

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **WINTO GROUP (HOLDINGS) LIMITED**

### **惠陶集團(控股)有限公司**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock code: 8238)**

### **DISCLOSEABLE TRANSACTION PROVISION OF LOAN**

The Board announces that, on 16 March 2018, after trading hours, the Lender, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to provide the Loan in the principal amount of RMB10,000,000 to the Borrower.

The provision of the Loan pursuant to the Loan Agreement constitutes a discloseable transaction of the Company as one of the applicable percentage ratios exceeds 5% but is less than 25%, and is therefore subject to the relevant reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Board announces that, on 16 March 2018, after trading hours, the Lender, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to provide the Loan in the principal amount of RMB10,000,000 to the Borrower.

#### **THE LOAN AGREEMENT**

Date: 16 March 2018 (after trading hours)

Lender: Info Strength Limited

Borrower: Mr. Pan Xiaohua (潘曉華)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Borrower is a third party independent of the Company and its connected persons (as defined under the GEM Listing Rules).

The principal terms of the Loan Agreement are set out below.

Principal amount:	RMB10,000,000
Interest:	4% per month
Term:	2 months since the Drawdown Date
Drawdown:	One-off drawdown of the principal amount of the Loan
Conditions precedent to the drawdown:	Upon fulfilling the following conditions precedent, the Lender will provide the Loan to the Borrower: <ul style="list-style-type: none"><li>(i) the equity pledge agreement having been duly signed by the Borrower and the Lender;</li><li>(ii) the representations and warranties given by the Borrower being true, complete and accurate, and not misleading in all material respects;</li><li>(iii) no occurrence of any event of default referred to in the Loan Agreement; and</li><li>(iv) change of the authorized signatory of the bank account of Beijing Hongxintong designated to receive the shareholder's loan of the same amount as the Loan from the Borrower to such person as the Lender may nominate within 3 working days after the signing of the Loan Agreement.</li></ul>
Repayment:	One-off repayment of the entire principal amount of the Loan on the due date for repayment of the Loan pursuant to the Loan Agreement
Purpose of the Loan:	The Loan can be solely used by the Borrower to provide financial assistance to Beijing Hongxintong for 10% capital injection into Beijing Zhongle
Pledge of share equity:	The Loan is secured by 100% capital of Beijing Hongxintong held under the name of the Borrower
Capital injection into Beijing Zhongle	The Borrower shall, before the expiry of the term of the Loan Agreement, procure Beijing Hongxintong to inject RMB10,000,000, being the same amount as the Loan, into Beijing Zhongle in exchange for 10% capital of Beijing Zhongle and use his best commercial endeavours to complete the capital injection

Option to acquire the shares of Beijing Hongxintong: The Borrower shall, at the request of the Lender, cause the re-organization of Beijing Hongxintong to the extent satisfactory to the Lender and agree to sell 100% capital of Beijing Hongxintong to the Lender or any entity designated by the Lender at a reasonable price (further announcement(s) in compliance with the GEM Listing Rules will be made by the Company as and when appropriate in the event the Lender exercises the option)

## **INFORMATION OF THE GROUP AND THE BORROWER**

### **The Group**

The Group is principally engaged in (i) sales and free distribution of Chinese language lifestyle magazines, the sales of advertising space in the magazines; (ii) provision of outdoor advertising services; and (iii) mobile phone apps development, provision of apps solutions and provision of online marketing planning and production. The Loan will be funded by internal resources of the Group.

### **The Borrower, Beijing Hongxintong and Beijing Zhongle**

The Borrower is a PRC citizen. Beijing Hongxintong is a company established in the PRC with limited liability and wholly owned by the Borrower. Beijing Hongxintong is principally engaged in organising cultural exchange activities; provision of public relations services and network technology development. Beijing Zhongle is a company established in the PRC with limited liability and is principally engaged in on-line lottery related businesses in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Beijing Hongxintong, Beijing Zhongle and their beneficial owners are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).

## **REASON FOR AND BENEFIT OF THE PROVISION OF THE LOAN**

The provision of the Loan to the Borrower provides reasonable interest income to the Lender. Alternatively and in the event the Lender exercises the option, the transaction will provide the Group with an exclusive opportunity to purchase the 100% capital of Beijing Hongxintong that will hold 10% interest in Beijing Zhongle after completion of capital injection into Beijing Zhongle by Beijing Hongxintong. As such, the transaction would provide a rare opportunity for the Group to enter into on-line promotion and marketing of the lottery in the PRC and the on-line lottery related businesses which will supplement the Group's existing business.

The terms of the Loan Agreement (including the interest rate) were determined after an arm's length negotiation between the Lender and the Borrower.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Loan Agreement are fair and reasonable and on normal commercial terms and are in the best interest of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the provision of the Loan pursuant to the Loan Agreement is more than 5% but less than 25%, the provision of the Loan constitutes a discloseable transaction of the Company under Chapter 19 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Beijing Hongxintong”	Beijing Hongxintong Cultural Media Company Limited (北京鴻信通文化傳媒有限公司), a company established in the PRC with limited liability and wholly owned by the Borrower
“Beijing Zhongle”	Beijing Zhongle Internet Technology Company Limited (北京眾樂網路科技有限公司), a company established in the PRC with limited liability
“Board”	the board of Directors
“Borrower”	Mr. Pan Xiaohua (潘驍華), a PRC citizen
“Company”	Winto Group (Holdings) Limited
“Directors”	the directors of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“Lender”	Info Strength Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Loan”	the loan in the principal amount of RMB10,000,000 to be provided by the Lender to the Borrower pursuant to the Loan Agreement

“Loan Agreement”	the loan agreement entered into between the Lender and the Borrower on 16 March 2018
“PRC”	the People’s Republic of China and for the purpose of this announcement excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“%”	Per cent

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

Hong Kong, 18 March 2018

*For the purpose of this announcement, the English translations of the name of the Borrower, Beijing Hongxintong and Beijing Zhongle are included for information purpose only and should not be relied upon as the official translation of those names. In the event of any inconsistency, the Chinese names of the Borrower, Beijing Hongxintong and Beijing Zhongle shall prevail.*

*As at the date of this announcement, the Board comprises Mr. Tang Yau Sing as executive director; and Mr. Wen Kai, Mr. Tsang Zee Ho, Paul and Mr. Tse Chi Wai as independent non-executive directors.*

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

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