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Winning Tower Group Holdings Limited

運興泰集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8362)

MAJOR AND CONNECTED TRANSACTIONS

On 2 July 2019 (after trading hours), Winning Tower Group has entered into the Property Disposal Agreements with Iao Ip Property, pursuant to which Iao Ip Property has conditionally agreed to acquire and Winning Tower Group has conditionally agreed to sell the Properties at the aggregated consideration of HK\$45,516,400.

Pursuant to the Property Disposal Agreements, Iao Ip Property and Winning Tower Group shall enter into the respective Leasing Agreement upon the respective Completion that Iao Ip Property (as landlord) shall lease to Winning Tower Group (as tenant) the Properties for a term of three years commencing from the respective Completion Date.

As the applicable percentage ratios for the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 19 of the GEM Listing Rules. Accordingly, the Disposal is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, Iao Ip Property was owned as to 20% by Mr. Yu and as to 80% in aggregate by three associates of Mr. Yu. Mr. Yu is a non-executive Director and one of the controlling shareholders of the Company. As such, Iao Ip Property is an associate of Mr. Yu and hence a connected person of the Company for the purpose of Chapter 20 of the GEM Listing Rules. Accordingly, the Disposal also constitutes a connected transaction of the Company, and is subject to the announcement, reporting, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Subject to Completion, the transactions contemplated under the Leasing Agreements also constitute connected transactions of the Company. As the applicable percentage ratios for the Leasing on the basis of the estimated value of the right-of-use asset are less than 25% and the total consideration is less than HK\$10,000,000, the Leasing is subject to the requirements of reporting and announcement but is exempt from compliance with the requirements of circular (including independent financial advice) and Independent Shareholders' approval under Chapter 20 of the GEM Listing Rules.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Property Disposal Agreements, Leasing Agreements (as interrelated with the Property Disposal Agreements) and the transactions contemplated thereunder. Keyview Ventures will abstain from voting on the resolution approving the Property Disposal Agreements, Leasing Agreements and the transactions contemplated thereunder in the EGM.

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the Property Disposal Agreements and the transactions contemplated thereunder.

An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Property Disposal Agreements and the transactions contemplated thereunder.

A circular containing, among others, information on the Property Disposal Agreements and Leasing Agreements, the letter from the Independent Board Committee to the Independent Shareholders, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, and other information as is required to be contained in it under the GEM Listing Rules, together with a notice of the EGM and a form of proxy, is expected to be despatched to the Shareholders on or before 23 July 2019.

Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction of the Conditions. Therefore, the Disposal may or may not proceed. In addition, the Leasing is subject to Completion. Therefore, the Leasing also may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

INTRODUCTION

The Board is pleased to announced that on 2 July 2019 (after trading hours), Winning Tower Group has entered into the Property Disposal Agreements with Iao Ip Property, pursuant to which Iao Ip Property has conditionally agreed to acquire and Winning Tower Group has conditionally agreed to sell the Properties at the aggregated consideration of HK\$45,516,400.

As at the date of this announcement, the Group used the Properties for its operation in Hong Kong. Upon Completion, the Properties will be wholly-owned by Iao Ip Property.

Pursuant to the Property Disposal Agreements, Iao Ip Property and Winning Tower Group shall enter into the respective Leasing Agreement upon the respective Completion that Iao Ip Property (as landlord) shall lease to Winning Tower Group (as tenant) the Properties for a term of three years commencing from the respective Completion Date.

MAJOR TERMS OF THE PROPERTY DISPOSAL AGREEMENTS

Major terms of the Property Disposal Agreements and the transactions contemplated thereunder are set out below:

Date: 2 July 2019

Parties: Iao Ip Property (as purchaser); and
Winning Tower Group (as vendor)

Subject matter: Iao Ip Property has conditionally agreed to acquire and Winning Tower Group has conditionally agreed to sell the Properties.

Consideration: The consideration about the sale and purchase of Unit 803, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong is HK\$27,645,000, while the consideration about the sale and purchase of Unit 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong is HK\$17,841,400. Thus, the consideration in aggregate under the Property Disposal Agreements equals to the sum of HK\$45,516,400. The consideration shall be paid and satisfied by cashier order or solicitors' cheque upon the respective Completion.

Conditions: Respective Completion is subject to the satisfactory fulfillment and/or waiver of the following Conditions:

- (a) all necessary approvals by the government and regulatory authorities (including but not limited to the Stock Exchange), corporate approvals and consents for the transactions contemplated under the respective Property Disposal Agreement being obtained;
- (b) in relation to the transactions contemplated in the respective Property Disposal Agreement, all relevant regulatory requirements (including but not limited to those under the GEM Listing Rules) having been complied with and satisfied;
- (c) Winning Tower Group shall prove its title to the respective Property in accordance with Section 13 of the Conveyancing and Property Ordinance (Chapter 219) and the mechanisms under the respective Property Disposal Agreement;

- (d) all representations, warranties and undertakings given by each of Winning Tower Group and Iao Ip Property under the respective Property Disposal Agreement having remained true and accurate in all material respects; and
- (e) there not having been, at any time before the respective Completion Date:
 - (I) any adverse change or any prospective adverse change in the conditions (financial, business, operations, prospects or otherwise) of the Group which is material in the context of the transaction contemplated in the respective Property Disposal Agreement;
 - (II) the occurrence of any event or the existence of any circumstance which would render any of the representations, warranties and undertakings given by each of Winning Tower Group and Iao Ip Property under the respective Property Disposal Agreement untrue or inaccurate in any material respect; and
 - (III) the occurrence of any breach of the terms of the respective Property Disposal Agreement or any undertakings given by each of Winning Tower Group and Iao Ip Property as set out in the respective Property Disposal Agreement.

Winning Tower Group may at any time waive in writing any Conditions (other than Conditions (a), (b) and (c) above) and such waiver(s) may be made subject to such terms and conditions as may be determined by Winning Tower Group. Conditions (a), (b) and (c) above are not capable of being waived by Winning Tower Group.

If the Conditions have not been fulfilled or waived by Winning Tower Group (as the case may be) at or before 12:00 noon on the Long Stop Date (or such later date as all parties may agree in writing), the respective Property Disposal Agreement shall lapse, whereupon all rights and obligations of the parties shall cease to have effect except in respect of any accrued rights and obligations of the parties.

Completion:

Completion shall take place on the Completion Date, which shall not be later than the Long Stop Date or such other day as all parties may agree in writing.

At the respective Completion, the respective Property will cease to be held by the Group, and Iao Ip Property and Winning Tower Group shall execute the respective Leasing Agreement. The Group intends to continue its operations at the Properties after Completion. For further details, please refer to the section headed “Major terms of the Leasing Agreements” below.

MAJOR TERMS OF THE LEASING AGREEMENTS

Major terms of the Leasing Agreements and the transactions contemplated thereunder are set out below:

Date:	Respective Completion Date
Parties:	Iao Ip Property (as landlord); and Winning Tower Group (as tenant)
Subject matter:	Iao Ip Property shall lease the Properties to Winning Tower Group as the workshop, warehouse and ancillary office of the Group.
Term:	Three (3) years commencing from the respective Completion Date
Rent:	For Unit 803, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong, at HK\$87,300 per calendar month, while for Unit 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong, at HK\$56,436 per calendar month, in aggregate at HK\$143,736 per calendar month, inclusive of property tax, management fee, government rent and rates but exclusive of water, gas and electricity charges
Option to renew:	Winning Tower Group shall have the right to renew the tenancy upon expiry of the initial term for a further term of three (3) years at the then current market rent

INFORMATION OF THE GROUP AND IAO IP PROPERTY

The Group is a food supplier focusing on processed raw and cooked food products in Hong Kong.

As at the date of this announcement, Iao Ip Property was owned as to 20% by Mr. Yu and as to 80% in aggregate by three associates of Mr. Yu. Mr. Yu is a non-executive Director and one of the controlling shareholders of the Company. Iao Ip Property is a property holding company.

INFORMATION OF THE PROPERTIES

As at the date of this announcement and immediately before the Completion, the Properties were wholly owned by Winning Tower Group. The details of the Properties are set out below:

Address	Usage	Approximate saleable area
Unit 803, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	Workshop, warehouse and ancillary office	5,511 sq. ft.
Unit 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	Workshop and warehouse	3,563 sq. ft.

FINANCIAL EFFECTS OF THE DISPOSAL

The Properties were used by the Group for its operations as at the date of this announcement. The unaudited net book value of the Properties as at 31 May 2019 was approximately HK\$43.2 million in total. Upon Completion, the Properties will cease to be held by the Group.

The consideration under the Property Disposal Agreements was determined after arm's length negotiations between Winning Tower Group and Iao Ip Property with reference to, among others, the valuation in relation to the Properties conducted by an independent property valuer. The consideration for the sale of the Properties under the Property Disposal Agreements is in excess of approximately HK\$2.3 million (representing approximately 5.3% premium) as compared to its net book value.

As such, the Group expects to record a gain of approximately HK\$2.3 million (subject to adjustment and audit) from the Disposal. This amount is calculated based on the difference between the total consideration of the Disposal and the net book value of the Properties. The actual gain to be recorded by the Company can only be ascertained when the consolidated net book values of the Properties and the incidental transaction cost are determined upon Completion.

Further, based on the unaudited financial information of the Group as at 31 May 2019 and assuming that there will be no substantial changes in the assets and liabilities of the Properties until the Completion, it is expected that:

- (i) the total non-current assets of the Group would decrease by approximately HK\$43.2 million due to the total assets of the Properties no longer being consolidated into the Group's consolidated financial statements; and
- (ii) the net assets of the Group would increase by approximately HK\$2.3 million due to the net gain from the Disposal.

Nevertheless, the actual impact of the Disposal to be recognised by the Group will be subject to the then financial position of the Group upon Completion.

OTHER INFORMATION ABOUT THE LEASING AGREEMENTS

Winning Tower Group (as tenant) entered into a tenancy agreement (the “**Warehouse Tenancy Agreement**”) dated 20 September 2018 with Iao Ip Property (as landlord), pursuant to which Iao Ip Property agreed to lease Unit 1002, 10/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong to Winning Tower Group for a term of three years commencing from 1 October 2018 and ending on 30 September 2021 (both days inclusive) at the monthly rent of HK\$65,000 (inclusive of property tax but exclusive of management fee, government rent, rates and water, gas and electricity charges).

Being a continuing connected transaction and by using the above expected annual rent (together with the management fee, government rent and rates) as the numerators for the calculation of the applicable percentage ratios, all the relevant percentage ratios calculated for the transactions contemplated under the Warehouse Tenancy Agreement are less than 5% and the annual consideration is less than HK\$3,000,000, and therefore the transactions contemplated under the Warehouse Tenancy Agreement constitute exempt continuing connected transactions under Chapter 20 of the GEM Listing Rules.

Given that the Leasing Agreements and the Warehouse Tenancy Agreement (i) are not interrelated; and (ii) are not made under a master agreement or negotiated and concluded at the same time, our Directors consider that the transactions contemplated under the Leasing Agreements shall not require aggregation with the transactions contemplated under the Warehouse Tenancy Agreement.

In accordance with the HKFRS 16 applicable to the Group (which has come into effect on 1 January 2019), the Group will recognise the rental payments to be paid by the Group under the Leasing Agreements as acquisition of right-of-use asset which will constitute one-off connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

The terms of the Leasing Agreements (together with the consideration) were determined after arm’s length negotiations between the parties and after making reference to the prevailing market rates and the valuation conducted by an independent property valuer.

REASONS FOR AND BENEFITS OF THE PROPERTY DISPOSAL AGREEMENTS AND THE LEASING AGREEMENTS

As at the date of this announcement, the Group carried out its operations in seven properties in Hong Kong. Six properties, namely Units 803, 805 and 808, 8/F, and Units 1101, 1103 and 1105, 11/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong, were self-owned, while the remaining one property, namely Unit 1002, 10/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong was leased from Iao Ip Property.

While the Group used to carry on its business operations principally based on its self-owned properties in Hong Kong, the Directors consider the Hong Kong property market is becoming unstable and have uncertainties, in particular in view of the recent announcement of a listed property developer about their board resolution to withhold the payment of the

balance of the land premium in respect of their tender for land use right for the land parcel located at Kai Tak, Kowloon, Hong Kong resulting in the potential legal consequences of forfeiture of the deposit of HK\$25 million and payment of liquidated damages to the Hong Kong government.

With the aforesaid concern, the Directors consider that the Group shall diversify and mitigate its risk on the potential fall in property prices of its self-owned properties by adopting a sale-and-lease back arrangement on two (out of six) self-owned properties of the Group, namely Units 803 and 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong. Comparing with simply disposing the relevant two self-owned properties, the Directors consider that the sale-and-lease back arrangement would not disrupt the existing operations of the Group.

Besides mitigating the risk on the potential fall in property prices of the Group's self-owned properties, the Directors consider that the Group has increasing capital needs in the Group's daily operation and business development.

There has been an increase in cost of inventories consumed which was due to a change of customers' preference as a result of the outbreak of swine flu in China, leading to a change of product mix from pork to chicken, lowering the gross profit margin. In order to achieve a stable source of raw materials with stable price, the Directors consider that the Group shall reduce its reliance on the local suppliers and increase the purchase by way of import. Nevertheless, deposit of over 40% of the purchase price upfront shall generally be required by the overseas suppliers. The increase of import of the Group will invariably increase the capital requirement on operation.

Further, the Group has established its restaurant business under a joint venture (for details, please refer to the announcement of the Company dated 24 May 2019). The Directors consider that the further expansion of the business under the joint venture will increase the capital requirement of the Group.

In view of the above capital needs, the Directors consider that the Group shall strengthen its financial position by way of Disposal.

Therefore, the Company began to look for potential purchaser(s) who would be willing to buy the Properties at the prevailing market price with a condition to lease the Properties back to the Group for a term of at least three years with an option to renew the lease for another three years. Despite the Company using its best endeavour in approaching more potential purchasers to purchase the Properties and attempting to seek for other potential purchasers apart from the controlling shareholders of the Company, the Company did not succeed in securing any offer — save and except the potential purchaser, namely Iao Ip Property (which is a connected person of the Company), offered a consideration of HK\$45,516,400 in total, which is approximately 4.4% higher than the market value as indicated by the property valuer, for the sale and purchase of the Properties. As indicated by the estate agency and to the best knowledge of the Directors, since most of the potential purchasers for non-domestic premises are for self-use instead of investment purpose (generally because for investment amount at over HK\$40 million, investment on luxury residential premises can have a better return than on non-domestic premises), it is difficult to secure independent third party purchasers for the sale-and-lease back arrangement unless the consideration is much lower than the market value.

In order to reduce its reliance on bank loans, the proceeds of the Disposal will also be used for the purpose of the repayment of certain existing banking facilities of the Group, details of which are set out below:

Description	Loan amount (HK\$'million)	Due date	Interest rate (%)	Outstanding amount as at 31 May 2019 (HK\$'million)
Mortgage loan for the purchase of Unit 805, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	5.7	27 September 2035	2.375	5.3
Mortgage loan for the purchase of Unit 1103, 11/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	5.2	30 July 2030	2.375	4.1
Mortgage loan for the purchase of Unit 1105, 11/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	8.5	15 September 2033	2.375	7.1
Instalment loan for the decoration of Unit 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	5.0	16 November 2028	2.625	4.8
Instalment loan for business use	6.5	11 October 2024	2.375	5.1
			Total (Note):	26.4

Note: The total outstanding amount of approximately HK\$26.4 million as at 31 May 2019 did not include interests accrued therefrom.

The Directors consider that using the proceeds to repay certain parts of the above existing banking facilities of the Group not only will increase the liquidity of the Group's asset, but also improve the debt to equity ratio of the Company, which is in the interest of the Group and the Shareholders as a whole.

Taking into account the above factors, including the fact that the consideration of the Disposal offered by Iao Ip Property has been the only offer and is slightly higher than the market value as indicated by the property valuer, the Board approved (with Mr. Yu abstained from voting on the Board resolutions approving the Disposal and the Leasing) the Group to enter into the Property Disposal Agreements and the Leasing Agreements with Iao Ip Property. In addition, the Directors, including the independent non-executive Directors, believe that (i) the Property Disposal Agreements are not entered in the ordinary and usual course of business of the Group, but the terms thereof are on normal commercial terms or better after arm's length negotiations between the parties and are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole; and (ii) the Leasing Agreements are entered in the ordinary and usual course of business of the Group, and the terms thereof are on normal commercial

terms or better after arm's length negotiations between the parties and are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

Mr. Yu is considered to have material interests in the Disposal and the Leasing by virtue of his directorship in the Company and interests in Iao Ip Property, and therefore he has abstained from voting on the Board resolutions approving the Disposal and the Leasing. Save as disclosed, no other Directors have abstained from voting on the said Board resolutions.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios for the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 19 of the GEM Listing Rules. Accordingly, the Disposal is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, Iao Ip Property was owned as to 20% by Mr. Yu and as to 80% in aggregate by three associates of Mr. Yu. Mr. Yu is a non-executive Director and one of the controlling shareholders of the Company. As such, Iao Ip Property is an associate of Mr. Yu and hence a connected person of the Company for the purpose of Chapter 20 of the GEM Listing Rules. Accordingly, the Disposal also constitutes a connected transaction of the Company, and is subject to the announcement, reporting, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Subject to Completion, the transactions contemplated under the Leasing Agreements also constitute connected transactions of the Company. As the applicable percentage ratios for the Leasing on the basis of the estimated value of the right-of-use asset are less than 25% and the total consideration is less than HK\$10,000,000, the Leasing is subject to the requirements of reporting and announcement but is exempt from compliance with the requirements of circular (including independent financial advice) and Independent Shareholders' approval under Chapter 20 of the GEM Listing Rules. However, pursuant to the Property Disposal Agreements, Iao Ip Property and Winning Tower Group shall enter into the Leasing Agreements upon Completion that Iao Ip Property (as landlord) shall lease to Winning Tower Group (as tenant) the respective Property for a term of three years commencing from the respective Completion Date, the Board considered that the Property Disposal Agreements and the Leasing Agreements are interrelated, as such, the Leasing Agreements and the transactions contemplated thereunder would be put forward to the EGM for the Independent Shareholders' approval.

EGM

The Company will convene and hold the EGM for the Independent Shareholders to consider and, if thought fit, approve the Property Disposal Agreements, the Leasing Agreements and the transactions contemplated thereunder. Keyview Ventures, in which Mr. Yu holds approximately 19.02% interest, will abstain from voting on the resolutions approving the Property Disposal Agreements, the Leasing Agreements and the transactions contemplated thereunder in the EGM. As at the date of this announcement, Keyview Ventures holds 1,050,000,000 Shares, representing approximately 75% issued share capital of the Company.

Save for the aforesaid and to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the date of this announcement, no other Shareholder is interested in the Property Disposal Agreements, the Leasing Agreements and the transactions contemplated thereunder.

A circular containing, among others, information on the Property Disposal Agreements and the Leasing Agreements, the letter from the Independent Board Committee to the Independent Shareholders, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, and other information as is required to be contained in it under the GEM Listing Rules, together with a notice of the EGM and a form of proxy, is expected to be despatched to the Shareholders on or before 23 July 2019.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Company has established the Independent Board Committee, comprising all the independent non-executive Directors, to advise the Independent Shareholders in connection with the Property Disposal Agreements and the transactions contemplated thereunder. An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in connection with the Property Disposal Agreements and the transactions contemplated thereunder.

Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction of the Conditions. Therefore, the Disposal may or may not proceed. In addition, the Leasing is subject to Completion. Therefore, the Leasing also may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“associate”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and Sunday, public holiday in Hong Kong and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. or on which a “black” rainstorm warning is issued or remains in effect between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for general business
“BVI”	the British Virgin Islands

“Company”	Winning Tower Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange (Stock Code: 8362)
“Completion”	completion of the sale and purchase of each of the Properties in accordance with the terms and conditions of each of the Property Disposal Agreements respectively, as further described under the section headed “Major terms of the Property Disposal Agreements — Completion”
“Completion Date”	within ten (10) Business Days following the day on which all the Conditions are satisfied in full or waived (as the case may be), or such other date as the parties may agree being the date on which Completion occurs
“Condition(s)”	the conditions precedent to Completion pursuant to the Property Disposal Agreements, as further described under the section headed “Major terms of the Property Disposal Agreements — Conditions”
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Properties under the Property Disposal Agreements
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approving the Property Disposal Agreements, Leasing Agreements and the transactions contemplated thereunder, or where the context so admits, any adjournment of such extraordinary general meeting
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“HKFRS(s)”	Hong Kong Financial Reporting Standard(s) issued by the Hong Kong Institute of Certified Public Accountants from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Iao Ip Property”	Iao Ip Property Investment Company Limited, a company incorporated under the laws of Hong Kong and is owned as to 20% by Mr. Yu and as to 80% in aggregate by three associates of Mr. Yu
“Independent Board Committee”	the independent board committee, comprising all independent non-executive Directors, formed to advise the Independent Shareholders in respect of the Property Disposal Agreements, the Leasing Agreements and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders who, under the GEM Listing Rules, are not required to abstain from voting for the resolutions approving the Property Disposal Agreements, the Leasing Agreements and the transactions contemplated thereunder
“Keyview Ventures”	Keyview Ventures Limited (建景創投有限公司), a company incorporated in the BVI with limited liability on 31 October 2016 and a controlling shareholder of the Company holding 75% of the issued shareholding of the Company
“Leasing Agreements”	the two leasing agreements to be entered into between Iao Ip Property (as landlord) and Winning Tower Group (as tenant) in relation to the leasing of each of the Properties on their respective Completion Date
“Leasing”	the lease of the Properties by the Group pursuant to the Leasing Agreements
“Long Stop Date”	30 September 2019, or such later date as all parties may agree in writing
“Mr. Yu”	Mr. Yu Ting Hei, a non-executive Director and one of the controlling shareholders of the Company
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Properties”	two properties: (i) the workshop, warehouse and ancillary office located at Unit 803, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong; and (ii) the workshop and warehouse located at Unit 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong

“Property Disposal Agreements”	the two sale and purchase agreements both dated 2 July 2019 and entered into between Iao Ip Property (as purchaser) and Winning Tower Group (as vendor) in relation to the sale and purchase of each of the Properties respectively
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	the holder(s) of the Shares
“Shares”	ordinary shares in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Winning Tower Group”	Winning Tower Group Limited (運興泰集團有限公司), a company incorporated in Hong Kong with limited liability on 21 January 2015 and an indirect wholly-owned subsidiary of the Company
“sq. ft.”	square feet
“%”	per cent.

By order of the Board
Winning Tower Group Holdings Limited
Lai King Wah
Chairman and Executive Director

Hong Kong, 2 July 2019

As at the date of this announcement, the executive Directors are Mr. Lai King Wah, Mr. Lai Ho Yin Eldon and Mr. Ho Timothy Kin Wah; the non-executive Directors are Mr. Yu Ting Hei, Mr. Chow Kuen Chung and Ms. Ho Lai Sze Jacqueline; and the independent non-executive Directors are Mr. Chau Chun Wai, Mr. Lo Sun Tong and Mr. Lam Lai Kiu Kelvin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regards to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.wtgl.hk.