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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 OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “Directors”) of Winto Group (Holdings) Limited (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 (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.*

## ANNUAL RESULTS

The board of directors (the “Board”) of Winto Group (Holdings) Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2024 with comparative figures for the preceding financial year as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Revenue	3	<b>20,841</b>	23,550
Cost of sales		<b>(11,643)</b>	(17,175)
Gross profit		<b>9,198</b>	6,375
Other income	4	<b>639</b>	154
Other losses	5	<b>(905)</b>	(56,802)
Operating expenses		<b>(11,688)</b>	(11,360)
Impairment loss recognised under the expected credit loss model		<b>(15,808)</b>	(11,830)
Finance costs	6	<b>(1,803)</b>	(1,198)
Loss before tax	7	<b>(20,367)</b>	(74,661)
Income tax	8	<b>–</b>	–
<b>Loss and total comprehensive expense for the year</b>		<b>(20,367)</b>	(74,661)
<b>Loss for the year attributable to:</b>			
– Owners of the Company		<b>(19,791)</b>	(73,721)
– Non-controlling interests		<b>(576)</b>	(940)
		<b>(20,367)</b>	(74,661)
<b>Total comprehensive expense for the year attributable to:</b>			
Owners of the Company		<b>(19,791)</b>	(73,721)
Non-controlling interests		<b>(576)</b>	(940)
		<b>(20,367)</b>	(74,661)
			(Restated)
<b>Loss per share</b>			
– Basic ( <i>HK cents</i> )	9	<b>(28.48)</b>	(123.7)
– Diluted ( <i>HK cents</i> )		<b>N/A</b>	N/A

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		779	1,043
Goodwill	11	–	905
Intangible assets		<u>330</u>	<u>330</u>
		<u>1,109</u>	<u>2,278</u>
<b>Current assets</b>			
Inventories		1,004	1,404
Trade, other receivables and other deposits	13	15,374	32,309
Contract costs	14	–	73
Amount due from a shareholder		1,379	1,379
Amount due from a non-controlling shareholder of a subsidiary		30	30
Bank balances and cash	15	<u>9,590</u>	<u>3,552</u>
		<u>27,377</u>	<u>38,747</u>
<b>Current liabilities</b>			
Trade and other payables	16	26,660	24,550
Provision	17	37,489	37,489
Contract liabilities		1	8
Loan from a substantial shareholder		–	2,859
Other borrowings		2,800	5,800
Amount due to a director of a subsidiary		<u>265</u>	<u>3</u>
		<u>67,215</u>	<u>70,709</u>
<b>Net current liabilities</b>		<u>(39,838)</u>	<u>(31,962)</u>
<b>Net liabilities</b>		<u><u>(38,729)</u></u>	<u><u>(29,684)</u></u>

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Capital and reserves</b>		
Share capital	<b>17,419</b>	12,442
Reserves	<b>(53,567)</b>	(40,121)
	<hr/>	<hr/>
<b>Capital deficiency attributable to owners of the Company</b>	<b>(36,148)</b>	(27,679)
Non-controlling interests	<b>(2,581)</b>	(2,005)
	<hr/>	<hr/>
<b>Capital deficiency</b>	<b>(38,729)</b>	(29,684)
	<hr/> <hr/>	<hr/> <hr/>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

### 1. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has adopted the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2024 as mentioned below. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### New and amendments to HKFRSs but not yet effective

The Group has not applied the following revised HKFRSs, that are expected to be relevant to the Group and have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised HKFRSs, if applicable, when they become effective.

HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKAS 21	Lack of exchangeability <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>4</sup> Effective date not yet determined

The directors of the Company anticipate that the application of all other amendments to HKFRSs will not have material impact on the consolidated financial statements in the foreseeable future.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) and by the disclosure requirements of the Hong Kong Companies Ordinance.

### Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgments in the process of applying the accounting policies.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

### **Going concern basis**

The Group incurred a loss of approximately HK\$20,367,000 for the year ended 31 December 2024, and as of that date, the Group's current liabilities exceeded its current assets by HK\$39,838,000 and its total liabilities exceeded its total assets by HK\$38,729,000.

The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of the circumstances and conditions mentioned above, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken by the Group to mitigate the liquidity pressure and to improve its financial position, which include, but not limited to, the following:

- (i) The Group is negotiating with its contracting party (the "Prime Contractor") for a favorable term in settling the Group's obligations of approximately HK\$37,489,000 arising from the early termination of a subcontracting agreement ("Subcontracting Agreement");
- (ii) The Group is negotiating with its lenders in seeking for the extension of repayments of its borrowings, including principals and interests; and
- (iii) The Group is actively negotiating with external parties to obtain new sources of funding to finance the Group's working capital and improve the liquidity position.

The directors of the Company have prepared a cash flow forecast of the Group for a period covered not less than twelve months from the date of approval of the consolidated financial statements. Based on the cash flow forecast which has assumed the successful implementation of the above measures, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from the date of approval for the consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the successful outcome of these measures.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to restate the value of assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities that may arise. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

### 3. OPERATING SEGMENTS

The Group manages its businesses by divisions, which are organised by business lines in a manner consistent with the way in which information is reported internally to the Group's Chief Operating Decision Maker ("CODM"), being the executive directors of the Company for the purpose of resource allocation and performance assessment. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The Group's reportable segments under HKFRS 8 are as follows:

- (1) Publications and advertising business, including print and online media advertising, sales of publications, advertising and related production services and outdoor advertising
- (2) Online sales of beauty and cosmetics products (commenced in 2023)
- (3) Sales of luxury products (commenced in 2023)

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below.

#### Segment revenues and results

##### For the year ended 31 December 2024

	<b>Online sales of beauty and cosmetics products <i>HK\$'000</i></b>	<b>Sales of luxury products <i>HK\$'000</i></b>	<b>Publications and advertising business <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>Revenue</b>				
Revenue from external customers	<u>684</u>	<u>6,950</u>	<u>13,207</u>	<u>20,841</u>
Segment profit	<u>601</u>	<u>2,539</u>	<u>6,058</u>	9,198
Other income				639
Other losses				(905)
Operating expenses				(11,688)
Impairment loss recognised under the expected credit loss model				(15,808)
Finance costs				<u>(1,803)</u>
Loss before tax				(20,367)
Income tax				<u>-</u>
Loss for the year				<u>(20,367)</u>



For the year ended 31 December 2023

	Online sales of beauty and cosmetics products <i>HK\$'000</i>	Sales of luxury products <i>HK\$'000</i>	Publications and advertising business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Revenue</b>				
Revenue from external customers	11,321	3,120	9,109	23,550
Segment profit	1,082	120	5,173	6,375
Other income				154
Other (losses) or gains, net				(56,802)
Operating expenses				(11,360)
Impairment loss recognised under the expected credit loss model				(11,830)
Finance costs				(1,198)
Loss before tax				(74,661)
Income tax				–
Loss for the year				(74,661)

The accounting policies of the operating segments are the same as the Group's material accounting policy information described in note 2 to this announcement. Segment profit represents the profit earned from each segment without allocation of other income, operating expenses, other losses, impairment loss recognised under expected credit loss model and finance costs. This is the measure reported to the Group's management for the purposes of resource allocation and performance assessment.

#### Segment assets and liabilities

Segment assets include all tangible and intangible assets and current assets with the exception of unallocated bank balances and cash and other corporate assets. Segment liabilities include provisions and trade and other payables attributable to the activities of the individual segments and contract liabilities.

The following is an analysis of the Group's assets and liabilities by reportable and operating segments.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Segment assets</b>		
Exhibition and trade show business and related services	97	119
Publications and advertising business	14,748	25,503
Sales of luxury products	3,507	3,752
Online sales of beauty and cosmetics products	1,742	2,354
	<hr/>	<hr/>
Total segment assets	20,094	31,728
Bank balances and cash	171	335
Unallocated assets	8,221	8,962
	<hr/>	<hr/>
Consolidated assets	<b>28,486</b>	41,025
	<hr/> <hr/>	<hr/> <hr/>
<b>Segment liabilities</b>		
Exhibition and trade show business and related services	369	369
Publications and advertising business	49,919	49,436
Sales of luxury products	1,876	1,947
Online sales of beauty and cosmetics products	4,502	4,515
	<hr/>	<hr/>
Total segment liabilities	56,666	56,267
Unallocated liabilities	10,549	14,442
	<hr/>	<hr/>
Consolidated liabilities	<b>67,215</b>	70,709
	<hr/> <hr/>	<hr/> <hr/>

### Geographical information

The Group's operations are located in Guangdong-Hong Kong-Macau Greater Bay Area.

Information about the Group's revenue for operations is from external customers presented based on location of delivery destination of the goods and place of services rendered.

	Revenue from external customers		Non-current assets	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Guangdong-Hong Kong-Macau Greater Bay Area	<b>20,841</b>	23,550	<b>1,109</b>	2,278
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## Revenue from major customers

Revenue from customers who have individually contributing over 10% of total sales of the corresponding years of the Group is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A ( <i>Note (b)</i> ) <sup>1</sup>	3,000	2,740
Customer B ( <i>Note (a)</i> ) <sup>1</sup>	<u>1,215</u>	<u>1,213</u>

<sup>1</sup> The customers did not contribute over 10% of the total revenue of the Group for the current year.

*Notes:*

(a) Revenue from the above customers is arising from publications and advertising business.

(b) Revenue from the above customer is arising from sales of luxury products.

## 4. OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	–	2
Government grants ( <i>Note</i> )	629	–
Sundry income	–	100
Exchange difference, net	<u>10</u>	<u>52</u>
	<u>639</u>	<u>154</u>

*Note:* During the year ended 31 December 2024, the Group recognise government grants HK\$629,000 (2023: Nil) related to incentive subsidy for technology modernisation by the Government Information Bureaus of the Macau SAR respectively. Government grants were recognised at the time the Group fulfilled the relevant granting criteria.

## 5. OTHER LOSSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Impairment loss on goodwill ( <i>note 11, 12</i> )	(905)	(1,399)
Loss on debt modification	–	(1,434)
Forfeiture of deposit paid ( <i>note (a)</i> )	–	(10,480)
Contract cost written off ( <i>note (b)</i> )	–	(6,000)
Provision ( <i>note (c)</i> )	–	(37,489)
	<u>(905)</u>	<u>(56,802)</u>

### Notes:

- (a) Comprised of the carrying value of security deposit and capitalised contract costs amounting to HK\$9,889,000 and HK\$591,000, being forfeited and written off as the result of early termination for right of usage of advertising spaces. Further details were described in note 13 and 14 to this announcement.
- (b) The account represented prepayment of rental costs of advertising spaces written off, details were described in note 14 to this announcement.
- (c) Provision represents present legal obligations that the Group would owe to the Prime Contractor due to early termination of subcontracting agreement. Further details were described in note 17 to this announcement.

## 6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on other borrowing	879	430
Interest on loan from a substantial shareholder	924	768
	<u>1,803</u>	<u>1,198</u>

## 7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2024 HK\$'000	2023 HK\$'000
Auditors' remuneration – audit services	1,000	880
Impairment loss recognised on trade and other receivables, net	15,808	11,830
Impairment loss on goodwill ( <i>note 11</i> )	905	1,399
Depreciation of property, plant and equipment ( <i>note (a)</i> )	264	372
Cost of inventories sold	4,494	13,239
Rental expenses in respect of short-term leases	884	1,153
Staff costs		
Director's emoluments	1,218	1,055
Other staff costs		
– salaries, allowances and benefits in kind	2,419	6,023
– contributions to retirement benefits scheme	89	80
	2,508	6,103
	2,508	6,103

*Note:*

- (a) Depreciation for the year ended 31 December 2024 included approximately HK\$239,000 (2023: HK\$239,000) in cost of sales.

## 8. INCOME TAX

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Hong Kong Profits Tax has not been provided for the years ended 31 December 2024 and 2023 as the Group has incurred tax losses for both years of assessment.

Macau Complementary Tax is calculated at 12% of the estimated assessable profits for both years.

## 9. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company	<u>(19,791)</u>	<u>(73,721)</u>
	2024	2023 (Restated)
<b>Number of ordinary shares</b>		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<u>69,502,527</u>	<u>59,594,696</u>

The weighted average number of ordinary shares used to calculate the basic loss per share for both years have been adjusted to reflect the share consolidation during the year ended 31 December 2024. Accordingly, the basic loss per share for the year ended 31 December 2023 is restated.

For the years ended 31 December 2024 and 2023, dilutive earnings per share has not been presented as there is no potential dilutive shares outstanding.

## 10. DIVIDENDS

The directors do not recommend the payment of any final dividend for the year ended 31 December 2024 (2023: Nil).

## 11. GOODWILL

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Cost</b>		
At 1 January	2,304	1,399
Arising on acquisition of a subsidiary ( <i>note 18</i> )	<u>–</u>	<u>905</u>
At 31 December	<u>2,304</u>	<u>2,304</u>
<b>Accumulated impairment losses</b>		
At 1 January	1,399	–
Impairment loss recognised in the current year	<u>905</u>	<u>1,399</u>
At 31 December	<u>2,304</u>	<u>1,399</u>
<b>Carrying amount</b>		
At 31 December	<u>–</u>	<u>905</u>

Particulars regarding impairment testing of goodwill are disclosed in note 12 to this announcement.

## 12. IMPAIRMENT TESTING ON GOODWILL

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (“CGUs”) that are expected to benefit from that business combination. The goodwill had been allocated as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Cost:</b>		
Online sales of beauty and cosmetics products:		
Yantic Limited (“Yantic”)	905	905
Exhibition and trade show business and related services:		
To Be Concept Limited (“TBC”)	<u>1,399</u>	<u>1,399</u>
	<u>2,304</u>	<u>2,304</u>
Less: Accumulated impairment losses	<u>(2,304)</u>	<u>(1,399)</u>
	<u><u>–</u></u>	<u><u>905</u></u>

In addition to goodwill, property, plant and equipment and other intangible assets that generate cash flows together with the related goodwill are also included in the respective CGU for the purpose of impairment assessment.

### Exhibition and trade show business and related services CGU

During the year ended 31 December 2023, the directors of the Group have determined that there is impairment of goodwill directly related to Exhibition and trade show business and related services CGU amounting to HK\$1,399,000. The impairment loss has been recorded in other losses during the year ended 31 December 2023 in note 5 to this announcement.

The impairment of goodwill under this CGU was resulted by major changes in market conditions and the uncertainty of profitability of the business of Exhibition and trade show business and related services, the directors of the Company suspended the business of Exhibition and trade show business and related services, and as resulted the goodwill of Exhibition and trade show business and related services was fully impaired during the year ended 31 December 2023.

### Online sales of beauty and cosmetic products CGU

The directors of the Group determined that there is impairment loss amounting to HK\$905,000 (2023: Nil) related to goodwill attributable to online sales of beauty and cosmetic products CGU during the year ended 31 December 2024.

The recoverable amounts of this CGU have been determined on the basis of their value in use using discounted cash flow method, which uses cash flow projections based on financial budgets approved by the directors covering a five-year period and a pre-tax discount rate of 15.1% (2023: 15.2%) per annum calculated by using weighted average cost of capital. Cash flows beyond the 5-year period are extrapolated using a steady 2.5% (2023: 2.5%) growth rate. This growth rate is based on the relevant industry growth forecast and does not exceed the average long-term growth rate for relevant industry. The key assumptions used by management in setting the financial budgets for the initial five-year period were as follows:

Forecast sales growth rates – based on past experience adjusted for 2.5% (2023: 16%).

Operating profits – based on historical experience of operating margins, adjusted for the impact of 9.6% (2023: 18.5%).

Cash conversion – based on the historical ratio of operating cash flow to operating profit.

### 13. TRADE AND OTHER RECEIVABLES AND OTHER DEPOSITS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	40,176	41,206
Less: allowance for credit losses	<u>(31,578)</u>	<u>(15,770)</u>
	8,598	25,436
Deposits	39	39
Rental deposits	58	58
Prepayment	20	20
Other receivables	<u>6,659</u>	<u>6,756</u>
	15,374	32,309
Less: deposits paid for securing advertising space shown under non-current assets ( <i>Note</i> )	<u>–</u>	<u>–</u>
Shown under current assets	<u><u>15,374</u></u>	<u><u>32,309</u></u>

*Note:* During the year ended 31 December 2020, the Group entered into a subcontracting agreement with the Prime Contractor who is an independent third party to the Group, whereby certain advertising spaces in the Hong Kong Boundary Crossing Facilities are subcontracted to the Group. Further details in relation to the Subcontracting Agreement are set out in the Management and Discussion Analysis to the 2020 annual report. The Group was required to pay a security deposit of HK\$10,500,000 (MOP10,815,000) (“Security Deposit”) to secure the advertising spaces from 1 January 2020 to 31 May 2025. The effective interest rate of the non-current deposits is 2.4% per annum.

The Group classifies the Security Deposit as a financial asset at amortised cost and assessed the fair value of the Security Deposit as at settlement date discounted by the prevailing market interest rate. The difference between the fair value of the Security Deposit as at settlement date and the transaction price of HK\$10,500,000 (MOP10,815,000) is recorded as a contract cost, as disclosed in note 14 to this announcement. During the year ended 31 December 2023, the Group did not record interest income on the Security Deposit amortised under the effective interest rate due to the early termination of the Subcontracting Agreement for the abolition of the right of using advertising spaces with effect from 30 April 2023 (the “Termination”).



According to the terms of the Subcontracting Agreement, the Security Deposit amounting to HK\$9,889,000 as at 30 April 2023 paid to the Prime Contractor for securing advertising spaces will be forfeited by the Prime Contractor. As a result, it will be recorded as a forfeiture of the deposit paid and reflected under other losses in note 5 to this announcement during the year ended 31 December 2023.

The Group provided customers with credit period ranging from 0 to 90 days from the date on which invoice was issued. The credit terms of each customer of the Group were determined by the Group's sales team and were subject to review and approval of the Group's management based on the customers' payment history, transaction volume and length of business relationship with the Group.

All outstanding trade receivables balances were being reviewed by the Group's sales department on a regular basis to ensure that any overdue receivable was promptly monitored and appropriate collection actions were taken. The Group's sales department would follow up on the collections and the Group's accounting department would monitor the progress of collection. For those material long outstanding balances, legal actions would be taken for debt collection. During the years ended 31 December 2024 and 2023, no legal actions were taken by the Group for debt collection.

The following is an aging analysis of trade receivables (before allowance for credit losses) at the end of the reporting period presented based on the invoice days:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
1–30 days	849	3,419
31–90 days	468	739
91–365 days	3,455	11,882
Over 365 days	35,404	25,166
	<u>40,176</u>	<u>41,206</u>

#### 14. CONTRACT COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Cost to fulfill contracts in relation to:		
Publications and advertising business	6,591	6,664
Less: Contract cost for early termination of licence ( <i>notes</i> )	(591)	(591)
Less: Cost for right of use of billboard ( <i>notes</i> )	(6,000)	(6,000)
	<u>–</u>	<u>73</u>

*Note:* Owing to the Termination as mentioned in note 13 to this announcement, the carrying amount of capitalised contract costs and prepayments for short term rental of advertising spaces of approximately HK\$591,000 and HK\$6,000,000 respectively were written off as contract cost written off and recorded in other losses in note 5 to this announcement during the year ended 31 December 2023.

## 15. BANK BALANCES AND CASH

### Bank balances

Bank balance comprise cash and short-term bank deposits with a maturity period of three months period or less, bearing prevailing market interest rates. As at 31 December 2024, the interest rate ranged from 0.01% to 0.1% (2023: 0.01% to 0.26%) per annum.

## 16. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	10,957	10,815
Other payables	9,918	9,841
Accrued expenses ( <i>Note</i> )	5,785	3,894
	<u>26,660</u>	<u>24,550</u>

*Note:* Accruals mainly consist of accrued staff costs and accrued professional fee.

All of the trade payables are expected to be settled within one year or are repayable on demand.

During the year, the credit period granted by the suppliers are generally ranging from 0 to 60 days (2023: 0 to 60 days).

The following is an aging analysis of trade payables at the end of the reporting period presented based on the invoice dates:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–60 days	–	846
61–90 days	–	149
Over 90 days	10,957	9,820
	<u>10,957</u>	<u>10,815</u>

## 17. PROVISION

As set out in note 14 to this announcement, during the year ended 31 December 2020, the Group entered into the Subcontracting Agreement with the Prime Contractor. Under this agreement, certain advertising spaces in the Hong Kong Boundary Crossing Facilities were subcontracted to Tiance Cultural Communication Limited (“Tiance Cultural”), a subsidiary of the Group. The Prime Contractor subcontracted the right to use the advertisement spaces of billboards in Macau and Zhuhai, specifically Hong Kong-Zhuhai-Macau-Bridge Macau Section Passenger Clearance Building to Tiance Cultural for a term of 65 months from 1 January 2020 to 31 May 2025. The monthly subcontracting fee of HK\$1,500,000 (“Monthly Service Fee”) was paid to the Prime Contractor for conducting its publication and advertising business.

Effective from 30 April 2023, Tiance Cultural and the Prime Contractor agreed to terminate the Subcontracting Agreement. According to the Subcontracting Agreement, the Prime Contractor has the right to receive from Tiance Cultural, and Tiance Cultural is obliged to pay the Prime Contractor the Monthly Service Fee for the remaining term of the Subcontracting Agreement that Tiance Cultural did not fulfill. The provision was made based on the Monthly Service Fee and remaining term of the Subcontracting Agreement that Tiance Cultural is required to fulfill.

## 18. ACQUISITION OF A SUBSIDIARY

On 1 April 2023, the Group acquired 50.1% of the issued share capital of Yantic Limited for a total consideration of HK\$1. Yantic Limited is engaged in online sales of beauty and cosmetics products during the year. The acquisitions are for the purpose of diversification of business and product portfolio and create synergies with the existing advertising business of the Group.

The fair value of the identifiable assets and liabilities of Yantic Limited acquired as at the date of acquisition are as follows:

	<b>Total</b> <i>HK\$'000</i>
Net assets acquired:	
Property, plant and equipment	1
Inventory	2,359
Trade and other receivables	259
Bank and cash balances	1,735
Trade and other payables	(1,842)
Amount due to a director of Yantic Limited	(3)
Amount due to the then shareholder of Yantic Limited	(1,316)
Other borrowings	(3,000)
	<hr/>
	(1,807)
Non-controlling interests	902
Goodwill arising on acquisition ( <i>note 11</i> )	905
	<hr/>
	–
	<hr/> <hr/>
Satisfied by:	
Cash	–
	<hr/> <hr/>
Net cash inflow arising on acquisition:	
Cash consideration paid	–
Cash and cash equivalents acquired	1,735
	<hr/>
	1,735
	<hr/> <hr/>

The fair value of the trade and other receivables acquired is HK\$259,000. None of these receivables had been impaired and expected to be uncollectible.

The goodwill arising on the acquisition of Yantic Limited is attributable to the anticipated profitability of the distribution of the Group's products in the new markets and the anticipated future operating synergies from the combination. None of the goodwill recognised is expected to be deductible for income tax purposes.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL PERFORMANCE**

The Group recorded total revenue of approximately HK\$20,841,000 for the year ended 31 December 2024, representing a decrease of approximately 12% from approximately HK\$23,550,000 for the year ended 31 December 2023. The Group recorded total gross profit of approximately HK\$9,198,000 for the year ended 31 December 2024, representing an increase of approximately 44% from approximately HK\$6,375,000 for the year ended 31 December 2023. The Group's loss attributable to the owners of the Company amounted to approximately HK\$19,791,000 for the year ended 31 December 2024 compared to the loss attributable to the owners of the Company of approximately HK\$73,721,000 for the year ended 31 December 2023. Loss per share of the Group for the year ended 31 December 2024 was approximately HK\$28.48 cents. The Directors do not recommend the payment of a final dividend for the year ended 31 December 2024.

### **BUSINESS REVIEW**

The Group is principally engaged in (i) exhibition and trade show business and related services; (ii) publications and advertising business including print and online advertising, sales of publications, advertising and related production services and outdoor advertising; (iii) online sales of beauty and cosmetics products; and (iv) sales of luxury products.

#### **Publications and Advertising Business**

During the year, the Group owned and published six publications, including Exmoo News, Travel Macao, Motoz Trader, Motoz Trader (Free), Shopping Monthly (a 2-in-1 dual cover magazine), and Shopping Monthly (Free) (a 2-in-1 dual cover magazine).

The publications of the Group cover readership of different market segments and age groups by focusing on different areas of interests in lifestyle, including automotive, beauty and fashion, property, dining and electronic products.

- Exmoo News is a Chinese-language daily newspaper (published every Monday to Friday) published in Macau which has a wide range of readership by covering different areas including Macau daily local news as well as Hong Kong, the PRC and international news, finance and economy, entertainment, sports, fashion and lifestyle, cultural knowledge, etc.. As at the date of this annual results announcement, the distribution points of Exmoo News in Macau covering commercial buildings, luxury apartments, banks, airport and lounge, ports, petrol kiosk, food centre, car parks, universities and governmental offices, etc. and Exmoo News is one of the publications with highest circulation and widest coverage in Macau.

- Travel Macao is a Chinese-language travel leisure fortnightly magazine (published alternate Friday) published in Macau which provides comprehensive information to readers relating to travel, dining, shopping, culture and entertainment in Macau. It is distributed in major terminals in Hong Kong and Macau as well as certain hotels in Macau. In addition to the printed magazine distributed in Macau and Hong Kong, Travel Macao also provides website version, digital social media platforms such as Facebook page and WeChat platform to readers.
- Motoz Trader is a fortnightly magazine that focuses on new car models, second-hand car market and properties while also provides lifestyle information including dining, fashion and beauty.
- Motoz Trader (Free) is a free fortnightly magazine that is extracted from Motoz Trader.
- Shopping Monthly is a fortnightly magazine and focuses on updated information on consumer products.
- Shopping Monthly (Free) is a free fortnightly magazine that is extracted from Shopping Monthly.

During the year ended 31 December 2024, the revenue generated from the publications and advertising business amounted to approximately HK\$13,207,000, increased from approximately HK\$9,109,000 for the year ended 31 December 2023.

### **Exhibition and Trade Show Business and Related Services**

During the year ended 31 December 2024, no revenue generated from the exhibition and trade show business and related services compared with approximately HK\$Nil for the year ended 31 December 2023.

### **Online Sales of Beauty and Cosmetics Products**

The Group has been diversifying its revenue stream by acquiring a company specified in online sales of beauty and cosmetics products on 1 April 2023.

During the year ended 31 December 2024, the revenue generated from online sales of beauty and cosmetic products amounted to approximately HK\$684,000 decreased from approximately HK\$11,321,000 for the year ended 31 December 2023.

### **Sales of Luxury Products**

The Group expanded to develop the business related to sales and marketing of luxury products during the year.

During the year ended 31 December 2024, the revenue generated from sales of luxury products amounted to approximately HK\$6,950,000 increased from approximately HK\$3,120,000 for the year ended 31 December 2023.

## **PROSPECTS**

Looking forward to 2025, the Group will pay close attention to the uncertainties in the economic environment, and stay alert to formulate strategies to pursue steady development and strive for generous returns to our shareholders.

## **FINANCIAL REVIEW**

### **Revenue**

Total revenue decreased by approximately 12% from approximately HK\$23,550,000 for the year ended 31 December 2023 to approximately HK\$20,841,000 for the year ended 31 December 2024. It was mainly due to the reduced demand of beauty and cosmetics products. The revenue generated from beauty and cosmetics products decreased to approximately HK684,000 as compared with approximately HK\$11,321,000 for the year ended 31 December 2023.

No revenue of the Group contributed from the exhibition and trade show business and related services for the year ended 31 December 2024.

### **Gross Profit**

Total gross profit increased by approximately 44% from approximately HK\$6,375,000 for the year ended 31 December 2023 to approximately HK\$9,198,000 for the year ended 31 December 2024. The increase in the gross profit was mainly due to the increase of revenue of publications and advertising business and outdoor advertising business as this segment involved more indirect cost.

### **Other Income**

Other income increased by approximately HK\$485,000 from approximately HK\$154,000 for the year ended 31 December 2023 to approximately HK\$639,000 for the year ended 31 December 2024. The increase was mainly attributable to the government grants HK\$629,000 related to incentive subsidy for technology modernisation by the Government Information Bureaus of the Macau SAR respectively, while no such subsidies granted in 2023.

### **Other (Losses) or Gains, Net**

Other losses is recorded approximately HK\$905,000 for the year ended 31 December 2024, compared with the other gains of approximately HK\$56,802,000 for the year ended 31 December 2023.

During the year ended 31 December 2020, the Group entered into a Subcontracting Agreement (“Subcontracting Agreement”) with a contracting party (“Prime Contractor”) whereby certain advertising spaces in the Hong Kong Boundary Crossing Facilities are subcontracted to Tiance Cultural Communication Limited (“Tiance Cultural”), a subsidiary of the Group pursuant to which the Prime Contractor would subcontract the right of usage of the advertisement spaces of billboards in Macau and Zhuhai, namely Hong Kong-Zhuhai-Macau-Bridge Macau Section Passenger Clearance Building to Tiance Cultural for a term of 65 months from 1 January 2020 to 31 May 2025 with monthly Subcontracting Fee of HK\$1,500,000 (“Monthly Service Fee”) pay to the Prime Contractor in conducting its publication and advertising business.

With effective from 30 April 2023, Tiance Cultural and the Prime Contractor agreed to terminate the Subcontracting Agreement with immediate effect. Whereby, the Prime Contractor reserves the right to receive from Tiance Cultural, and Tiance Cultural is obliged to pay the Prime Contractor the Monthly Subcontracting Fee for the remaining term of the Subcontracting Agreement which Tiance Cultural was unfulfilled. As a result, a provision of approximately HK\$37,489,000 was made, with reference to the Monthly Subcontracting Fee and remaining term of the Subcontracting Agreement which Tiance Cultural is required to fulfill. In additional, the deposit paid of approximately HK\$10,480,000 was forfeited and contract cost of HK\$6,000,000 was written off under the terms of the Subcontracting Agreement.

### **Operating Expenses**

The operating expenses of the Group increased by approximately 3% from approximately HK\$11,360,000 for the year ended 31 December 2023 to approximately HK\$11,688,000 for the year ended 31 December 2024.

### **Finance Costs**

Finance costs of the Group amounted to approximately HK\$1,803,000 for the year ended 31 December 2024, compared to approximately HK\$1,198,000 for the year ended 31 December 2023.

### **Income Tax**

No income tax expense for the Group for the year ended 31 December 2024, compared to approximately HK\$Nil for the year ended 31 December 2023.

### **Loss for the Year Attributable to Owners of the Company**

During the year ended 31 December 2024, the Group’s loss attributable to owners of the Company amounted to HK\$19,791,000.

## Liquidity, Financial Resources and Capital Structure

There has been no change in the capital structure of the Group during the year ended 31 December 2024. The share capital of the Company only comprises ordinary shares.

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Current assets	27,377	38,747
Current liabilities	67,215	70,709
Current ratio	<u>0.4</u>	<u>0.5</u>

The current ratio of the Group as at 31 December 2024 was approximately 0.4 times as compared to approximately 0.5 times as at 31 December 2023.

As at 31 December 2024, the Group had cash and cash equivalents of approximately HK\$9,590,000 (2023: approximately HK\$3,552,000).

### Gearing Ratio

The gearing ratio of the Group, calculated as total borrowings over shareholders' fund, was approximately 7% as at 31 December 2024 (2023: 29%).

### Trade Receivables Turnover Days

The carrying amount of trade receivables decreased from approximately HK\$25,436,000 (net of expected credit losses of HK\$15,770,000) to HK\$8,598,000 (net of expected credit losses of HK\$31,578,000) for the year ended 31 December 2024 and the trade receivable turnover days decreased from approximately 217 days for the year ended 31 December 2023 to approximately 151 days for the year ended 31 December 2024. All outstanding trade receivable balances are reviewed by the Group's sales and marketing department on a monthly basis to ensure that any overdue receivable is promptly monitored and appropriate collection actions are taken.



## **COMPLIANCE WITH THE LISTING RULES AND THE CODE ON CORPORATE GOVERNANCE PRACTICES OF THE GEM LISTING RULES**

During the year ended 31 December 2024 and up to the date of announcement (the “Relevant Period”), none of the Directors is aware of any information which would reasonably indicate that the Company is not, or was not, in compliance with the GEM Listing Rules and the principles and code provisions of the Corporate Governance Code (the “CG Codes”) contained in Appendix C.1 to the GEM Listing Rules, except for the provision detailed below:

### **GEM Listing Rule 5.05(1) and 5.28**

GEM Listing Rule 5.05(1) stipulates that the board of directors of an issuer must include at least three independent non-executive directors. GEM Listing Rule 5.28 stipulates that the audit committee must comprise a minimum of three members.

Since the resignation of Ms. Liu Xiaomin (“Ms. Liu”) on 13 January 2025, the GEM Listing Rule 5.05(1) and 5.28 are not complied.

### **Code Provision C.2.1**

Code Provision C.2.1 stipulates that the roles of chairman and chief executive officer (“CEO”) should be separated and should not be performed by the same person. The Company currently has no CEO. All duties of CEO are shared among the executive Directors, the Board believes that the present arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company’s objectives efficiently and effectively in response to the changing environment.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific enquiry of all Directors and all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding directors’ securities transactions adopted by the Company during the Relevant Period.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2024.

## **CAPITAL COMMITMENTS**

The Group had no significant capital commitments as at 31 December 2024 (2023: Nil).

## **CONTINGENT LIABILITIES**

As at 31 December 2024, the Group did not have any material contingent liability (2023: Nil).

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

During the year ended 31 December 2024, the Group did not have other significant investments, material acquisitions and disposal of subsidiaries and affiliated companies.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

As at 31 December 2024, the Group did not have other plans for material investments and capital assets.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that was publicly available to the Company and within the knowledge of its Directors, throughout the year ended 31 December 2024 and thereafter up to the date of this announcement, there was sufficient public float of not less than 25% of the Company's issued shares as required under the GEM Listing Rules.

## **DIVIDEND**

Since the Group intends to retain sufficient capital for business expansion, the Board did not recommend the payment of any final dividend for the year ended 31 December 2024 (2023: Nil).

## **FINANCIAL INFORMATION**

The financial information set out in this announcement does not constitute the Group's audited accounts for the year ended 31 December 2024, but represents an extract from the consolidated financial statements for the year ended 31 December 2024 which have been audited and agreed by the auditor of the Company, Global Link CPA Limited in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement is published on the Company's website ([www.wintogroup.hk](http://www.wintogroup.hk)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2024 annual report containing all information required by the Listing Rules will be dispatched (if necessary) to the Shareholders and published on the websites of the Company and the Stock Exchange in due course.

## **ANNUAL GENERAL MEETING**

A notice convening the annual general meeting will be published and dispatched (if necessary) to the Shareholders in accordance with the requirements of the GEM Listing Rules and the articles of association of the Company in due course.

## **EVENTS AFTER THE REPORTING PERIOD**

There is no material event affecting the Group need to be reported to the Shareholders that has occurred after the financial year ended 31 December 2024 up to the date of this announcement.

## **EXTRACT FROM GLOBAL LINK CPA LIMITED'S INDEPENDENT AUDITOR'S REPORT**

The "Disclaimer of Opinion" and "Basis for Disclaimer of Opinion" are extracted from Global Link CPA Limited's independent auditor's report for the year ended 31 December 2024 as follows:

### **"Disclaimer of Opinion"**

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Basis for Disclaimer of Opinion**

As explained in note 3 to the consolidated financial statements\*, the Group incurred a loss of approximately HK\$20,367,000 for the year ended 31 December 2024, and as of that date, the Group's current liabilities exceeded its current assets by HK\$39,838,000 and its total liabilities exceeded its total assets by HK\$38,729,000.

These conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

\* *Refer to note 2 to this announcement*

The directors of the Company have been undertaking a number of measures to improve the Group's liquidity and financial position, to meet its liabilities as and when they fall due, which are set out in note 3 to the consolidated financial statements\*. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the successful realisation of these measures, to finance the working capital of the Group as and when needed, which is subject to multiples uncertainties.

Due to the significance of the uncertainties relating to the ongoing availability of finance to the Group, we disclaim our opinion in respect of the material uncertainties relating to the going concern basis.”

#### **MANAGEMENT VIEW ON GOING CONCERN**

The directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken by the Group to mitigate the liquidity pressure and to improve its financial position, which include, but not limited to, the following:

- (i) The Group is negotiating with its contracting party (the “Prime Contractor”) for a favorable term in settling the Group's obligations of approximately HK\$37,489,000 arising from the early termination of a subcontracting agreement (“Subcontracting Agreement”);
- (ii) The Group is negotiating with its lenders in seeking for the extension of repayments of its borrowings, including principals and interests; and
- (iii) The Group is actively negotiating with external parties to obtain new sources of funding to finance the Group's working capital and improve the liquidity position.

The directors of the Company have prepared a cash flow forecast of the Group for a period covered not less than twelve months from the date of approval of the consolidated financial statements. Based on the cash flow forecast which has assumed the successful implementation of the above measures, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from the date of approval for the consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

\* *Refer to note 2 to this announcement*

Notwithstanding the above, significant uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the successful outcome of these measures.

The Audit Committee has reviewed the Disclaimer of Opinion relating to going concern, the management views on going concern and the action plan of the Group, and concurs with the Board's view.

## **SCOPE OF WORK OF GLOBAL LINK CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Company's auditor, Global Link CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Global Link CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Global Link CPA Limited on the preliminary announcement.

## **AUDIT COMMITTEE AND REVIEW OF RESULTS**

The Company established the Audit Committee on 23 January 2015 in compliance with Rule 5.28 of the GEM Listing Rules. Written terms of reference in compliance with paragraph D.3 of the Corporate Governance Code set out in Appendix C1 to the GEM Listing Rules has been adopted. As at the date of this annual results announcement, the Audit Committee comprises two INEDs, namely Ms. Wong Chi Ling (Chairlady) and Mr. Lin Zexin.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group with the management of the Company and discussed matters including auditing, internal control and financial reporting matters of the Group. The annual results of the Group for the year ended 31 December 2024 have also been reviewed by the Audit Committee.

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

Hong Kong, 31 March 2025

*As at the date of this announcement, the Board comprises Mr. Lui Man Wah, Mr. Hung Yuen Kin and Mr. Wong Yuk as executive directors and Ms. Wong Chi Ling and Mr. Lin Zexin as independent non-executive directors.*

*This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) 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>.*