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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)

QUARTERLY UPDATE ON SUSPENSION OF TRADING

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Winto Group (Holdings) Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) pursuant to Rules 17.10(2) and 17.26A of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 21 June 2019, 2 July 2019, 18 September 2019, 7 September 2020, 8 September 2020, 9 September 2020, 30 October 2020, 7 December 2020, 5 March 2021, 21 April 2021 and 4 June 2021, respectively, in relation to, among others, the decision of the GEM Listing (Review) Committee to suspend trading in the Shares and the resumption guidance (collectively, the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meaning as those defined in the Announcements.

UPDATE ON RESUMPTION PROGRESS

Continued improvement of business operation

The Group is principally engaged in (i) sales and distribution of publications and the sales of print and online advertising spaces; (ii) sales of billboards advertising spaces; and (iii) promotion of products and provision of ancillary services by organizing exhibitions and trade shows.

The outbreak of the COVID-19 since early 2020 has caused severe disruption to the overall market’s business activities and the global and local economic environment due to the prolonged imposition of governmental social distancing measures.

Despite such challenging operation environment, further to the contracts entered by the Group with its customers in respect of its publications, media and billboards advertising business as disclosed in the announcement of the Company dated 4 June 2021, the Group was engaged by two customers for events design and production with total value of approximately HK\$4.3 million and the Group entered into advertising agreements with five customers with total contract sum of approximately HK\$7.5 million and contract period ranging from one month to a year. The Company expects that more business contracts will be entered into in the fourth quarter of 2021.

Set out below is a summary of the unaudited operating results of the Group for the six months ended 30 June 2021, comparing with the corresponding period of the previous year:

	Six months ended 30 June	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue		
Publication and media advertising business	12,455	8,751
Billboards business	10,758	–
Provision of exhibition and trade show business	3,615	7,239
	<u>26,828</u>	<u>15,990</u>
Total Revenue		
	<u>14,857</u>	<u>7,330</u>

Revenue had increased by approximately 47% from approximately HK\$15,990,000 for the six months ended 30 June 2020 to approximately HK\$26,828,000 for the six months ended 30 June 2021. The increase in revenue was mainly due to the Group having extended its business sector geographically to the Guangdong – Hong Kong – Macao Greater Bay Area.

The revenue contributed from the exhibition and trade show business decreased from approximately HK\$7,239,000 for the six months ended 30 June 2020 to approximately HK\$3,615,000. The decrease was mainly due to the impact of the COVID-19 epidemic in the whole industry of the exhibition and trade show business.

The Group will pay close attention to the development of the outbreak of COVID-19 and its impact and continue to review its business performance from time to time and strive to improve the business operations and financial position of the Group. The Company will continue to actively identify potential business and investment opportunities to expand its source of income.

Progress of the Resumption Plan

The Board is pleased to announce that the Company submitted supplemental information in response to comments from the Stock Exchange in relation to the Resumption Plan. Based on the Resumption Plan submitted to the Stock Exchange, the Group has been continuing to implement the business development plan to revitalise its business to a sufficient and sustainable level, including among others, (i) actively sourcing new contracts to maintain the growth momentum; (ii) implementing measures to improve profitability; (iii) implementing strategies to expand the businesses in billboard advertising, advertising planning agency and design and production to diversify overall business risks; (iv) implementing stringent cost control measures; and (v) implementing control measures to minimise the impact of COVID-19 outbreak.

The preliminary results for the six months ended 30 June 2021 and the interim report for the same financial period were published by the Company on 6 September 2021. As set out in the announcement of the Company dated 30 August 2021, it is expected that the preliminary announcement of results for the year ended 31 December 2020 (the “**2020 Annual Results**”) will be published on or before 31 October 2021.

As disclosed in the announcements of the Company dated 30 October 2020, 7 December 2020 and 21 April 2021, the Stock Exchange has set out the Resumption Guidance below for the Company:

- (i) demonstrate the Company’s compliance with Rule 17.26 of the GEM Listing Rules;
- (ii) inform the market of all material information for the Shareholders and other investors to appraise the Company’s position; and
- (iii) publish all outstanding financial results required by the GEM Listing Rules and address any audit modifications.

Save for the 2020 Annual Results, the Company has published all outstanding financial results and there is no audit modification to be addressed in prior annual results, and therefore, in relation to the Resumption Guidance, the Board is of the view that as of the date of this announcement, all the Resumption Guidance shall have been fulfilled upon the publication of the 2020 Annual Results.

Further announcements will be made by the Company to update the Shareholders and the public on, among others, the progress of the Resumption Plan of the Company as and when appropriate and will announce quarterly updates as required under Rule 17.26A of the GEM Listing Rules.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company has been suspended with effect from 9:00 a.m. on 8 September 2020 and will remain suspended until further notice.

Please note that the above-mentioned development does not necessarily indicate that trading in the Company's shares will be resumed. Accordingly, the Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By Order of the Board
Winto Group (Holdings) Limited
Hung Yuen Kin
Executive Director

Hong Kong, 6 September 2021

As at the date of this announcement, the Board comprises Mr. Hung Yuen Kin as executive Director, Mr. Lui Man Wah as non-executive Director and Ms. Wong Chi Ling, Mr. Wong Ling Yan Philip and Mr. Lee Man Yeung as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, 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>.