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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)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Existing Shares of HK\$0.001 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.02 each.

The Existing Shares are currently traded on the Stock Exchange in the board lots of 8,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 8,000 Consolidated Shares.

The Share Consolidation is conditional upon, among other things, the approval of Shareholders at the EGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the EGM.

GENERAL

A circular containing, among other things, (i) further details of the Share Consolidation, and (ii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Wednesday, 30 January 2019.

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The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Existing Shares of HK\$0.001 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.02 each.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions being satisfied:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the compliance with all relevant procedures and requirements under the Cayman Islands law (where applicable) to effect the Share Consolidation; and
- (iii) the Listing Committee of the Stock Exchange granting the approval for listing of, and permission to deal in, the Consolidated Shares in issue and to be issued, upon the Share Consolidation becoming effective.

Subject to the satisfaction of all the above conditions, it is expected that the Share Consolidation will become effective on the next business day immediately following the date of the EGM.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 100,000,000,000 Existing Shares of HK\$0.001 each, of which 8,640,000,000 Existing Shares have been issued and are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, on the basis that the Company does not allot, issue or repurchase any Shares prior thereto, the authorised share capital of the Company shall become HK\$100,000,000 divided into 5,000,000,000 Consolidated Shares of HK\$0.02 each, of which 432,000,000 Consolidated Shares will be in issue.

The Outstanding Options

As at the date of this announcement, there are 148,800,000 Outstanding Options granted under the Share Option Scheme. Under the relevant terms and conditions thereof, the Share Consolidation may lead to adjustments to the exercise price and/or the number of Shares of the Company falling to be issued upon exercise of the Outstanding Options pursuant to the terms thereof. Assuming there is no other adjustment event under the relevant Share Option Scheme other than the Share Consolidation becoming effective, the Outstanding Options will entitle the holders thereof to subscribe for up to 7,440,000 Consolidated Shares in aggregate. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

Save for the aforesaid, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

Status of the Consolidated Shares

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

Listing application

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares in issue and to be in issue upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

REASONS FOR THE SHARE CONSOLIDATION

Under Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. In view of the prevailing trading price of the Shares, the Board proposes to implement the Share Consolidation. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares and in the trading price per board lot of the Shares on the Stock Exchange. As a result, the Share Consolidation would enable the Company to comply with the trading requirements under the GEM Listing Rules and reduce the overall transaction and handling costs of dealing in the Shares. Accordingly, the Board is of the view that the Share Consolidation is beneficial to the Company and the Shareholders as a whole.

The board lot size for trading in the Consolidated Shares after the Share Consolidation will remain as 8,000 Consolidated Shares. It is expected that it will minimize the creation of odd lots. The Board also considers that the proposed consolidation of every twenty (20) issued and unissued Existing Shares into one (1) Consolidated Share is the most feasible option which would be in the interests of the Company and the Shareholders as a whole as the board lot value after the Share Consolidation, calculated based on the closing price of HK\$0.025 per Existing Share on 15 January 2019, will be HK\$4,000 which is over HK\$2,000 (the minimum transaction costs for a securities trade), while not making the cost for each board lot being too high.

As at the date of this announcement, the Company has no concrete plan for any fund raising activities though the Company may consider to raise fund through fund raising activities in the next 12 months. Having considered any possible fund raising activities to be conducted by the Company in the next 12 months, the Directors consider that the basis of the Share Consolidation is reasonable and sufficient. As at the date of this announcement, besides the Share Consolidation, to the best knowledge of the Directors, the Company has no intention to carry out any corporate action or arrangement, including share consolidation, share subdivision and change in board lot size, in the next 12 months which would have a contradictory effect to the Share Consolidation.

Save for the relevant expenses, including but not limited to professional fees and printing charge to be incurred by the Company, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interests of the Shareholders. In view of the above, the Board considers that the Share Consolidation, (i) will not have any material adverse effect on the financial position of the Group; (ii) is fair and reasonable; and (iii) is in the interests of the Company and the Shareholders as a whole.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Board lot size

The Existing Shares are currently traded on the Stock Exchange in the board lots of 8,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 8,000 Consolidated Shares.

Based on the closing price of HK\$0.025 per Existing Share (equivalent to the theoretical closing price of HK\$0.5 per Consolidated Share) on 15 January 2019, the value of each board lot of the Existing Shares is HK\$200 and the theoretical market value of each board lot of the Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$4,000.

Odd lot trading arrangement

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in

any doubt about the odd lot matching arrangement are recommended to consult their own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is currently expected to be on Wednesday, 20 February 2019, being the business day immediately after the date of the EGM. Shareholders may during the business hours, on or after Wednesday, 20 February 2019 and until Thursday, 28 March 2019 (both days inclusive) submit their existing share certificates in blue colour for the Existing Shares to the Company's branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queens' Road East, Hong Kong to exchange, at the expense of the Company, for new share certificates in orange colour for the Consolidated Shares on the basis of every twenty (20) Existing Shares for one (1) Consolidated Share, without any fractional Consolidated Share.

Shareholders should note that after the prescribed time for free exchange of share certificates, certificates of Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) by the Shareholders for each new share certificate for the Consolidated Shares issued or each existing share certificate for the Existing Shares submitted for cancellation, whichever is higher.

Subject to the Share Consolidation becoming effective, with effect from after 4:00 p.m. on Tuesday, 26 March 2019, trading will only be effected in the Consolidated Shares, the share certificates of which will be issued in orange colour. The existing share certificates in blue colour for the Existing Shares will cease to be valid for delivery, trading and settlement purposes, but will remain valid and effective as documents of legal title.

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Share Consolidation. The below expected timetable is subject to the satisfaction of all the conditions of the Share Consolidation, including but not limited to, the approval of the Share Consolidation by the Shareholders at the EGM, and is therefore for indicative purpose only. Further announcement(s) (if any) will be made by the Company regarding any significant change to the following expected timetable as and when appropriate:

<i>Event</i>	<i>Time and Date</i>
Expected date of despatch of the circular, notice of and proxy form for the EGM	Wednesday, 30 January 2019
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Wednesday, 13 February 2019
Record date of the EGM	4:30 p.m. on Wednesday, 13 February 2019

Latest time for return of proxy form of the EGM (not less than 48 hours prior to the EGM)	10:00 a.m. on Sunday, 17 February 2019
Register of members of the Company closed for determining entitlements to attend and vote at the EGM	Thursday, 14 February 2019 to Tuesday, 19 February 2019 (both days inclusive)
EGM	10:00 a.m. on Tuesday, 19 February 2019
Publication of the announcement of poll results of the EGM	Tuesday, 19 February 2019
Effective date of the Share Consolidation	Wednesday, 20 February 2019
Dealings in the Consolidated Shares commence	9:00 a.m. on Wednesday, 20 February 2019
Original counter for trading in the Existing Shares in board lots of 8,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Wednesday, 20 February 2019
Temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 20 February 2019
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Wednesday, 20 February 2019
Original counter for trading in the Consolidated Shares in board lots of 8,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Wednesday, 6 March 2019
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Wednesday, 6 March 2019
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	9:00 a.m. on Wednesday, 6 March 2019
Temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) closes	4:00 p.m. on Tuesday, 26 March 2019

Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends	4:00 p.m. on Tuesday, 26 March 2019
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	4:00 p.m. on Tuesday, 26 March 2019
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	4:30 p.m. on Thursday, 28 March 2019

All times and dates in this announcement refer to Hong Kong local times and dates. Shareholders should note that the dates and deadlines specified in this announcement for events in the timetable for the Share Consolidation is subject to the satisfaction of all the conditions of the Share Consolidation, including but not limited to, the approval of the Share Consolidation by Shareholders at the EGM, and are therefore for indicative purpose only.

In the event that any special circumstances arise, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Share Consolidation.

A circular containing, among other things, further details of the Share Consolidation and a notice of the EGM will be despatched to the Shareholders on or before Wednesday, 30 January 2019. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the EGM.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” above in this announcement. Accordingly, the Share Consolidation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following words and expressions shall have the meaning ascribed to them below:

“Board”	board of the Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Winto Group (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on GEM of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	directors(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among others, the Share Consolidation and the transactions contemplated thereunder
“Existing Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company prior to the Share Consolidation having become effective
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Outstanding Options”	the right(s) granted under the Share Option Scheme to subscribe for Shares in accordance with the Share Option Scheme
“Share(s)”	Existing Share(s) or Consolidated Share(s), as the case maybe
“Share Consolidation”	the proposed consolidation of every twenty (20) Existing Shares of HK\$0.001 each in the issued and unissued share capital of the Company into one (1) Consolidated Share of HK\$0.02 each in the issued and unissued share capital of the Company

“Share Option Scheme”	the share option scheme of the Company adopted on 16 February 2015
“Shareholder(s)”	holder(s) of the Share(s)
“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, 16 January 2019

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>.