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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)

UPDATE ANNOUNCEMENT RELATING TO (1) THE TERMINATION OF THE JV AGREEMENT; AND (2) THE TERMINATION OF THE ACQUISITION OF 10% EQUITY INTEREST IN BEIJING ZHONGLE

Reference is made to (i) the announcement of Winto Group (Holdings) Limited (the “Company”) dated 31 May 2019 relating to, among other things, the JV Agreement for the formation of the JV Company by the Group and ZT Times, and (ii) the announcements of the Company dated 31 May 2019 and 30 August 2019 relating to, among other things, the acquisition of 10% equity interest in Beijing Zhongle and the extension of the long stop date thereof (the “Previous Announcements”). Unless otherwise defined, the terms used in this announcement shall have the same meanings as defined in the Previous Announcements.

Termination of the JV Agreement

The Board announces that (i) since it is no longer the intention of the Board to set up the JV Company to act as the exclusive agent to carry out the advertising-related business arising from the operation of ZT Times; and (ii) the JV Company has not been incorporated as of the date of this announcement, the parties to the JV Agreement agreed in writing to terminate the JV Agreement with effect from 5 November 2019. The parties to the JV Agreement mutually agree to discharge and release one another from further obligation under the JV Agreement and their respective rights and/or claims against each other arising out or in connection with the JV Agreement are cancelled and terminated. The Board considers that the termination of JV Agreement will enable the Company to reallocate its resource to other existing businesses of the Group.

The Board considers that the termination of the JV Agreement has no material impact on the existing business operations and financial position of the Group.

Termination of the acquisition of 10% equity interest in Beijing Zhongle

As the condition precedents provided in the Framework Agreement in relation to the acquisition of 10% equity interest in Beijing Zhongle were not fully satisfied (or waived, as applicable), the parties to the Framework Agreement agreed in writing to terminate the Framework Agreement with effect from 6 November 2019.

Upon the termination of the Framework Agreement, each of the parties mutually discharge and release one another from further obligation under the Framework Agreement and their respective rights and/or claims against each other arising out or in connection with the Framework Agreement are cancelled and terminated. Furthermore, following the termination of the Framework Agreement and in accordance with the Loan Assignment, Beijing Zhongle shall repay the Back-to-Back Loan of RMB10,000,000, together with the interest accrued, to Info Strength.

The Board considers that the termination of the Framework Agreement has no material impact on the existing business operations and financial position of the Group.

By Order of the Board
Winto Group (Holdings) Limited
Li Ka Yee Daphne
Executive Director

Hong Kong, 6 November 2019

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

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

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and be posted and remains on the website of the Company at <http://www.wintogroup.hk>.