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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)

SUPPLEMENTAL ANNOUNCEMENT APPOINTMENT OF DIRECTORS

Reference is made to the announcement of the Company dated 12 April 2019 relating to the appointment of Mr. Wong Siu Hung, Patrick (“**Mr. Wong**”) as the executive Director of the Company (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company wishes to disclose further details as required under Rule 17.50(2)(h) and Rule 17.50(2)(n)(iii) of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to the appointment of Mr. Wong as the executive Director of the Company.

On 26 May 2014, the Listing Committee (the “**Listing Committee**”) of the Stock Exchange censured Titan Petrochemicals Group Limited (“**Titan Petrochemicals**”) (stock code: 1192) for breaching:

- (a) the then Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”), which required an issuer to disclose, as soon as reasonably practicable, any information which (a) is necessary to enable shareholders and the public to appraise the position of the group; (b) is necessary to avoid the establishment of a false market in the issuer’s securities; or (c) might be reasonably expected materially to affect market activity in and the price of its securities; and
- (b) Rule 14.36 of the Listing Rules which requires an issuer to disclose, as soon as practicable, any termination, material variation of terms, material delay in the completion of a transaction previously announced under Chapter 14 of the Listing Rules.

The Listing Committee further censured Mr. Wong, who was then an executive director of Titan Petrochemicals, and another former executive director of Titan Petrochemicals (the “**Relevant Director**”), for breaches of their obligations under the Declaration and Undertaking with regard to directors given to the Stock Exchange in the form set out in Appendix 5B to the Listing Rules in failing to use best endeavours to procure Titan Petrochemicals’ Listing Rules compliance.

The conduct and respective breaches by Titan Petrochemicals, Mr. Wong and the Relevant Director took place between August 2011 and March 2012.

On 13 December 2010, Titan Petrochemicals published an announcement disclosing that it had on 11 December 2010 entered into:

- (a) a sale and purchase agreement (the “**SPA**”) to dispose of the 95% equity interest in a wholly-owned subsidiary (the “**Relevant Equity Interest**”) of Titan Petrochemicals to Grand China Logistics Holdings (Group) Company Limited (“**GCL**”) for RMB1,465.67 million cash payable by stages with additional RMB400 million payable if certain conditions were subsequently met in two years ended 31 December 2011 and 2012 (the “**Disposal**”).
- (b) a subscription agreement (the “**Subscription Agreement**”) in relation to proposed issuance of 500 million shares of Titan Petrochemicals to GCL at HK\$0.61 each to raise HK\$304.5 million net proceeds which would be terminated if conditions precedent including the completion of the Disposal and the registration with the State Administration for Industry and Commerce of the PRC of the transfer of the Relevant Equity Interest were not fulfilled within one year from the date of the Subscription Agreement.

GCL paid the 1st staged payment of RMB280 million. The 2nd staged payment of RMB520 million, due on 10 February 2011, was not paid on the due date. GCL made subsequent partial payments totalling RMB460 million between 4 March and 4 August 2011. In total GCL paid RMB740 million and did not make any further payment. Registration of the transfer of Relevant Equity Interest would only occur upon GCL’s full payment of the 2nd staged payment. As GCL had not paid the 2nd staged payment in full, Titan Petrochemicals did not register the transfer. As the 3rd and 4th staged payments were conditional upon the registration of the transfer, no further payment was made by GCL.

On 18 March 2012, Titan Petrochemicals in its announcement disclosed among other things, (a) the delay in Titan Petrochemicals’ receipt of payments for the Disposal and in turn in its completion; (b) the lapse of the Subscription Agreement; and (c) Titan Petrochemicals’ inability to meet its payment obligations on US\$400 million fixed rate guaranteed senior notes due 2012.

The Listing Committee asserted that Mr. Wong and the Relevant Director, being the only two executive directors at the relevant time, failed to use their best endeavours to procure Titan Petrochemicals' compliance with then Rule 13.09 and Rule 14.36.

- (1) Having knowledge of the events at all material times, Mr. Wong and the Relevant Director did not take prompt steps to ensure that Titan Petrochemicals gave the requisite disclosure as soon as reasonably practicable in compliance with the Listing Rules.
- (2) In particular, Mr. Wong and the Relevant Director were fully aware of GCL's late/non-payment at all material times. They were clearly aware of the liquidity problem (or possible liquidity problem) Titan Petrochemicals would face with GCL's late/non-payment as they were actively involved in negotiations with potential investors with a view to seeking alternative funding for Titan Petrochemicals to meet the payment due on the relevant senior notes in March 2012.
- (3) Mr. Wong and the Relevant Director failed to bring the relevant matters to the attention of the board and ensure that the full board discussed and considered the relevant issues including the late payments from GCL, the lapse of the Subscription Agreement, their adverse impact or potential adverse impact on Titan Petrochemicals' financial position, and their Listing Rules implications. This occurred only late, in March 2012.

For further details of the relevant public censure, please refer to the news release published by the Stock Exchange on 26 May 2014 (the "**News Release**").

As stated in the News Release, the Listing Committee directed, among other things, Mr. Wong to attend 24 hours of training on Listing Rules compliance, director's duties and corporate governance matters together with 4 hours on the then Rule 13.09 compliance and inside information disclosure (under the Securities and Futures Ordinance) effective 1 January 2013 provided by the Hong Kong Institute of Chartered Secretaries, the Hong Kong Institute of Directors or other course providers approved by the Listing Division (altogether 28 hours, the "**Training**"), to be completed within 90 days from the publication of the News Release.

Mr. Wong completed the Training on 9 July 2014 in accordance with the above direction. As announced by Titan Petrochemicals on 23 July 2014, Titan Petrochemicals provided the Listing Division with the training provider's written certification showing Mr. Wong had completed the Training requirement during the aforesaid period on 22 July 2014.

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

Hong Kong, 14 May 2019

As at the date of this announcement, the Board comprises Mr. Tang Yau Sing and Mr. Wong Siu Hung, Patrick as executive Directors, Mr. Chen Xiao as non-executive Director and Mr. Wen Kai, Mr. Tsang Zee Ho, Paul, Mr. Tse Chi Wai, Ms. Wang Yan and Mr. Lau Fai Lawrence 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>.