK\$20,000,000 for the six months ended 30 June 2017 (six months ended 30 June 2016: HK1.6 cents per ordinary share totalling not less than HK\$8,000,000). The interim dividend is payable on 22 September 2017 to the shareholders of the Company whose names appear on the register of members of the Company on 8 September 2017.

## 7. Earnings Per Share

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

	Six months ended	
	<u>30.6.2017</u>	<u>30.6.2016</u>
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings for the purpose of calculating basic earnings per share (profit for the period attributable to owners of the Company)	<b>39,193</b>	16,359
	<u>Number of Shares</u>	
Number of shares for the purpose of calculating basic earnings per share	<b>500,000,000</b>	500,000,000

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

## 8. Movements in Property, Plant and Equipment

During the current interim period, the Group incurred additions to property, plant and equipment of HK\$19,026,000 (six months ended 30 June 2016: HK\$10,966,000).

## 9. Trade and Other Receivables

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

	<u>30.6.2017</u> HK\$'000 (unaudited)	<u>31.12.2016</u> HK\$'000 (audited)
0 to 30 days	72,777	58,523
31 to 60 days	17,212	25,570
61 to 90 days	2,618	2,579
Over 90 days	102	2,266
	<hr/> <b>92,709</b>	<hr/> <b>88,938</b>

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

Included in other receivables is an amount of HK\$768,000 (31 December 2016: HK\$745,000) representing the current portion of the Group's prepaid lease payments.

## 10. Trade and Other Payables

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

	<u>30.6.2017</u> HK\$'000 (unaudited)	<u>31.12.2016</u> HK\$'000 (audited)
0 to 30 days	30,508	16,974
31 to 60 days	25,437	19,264
61 to 90 days	13,430	5,159
Over 90 days	2,179	1,455
	<hr/> <b>71,554</b>	<hr/> <b>42,852</b>

The credit period granted by suppliers ranges from 30 to 90 days.

## 11. Bank Borrowings

During the current interim period, the Group obtained new bank borrowings of nil (six months ended 30 June 2016: HK\$38,560,000) and repaid bank borrowings of HK\$21,829,000 (six months ended 30 June 2016: HK\$27,151,000). The existing borrowings carry variable interest rates at 1.00% to 3.25% over 1-month Hong Kong Interbank Offered Rate per annum, which is repayable up to 5 years but contains repayable on demand clause.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **CORPORATE GOVERNANCE**

The Company is committed to establishing and maintaining high standard of corporate governance and believes that good corporate governance system provides a sustainable and solid foundation for the Company to manage business risks, enhance transparency, advance accountability and maximize shareholders' interests.

The Company has applied the principles of the Corporate Governance Code ("**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities ("**Listing Rules**") on The Stock Exchange of Hong Kong Limited and complied with all the applicable code provisions of the CG Code throughout the six months ended 30 June 2017, save and except for the deviations from code provisions A.2.1 and A.6.7.

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

Under code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. An Independent Non-executive Director was unable to attend the Company's annual general meeting held on 22 May 2017 due to his other business engagement.

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

During the six months ended 30 June 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealing in the securities of the Company by the Directors. Having made specific enquiry to all Directors, all Directors confirmed that they complied with the required standard of dealings as set out in the Model Code throughout the six months ended 30 June 2017.

## **INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS**

The Board has declared an interim dividend of HK4 cents per ordinary share, totaling HK\$20,000,000, for the six months ended 30 June 2017. The interim dividend will be payable on Friday, 22 September 2017 to shareholders of the Company whose names appear on the Company's register of members on Friday, 8 September 2017.

For the purpose of ascertaining the shareholders' entitlement to the interim dividend, the Company's register of members will be closed on Friday, 8 September 2017 on which no transfer of shares of the Company will be registered. In order to be entitled to the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 7 September 2017.

## **REVIEW OF INTERIM RESULTS**

The interim results of the Group for the six months ended 30 June 2017 are unaudited, but have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by HKICPA, by Messrs. Deloitte Touche Tohmatsu whose unmodified review report will be included in the interim report to be sent to the Company's shareholders. The interim results of the Group for the six months ended 30 June 2017 have also been reviewed by the Audit Committee of the Company.

## **APPRECIATION**

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

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

Hong Kong • 21 August 2017

As at the date of this announcement, the Board comprises (a) five executive Directors, namely, Mr. Yiu Hon Ming, Ms. Law Wai Ping, Mr. Chau Kam Wing Donald, Mr. Li Chin Keung and Ms. Yiu Ho Ting; (b) one non-executive Director, namely, Mr. Au Wai Ming; and (c) three independent non-executive Directors, namely, Mr. Carson Wen, Professor Wong Lung Tak Patrick and Mr. Wu Ming Lam.