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## **WINTO GROUP (HOLDINGS) LIMITED**

### **惠陶集團（控股）有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8238)**

#### **ANNOUNCEMENT**

#### **DISCLOSEABLE TRANSACTION IN RELATION TO THE CONSULTANCY CONTRACT**

The Board is pleased to announce that, on 31 May 2018 (after trading hours), the Company entered into the Consultancy Contract with APE, pursuant to which APE agreed to provide project management services and consultancy services to the Company in relation to, *inter alia*, hardware and software designs of gaming machines, and incidental testing, for a term of seven (7) months. The Company agreed to pay a fee of HK\$5,000,000 in total for the project management services and consultancy services provided by APE pursuant to the terms of the Consultancy Contract.

The entry into the Consultancy Contract by the Company constitutes a discloseable transaction of the Company as one of the applicable percentage ratios exceeds 5% but less than 25%, and is therefore subject to the relevant reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

#### **THE CONSULTANCY CONTRACT**

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#### **Consultancy Contract**

##### ***Date***

31 May 2018 (after trading hours)

### ***Parties***

- (1) The Company (as service recipient)
- (2) APE (as service provider)

### ***Subject Matter***

Pursuant to the Consultancy Contract, APE agreed to provide project management services and consultancy services to the Company in relation to, *inter alia*, hardware and software designs of gaming machines, and incidental testing, for a term of seven (7) months.

### ***Term of service under the Consultancy Contract***

Seven (7) months commencing on 1 June 2018 and ending on 31 December 2018.

### ***Project Management Fee***

The Company shall pay a fee of HK\$5,000,000 in total for the project management services and consultancy services provided by APE pursuant to the Consultancy Contract. The Project Management Fee was determined after arm's length negotiation between the parties after taking into consideration the fees for similar project management services and consultancy services. The Project Management Fee shall be paid to APE by way of bank transfers to a designated bank account of APE in the following manner:

- (i) a non-refundable payment of HK\$800,000.00 shall be made within 14 days from the commencement of the Consultancy Contract;
- (ii) the sum of HK\$3,600,000.00 shall be paid in 6 equal installments of HK\$600,000.00 each which will be invoiced at the beginning of each month after the commencement of the Consultancy Contract. Payment is due within 30 days of the date of invoice; and
- (iii) a final payment of HK\$600,000 will be invoiced on the earlier of (a) the date of completion of project management services and consultancy services; or (b) 31 December 2018.

## **INFORMATION OF THE GROUP AND APE**

### **The Group**

The Group is principally engaged in (i) sales and free distribution of Chinese language lifestyle magazines, the sales of advertising space in the magazines; (ii) organizing exhibitions and trade shows for the promotion of products and services, and providing ancillary services; and (iii) mobile phone apps development, provision of apps solutions and provision of online marketing planning and production.

## **APE**

APE is a company incorporated under the laws of Cayman Islands with limited liability whose shares are listed on GEM of the Stock Exchange (Stock Code: 8400). APE is principally engaged in the manufacture and distribution of electronic gaming equipment. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, APE and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).

## **REASON FOR AND BENEFIT FOR ENTERING INTO THE CONSULTANCY CONTRACT**

The Consultancy Agreement provides a unique opportunity for the Company to enter into the slot gaming machine business, especially the market in Macau, with the assistance from APE which is a prominent participant in the market. The slot gaming machine business, a growing business with huge markets in Macau and Asia, will supplement the existing media advertising business of the Company which is declining. Further, the slot gaming machine business is expected to enhance the future growth and development of the Company.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Consultancy Contract are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the transaction contemplated under the Consultancy Contract exceeds 5% but less than 25%, the entry into the Consultancy Contract by the Company constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements of the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“APE”	Asia Pioneer Entertainment Holdings Limited (stock code: 8400), a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on GEM of the Stock Exchange
“Board”	the board of Directors
“Company”	Winto Group (Holdings) Limited (stock code: 8238), a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on GEM of the Stock Exchange

“Consultancy Contract”	the consultancy and project management contract entered into by the Company and APE dated 31 May 2018
“Directors”	The directors of the Company
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“Project Management Fee”	the fee to be paid to APE by the Company for the project management services and consultancy services provided by APE pursuant to the Consultancy Contract, being the total sum of HK\$5,000,000.00
“Shareholders”	holder(s) of the issued shares of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**Winto Group (Holdings) Limited**  
**Tang Yau Sing**  
*Executive Director*

Hong Kong, 31 May 2018

*As at the date of this announcement, the Board comprises Mr. Tang Yau Sing as an executive director; and Mr. Wen Kai, Mr. Tsang Zee Ho, Paul and Mr. Tse Chi Wai as independent non-executive directors.*

*This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement 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 announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and be posted and remains on the website of the Company at <http://www.wintogroup.hk>.*