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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)**

## **MAJOR TRANSACTION ACQUISITION OF 15% ISSUED SHARE CAPITAL IN FOREVER INNOVATION LIMITED**

### **TERMINATION AGREEMENT**

On 25 March 2019 (after trading hours), the Company, the Vendor, the Vendor Shareholders, Forever Innovation, Rico Best and the Target Company, entered into a Termination Agreement to terminate the Previous Agreement and the Previous Supplemental Agreements with immediate effect.

Upon termination of the Previous Agreement and the Previous Supplemental Agreements, each of the parties mutually discharge and release one another from further obligations under the Previous Agreement and the Previous Supplemental Agreements and their respective rights and/or claims against each other arising out of or in connection with the Previous Agreement and the Previous Supplemental Agreements are cancelled and terminated. As a result, the acquisition of the 51% issued share capital in Forever Innovation will not proceed.

### **THE REVISED ACQUISITION**

On 25 March 2019 (after trading hours), among others, Prime Castle Holdings Limited as the Vendor, and the Company as the purchaser, entered into the SPA, pursuant to which the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the Sale Shares, representing 15% of the issued share capital of Forever Innovation at the Consideration of HK\$21,000,000.

### **SHAREHOLDERS' AGREEMENT**

As the Company will become a minority shareholder holding 15% equity interest in Forever Innovation upon completion, the Shareholders' Agreement will be executed, among others, between the Company and the Vendor on the Completion Date in order to protect the interest of the Company as the minority shareholder of Forever Innovation.

## **GEM LISTING RULES IMPLICATIONS**

As the relevant percentage ratios in respect of the Acquisition calculated pursuant to Rule 19.07 of the GEM Listing Rules exceed 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the approval by the Shareholders under Chapter 19 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders has any material interest in the Acquisition and no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the SPA, the Shareholder's Agreement and the Acquisition.

Since no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the SPA, the Shareholder's Agreement and the Acquisition, the Company shall obtain Written Approval from a closely allied group of Shareholders, who together hold approximately 74.79% of the issued share capital of the Company carrying rights to vote at a general meeting. Accordingly, such written shareholders' approval, if obtained, will be accepted in lieu of holding a general meeting for the approval of the SPA, the Shareholder's Agreement and the transactions contemplated thereunder pursuant to Rule 19.44 of the Listing Rules. Therefore, no general meeting of the Company will be convened to approve the SPA, the Shareholder's Agreement and the transactions contemplated thereunder.

The Company is required to despatch a circular containing, among other things, (i) further details of the SPA, the Shareholder's Agreement and the transaction contemplated thereunder; (ii) the accountants' report of the Target Company; and (iii) the pro forma financial statements of the Group, to the Shareholders within 15 business days after the publication of the announcement, which should be on or before 16 April 2019.

As additional time is required for the Company to prepare and finalise certain information to be included in the circular, the Company will apply for a waiver from strict compliance with Rule 19.41(a) of the GEM Listing Rules for an extension of time to despatch the circular to the Shareholders on or before 15 May 2019. The Company will make further announcement as and when appropriate.

**Completion is subject to the fulfilment of the conditions precedent set out in the SPA and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

Reference is made to (i) the announcement of the Company dated 11 October 2018 relating to the entering into of the memorandum of understanding for the possible acquisition of 51% of the issued share capital of a special purpose vehicle, which shall in turn hold the entire equity interest in the Target Company upon completion of the Restructuring; (ii) the announcement of the Company dated 4 December 2018 relating to the entering into the Previous Agreement (the “**First Announcement**”); (iii) the announcement of the Company dated 6 December 2018, 27 December 2018 and 7 January 2019 relating to the entering into the Previous Supplemental Agreements; (iv) the clarification announcement of the Company dated 16 January 2019; and (v) the announcement of the Company relating to the delay in despatch of circular dated 28 February 2019.

## **TERMINATION AGREEMENT**

On 25 March 2019 (after trading hours), the Company, the Vendor, the Vendor Shareholders, Forever Innovation, Rico Best and the Target Company, entered into a Termination Agreement to terminate the Previous Agreement and the Previous Supplemental Agreements with immediate effect.

Upon termination of the Previous Agreement and the Previous Supplemental Agreements, each of the parties mutually discharge and release one another from further obligations under the Previous Agreement and the Previous Supplemental Agreements and their respective rights and/or claims against each other arising out of or in connection with the Previous Agreement and the Previous Supplemental Agreements are cancelled and terminated. As a result, the acquisition of the 51% issued share capital in Forever Innovation will not proceed.

The Board considers that the termination of the Previous Agreement and the Previous Supplemental Agreements has no material impact on the existing business operations and financial position of the Company and its subsidiaries.

## **THE REVISED ACQUISITION**

On 25 March 2019 (after trading hours), among others, Prime Castle Holdings Limited as the Vendor, and the Company as the purchaser, entered into the SPA, pursuant to which the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the Sale Shares, representing 15% of the issued share capital of Forever Innovation at the Consideration of HK\$21,000,000.

## **THE SPA**

The principal terms of the SPA are summarized as follows:

Date: 25 March 2019 (after trading hours)

Parties: (i) the Company, as the purchaser;

(ii) the Vendor;

(iii) the Vendor Shareholders;

(iv) Forever Innovation;

(v) Rico Best; and

(vi) the Target Company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor, the Target Company and their respective ultimate beneficial owners are Independent Third Parties.

### **Assets to be acquired**

Pursuant to the SPA, the Vendor shall sell the Sale Shares as the legal and beneficial owner and the Company shall purchase all the Sale Shares, representing 15% issued share capital of Forever Innovation.

As of the date of the SPA, the Vendor has completed the Restructuring, as a result of which, (i) the Vendor indirectly holds the entire interest in the Target Company; and (ii) the Vendor is held as to 66% by Mr. Li and 34% by Mr. Wang.

### **Consideration**

The Consideration payable by the Company to the Vendor for the Sale Shares shall be HK\$21,000,000 million,

(a) as to HK\$20,000,000, which shall be payable by the Company to the Vendor on the date of the SPA; and

(b) as to HK\$1,000,000, which shall be payable by the Company on the Completion Date.

### **Basis of determination of the Consideration**

The Consideration was arrived at after arm's length negotiations between the Vendor and the Company on normal commercial terms and taken into consideration of the following factors:

- (a) the preliminary valuation of the Target Group of approximately HK\$410 million as at 31 December 2018;
- (b) current situation and future development prospects of the industries in which the Target Group and the Company operate; and
- (c) historical financial performance and future development potential of the Target Group and the Company.

### **Conditions precedents**

The Acquisition will be conditional upon the following conditions precedent being fulfilled or waived:

- (a) the Company has obtained the necessary approval from its Shareholders in respect of the SPA and the transaction contemplated thereunder; and
- (b) the Company, the Vendor, the Vendor Shareholders, Forever Innovation, Rico Best and the Target Company have entered into the Shareholders' Agreement.

### **Lock-up undertaking**

Pursuant to the SPA, each of the Vendor, the Vendor Shareholders, Forever Innovation, Rico Best, severally and jointly, undertakes to the Company that he/it will not, without prior written consent of the Company, for a period commencing on the Completion Date and ending on a date which is twelve (12) months after the Completion Date (the "**Lock-up Period**"):

- (a) sell, offer to sell, gift, charge, pledge or otherwise transfer or dispose of or create an encumbrance over, or agree or enter into any agreement or arrangement with another to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, in whole or in part, any shares of any member of the Target Group or any related interest therein (collectively, the "**Lock-up Shares**");
- (b) enter into any agreement or arrangement to grant any rights to another to acquire, in whole or in part, the Lock-up Shares (including without limitation, any securities convertible into or exchangeable or exercisable for or that present the right to receive, or any warrants or other rights to purchase, any Lock-up Shares); or
- (c) enter into any transaction with the same economic effect as any transaction described in (a) or (b) above.

## **Completion**

Completion shall take place after the fulfilment (or waiver) of the conditions (or such later date as the parties to the SPA may agree) (the “**Completion Date**”) mentioned above. The Completion Date is expected to be on or before 31 March 2019.

Upon completion of the Acquisition, each member of the Target Group will become an associated company of the Company and its financial results will be accounted for using equity method. The Company will conduct an impairment review of the investment in the Target Group to determine whether a provision for permanent diminution in value of the investment in the Target Group is required.

On Completion Date, the Vendor shall procure delivery of the following documents, among others,

- (a) a copy of the executed version of the supplemental agreement entered into between the Target Company with 北京虛實互動科技有限公司 (Beijing Virtual Reality Interactive Technology Co., Ltd.\*) in respect with development of the intellectual property right of the game titled “《戰地聯盟ol》” (Battlefield Alliance\*);
- (b) a copy of the executed version of the supplemental agreement entered into between the Target Company and 西山居多盈 (北京) 科技有限公司 (Xishanju Duoying (Beijing) Technology Co., Ltd.\*) in respect with development and the intellectual property right of the game titled “《H5ol》”; and
- (c) a copy of the documents evidencing of the material contracts of the Target Group are renewed. As defined in the SPA, “material contract” refer to any contract, agreement or undertaking which relates to the operation, business and cooperation of the Target Group in an amount exceeding RMB1,000,000.

## **SHAREHOLDERS’ AGREEMENT**

As the Company will become a minority shareholder holding 15% equity interest in Forever Innovation upon completion, the Shareholders’ Agreement will be executed, among others, between the Company and the Vendor on the Completion Date in order to protect the interest of the Company as the minority shareholder of Forever Innovation.

The principal terms of the Shareholders' Agreement are summarized as follows:

Date: Completion Date

- Parties:
- (i) the Company;
  - (ii) the Vendor;
  - (iii) the Vendor Shareholders;
  - (iv) Forever Innovation;
  - (v) Rico Best; and
  - (vi) the Target Company.

Board composition: The number of directors of each member of the Target Group shall be three (3) director(s), of which two (2) directors shall be appointed by the Vendor and one (1) director shall be appointed by the Company.

Senior management: The Company has the right to nominate any personnel to be the member of the senior management at any member of the Target Group.

The Company has the right to nominate the deputy general manager of the Target Company to participate in the operation of the Target Company and monitor and report the status of operation of the Target Company from time to time to the Company.

Reserved matters requiring unanimous approval from all shareholders of Forever Innovation: The Company as a minority shareholder will be granted certain reserved matter rights in respect of the following matters in respect of each member of the Target Group. Unless with the prior consent of the Company, each member of the Target Group shall not, and the Vendor or the Vendor Shareholders shall not procure any member of the Target Group to approve, agree or undertake any of the following actions:

- (a) increase, reduce or cancel the authorized share capital or increase issued share capital of any member of the Target Group;

- (b) issue any shares, securities, options rights or warrants which has the effect of diluting or reducing the effective shareholding of the Company in the Target Group;
- (c) effect any restructuring or reclassification of or amending the right or privilege that of any class of shares;
- (d) authorise the issue of or issue any shares or securities with shareholder protection rights no less favourable than those of the ordinary shares;
- (e) redeem or repurchase of the shares of any member of the Group;
- (f) amend the constitutional documents of any member of the Target Group;
- (g) pay or declare any dividends on any shares or arrange for placement of any shares of any member of the Target Group;
- (h) effect any corporate financing activities, merger, assets distribution, debt restructuring arrangement, reorganisation, material disposal of assets or participate in any transaction, or series of transaction to the effect that over 50% voting right of any member of the Target Group has been transferred or all or substantially all of the assets thereof being transferred or disposed;
- (i) increase or decrease any board seat of any member of the Target Group;
- (j) remove any director nominated by the Company at the board of any member of the Target Group;
- (k) terminate the employment of the deputy general manager of the Target Company as nominated by the Company;
- (l) change the business scope or activities of any member of the Target Group;



- (m) initiate listing, winding-up or dissolution of any member of the Target Group;
- (n) make any investment or establish of any branch office, subsidiary, or any joint venture with another third party; and
- (o) sell, transfer, license, charge, create an encumbrance over or otherwise dispose of any trademarks, patents, software copyright (軟件著作權) or other intellectual property owned by any member of the Target Group.

Reserved matters requiring approval from the director nominated by the Company:

In respect of each member of the Target Group, the respective member of the Target Group shall obtain consent from the director nominated by the Company on the following reserved matters:

- (a) save for the intra-group loan or guarantee within the Target Group, provision of loan or guarantee to any third party;
- (b) incur indebtedness of over RMB1,000,000 or purchase or sale of any business or assets in an amount exceeding RMB1,000,000;
- (c) creation of charge, pledge, sub-lease arrangement disposal of any assets of any member of the Target Group in an amount exceeding RMB500,000;
- (d) appointment or change of the auditors of any member of the Target Group or material change of the accounting policies of any member of the Target Group;
- (e) approval of the annual budget of any member of the Target Group or amendment of such annual budget with deviation exceeding 15% of the initial annual budget; and
- (f) approval, amendment or termination of any employee incentive scheme or share option scheme of any member of the Target Group.

- Transfer restrictions:
- (a) Right of first refusal: the Company shall have a right of first refusal on any transfer, in whole or in part, of the shares of any member of the Target Group held by any shareholder of any member of the Target Group (the “**Transferor**”), on such terms offered by the potential purchaser(s) to the Transferor; and
  - (b) Tag-along right: subject to the right of first refusal mentioned under item (a) above, if the Company has not exercised its right of first refusal as set out in item (a) above, the Company shall be entitled to transfer or sell, in whole or in part, of its shares in the member of the Target Group under such transfer (if any) to the potential purchaser(s) on the same terms offered by the potential purchaser(s) to the Transferor.

Each of above right of first refusal and tag-along right is exercisable at the discretion of the Company.

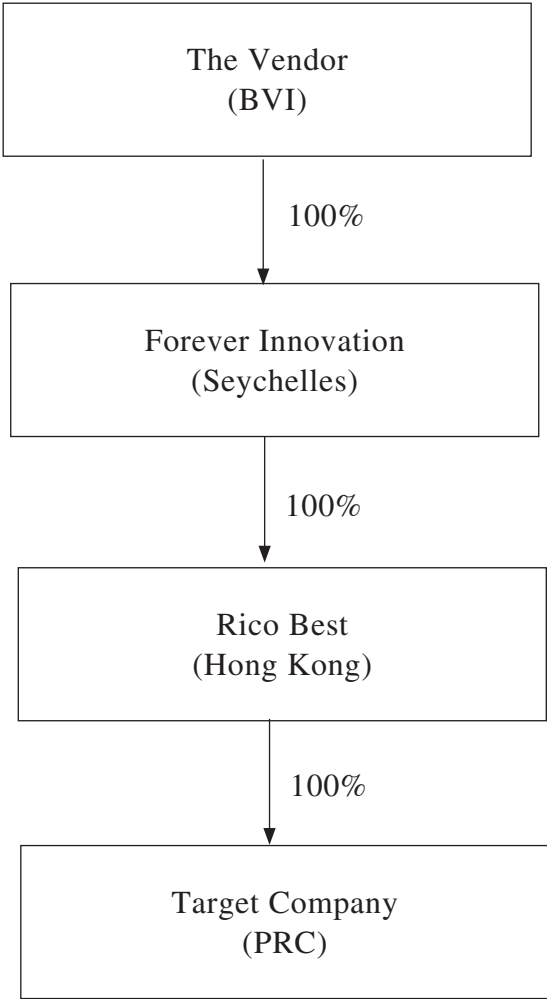
Subscription right: In the event any member of the Target Group issues any new shares after the date of the Shareholders’ Agreement, the Company shall be entitled to subscribe such additional shares, in whole or in part, of any member of the Target Group.

The above subscription right is exercisable at the discretion of the Company.

Information right: Each member of the Target Group shall deliver, within 45 days after the end of each financial year, its audited consolidated financial statements to the Company. The Company shall also have the right to inspect the books of account and records of any member of the Target Group and discuss with the officers of any member of the Target Group in respect of the financial statement.

**INFORMATION OF THE TARGET GROUP**

The organisation chart of the Target Group immediately prior to the completion of Acquisition is set out below:



We set out below the information of each entity within the Target Group:

**(i) The Target Company**

The Target Company was established in the PRC in July 2011. The Target Company is principally engaged in online advertising, online gaming and entertainment platform specializing in the development and operation of boutique internet games. It provides a platform with creative planning, art design, technology research and development, product development, game promotion, operation and maintenance, and game peripheral industry co-operation. The Target Company is wholly owned by Rico Best.

**(ii) Rico Best**

Rico Best is a company incorporated in Hong Kong with limited liability and is an investment holding company. Rico Best is held as to 100% by Forever Innovation.

**(iii) Forever Innovation**

Forever Innovation is a company incorporated in Seychelles with limited liability and is an investment holding company. Forever Innovation is held as to 100% by the Vendor. Upon completion of the Acquisition, Forever Innovation will be held as to 15% by the Company and 85% by the Vendor.

**Financial information of the Target Company**

Set out below is the financial information of the Target Company, as extracted from the audited financial statements of the Company for the years ended 31 December 2016 and 2017, respectively:

	<b>For the year ended 31 December</b>	
	<b>2017</b>	<b>2016</b>
	<b>RMB</b>	<b>RMB</b>
	<b>(audited)</b>	<b>(audited)</b>
Revenue	15,393,000	6,235,000
Profit before tax	3,594,000	95,000
Profit after tax	3,594,000	95,000

The total assets, total liabilities and net assets of the Target Company as at 31 December 2017 according to its audited financial statements were approximately RMB18,992,000, RMB9,815,000 and RMB9,177,000, respectively.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Company notices that there has been a rapid growth in the mobile online game industry in the PRC with an unprecedented growth in users of smartphones and other mobile devices. The growth is expected to continue in the coming years driven by the rapid growth of smartphone penetration and the increased demand for online entertainment.

Multimedia advertising and provision of online marketing, planning and production have been the principal businesses of the Group. By utilising the Group's multimedia advertising and the information technology-related experiences and well-established connections of the Target Company in the PRC, the Directors are confident that synergy effect and strategic partnership could be achieved with the existing principal businesses of the Group through the Acquisition. In particular, the Group, through its involvement in the Target Company, could maintain its strategic partnership with the Target Company and hence could access to the online advertising and marketing market in the PRC, rather than just focusing on the Hong Kong market in the past.

Based on the above, the Directors consider that the terms and conditions of the SPA, the Shareholder's Agreement and the transaction contemplated thereunder are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE COMPANY AND THE VENDOR**

### **Information of the Company**

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

### **Information of the Vendor**

The Vendor, Prime Castle Holdings Limited, is a company incorporated in the British Virgin Islands with limited liability and is an investment holding company. The Vendor is held as to 66% by Mr. Li and 34% by Mr. Wang.

## **GEM LISTING RULES IMPLICATIONS**

As the relevant percentage ratios in respect of the Acquisition calculated pursuant to Rule 19.07 of the GEM Listing Rules exceed 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the approval by the Shareholders under Chapter 19 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders has any material interest in the Acquisition and no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the SPA, the Shareholder's Agreement and the Acquisition.

Since no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the SPA, the Shareholder's Agreement and the Acquisition, the Company shall obtain Written Approval from a closely allied group of Shareholders, who together hold approximately 74.79% of the issued share capital of the Company carrying rights to vote at a general meeting. Accordingly, such written shareholders' approval, if obtained, will be accepted in lieu of holding a general meeting for the approval of the SPA, the Shareholder's Agreement and the transactions contemplated thereunder pursuant to Rule 19.44 of the Listing Rules. Therefore, no general meeting of the Company will be convened to approve the SPA, the Shareholder's Agreement and the transactions contemplated thereunder.

The closely allied group of Shareholders includes Noble Gate and Shareholder Value Fund (together, the "**Closely Allied Group**") As at the date of this announcement, (i) 194,662,700 Share were held by Noble Gate; and (ii) 128,400,800 Shares were held by Shareholder Value Fund. Noble Gate and Shareholder Value Fund are together regarded as "acting in concert" for the purposes of the Hong Kong Code on Takeovers and Mergers.

The Company is required to despatch a circular containing, among other things, (i) further details of the SPA, the Shareholder's Agreement and the transaction contemplated thereunder; (ii) the accountants' report of the Target Company; and (iii) the pro forma financial statements of the Group, to the Shareholders within 15 business days after the publication of the announcement, which should be on or before 16 April 2019.

As additional time is required for the Company to prepare and finalise certain information to be included in the circular, the Company will apply for a waiver from strict compliance with Rule 19.41(a) of the GEM Listing Rules for an extension of time to despatch the circular to the Shareholders on or before 15 May 2019. The Company will make further announcement as and when appropriate.

**Completion is subject to the fulfilment of the conditions precedent set out in the SPA and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

Unless the context requires otherwise, the capitalised terms used in this announcement shall have the following meanings:

“Acquisition”	the acquisition by the Company of the Sale Shares subject to and upon the terms and conditions of the SPA
“associate”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Company”	Winto Group (Holdings) Limited (惠陶集團(控股)有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the GEM (stock code: 8238)
“Completion Date”	completion date of the Acquisition, which is expected to be on or before 31 March 2019, as more particularly described in the paragraph headed “Completion” in this announcement
“connected person”	has the meaning as ascribed to it under the GEM Listing Rules
“Consideration”	the consideration for the Acquisition in the amount of HK\$21,000,000. For details, please refer to the section headed “Consideration” in this announcement
“Director(s)”	director(s) of the Company
“Forever Innovation”	Forever Innovation Limited, a special purpose vehicle company incorporated in Seychelles with limited liability
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Mr. Li”	Li Li Ya (李立亞), being the shareholder of the Vendor
“Mr. Wang”	Wang Jing (王晶), being the shareholder of the Vendor
“Noble Gate”	Noble Gate International Limited, the controlling shareholder of the Company, holding 194,662,700 ordinary Shares in the Company, representing approximately 45.06% of the issued Shares of the Company as at the date of this announcement
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Agreement”	the sale and purchase agreement entered into, among others, the Company and the Vendor on 4 December 2018 in relation to the acquisition of the 51% issued share capital of the Forever Innovation, which was terminated pursuant to the Termination Agreement
“Previous Supplemental Agreements”	the supplemental agreements to the Previous Agreement entered into between, among others, the Company and the Vendor, on 5 December 2018, 27 December 2018 and 7 January 2019, respectively, all of which were terminated pursuant to the Termination Agreement
“Restructuring”	the corporate restructuring of the Target Company. Prior to the Restructuring, the Target Company was held as to 51% by Mr. Li, 34% by Mr. Wang and 15% by another four individual shareholders. Upon completion of the corporate restructuring, (i) the Target Company is held as to 100% by Rico Best; (ii) Rico Best is held as to 100% by Forever Innovation; (iii) Forever Innovation is held as to 100% by the Vendor; and (iv) the Vendor is held as to 66% by Mr. Li and 34% by Mr. Wang
“Rico Best”	Rico Best Limited, a limited liability company incorporated in Hong Kong, which constitutes part of the Target Group upon completion of the Restructuring



“Sale Shares”	150 ordinary shares of Forever Innovation
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Shareholder’s Agreement”	the shareholder’s agreement to be entered into, among others, by the Company and the Vendor on the Completion Date
“Shareholder Value Fund”	Shareholder Value Fund, being the beneficial owner holding 128,440,800 ordinary Shares in the Company, representing approximately 29.73% of the issued Shares of the Company as at the date of this announcement, and a substantial shareholder of the Company
“SPA”	the sale and purchase agreement entered into, among others, the Company and the Vendor on 25 March 2019 in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	眾體時代 (北京) 科技有限公司 (Zhongti Times (Beijing) Technology Co., Ltd*), a company established in PRC with limited liability
“Target Group”	Forever Innovation and its subsidiaries, including Rico Best and the Target Company
“Termination Agreement”	means the agreement entered into, among others, the Company, the Vendor, the Vendor Shareholders, Forever Innovation, Rico Best and the Target Company on 25 March 2019 in relation to the termination of the Previous Agreement and the Previous Supplemental Agreements
“Vendor”	Prime Castle Holdings Limited, a limited liability company incorporated in the British Virgin Islands, which holds 100% shareholding interest in Forever Innovation upon completion of the Restructuring and prior to the completion of the Acquisition
“Vendor Shareholders”	Mr. Li and Mr. Wang

“Written Approvals” the written approval of the entering into the SPA and the transaction contemplated thereunder (including the Acquisition) (i) obtained from Noble Gate dated 25 March 2019 and (ii) to be obtained Shareholder Value Fund

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

Hong Kong, 25 March 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>*

\* *English translation for identification purpose only*