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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)

CLARIFICATION ANNOUNCEMENT IN RELATION TO MAJOR TRANSACTION AND DELAY IN DESPATCH OF CIRCULAR

Reference is made to (i) the announcement of the Company dated 11 October 2018 relating to the entering into of the memorandum of understanding for the possible acquisition of 51% of the issued share capital of a special purpose vehicle, which shall in turn hold the entire equity interest in 眾體時代(北京)科技有限公司 (Zhongti Times (Beijing) Technology Co., Ltd*) (the “**Target Company**”) upon completion of the Restructuring; (ii) the announcement of the Company dated 4 December 2018 relating to the entering into the Agreement and the Acquisition (the “**First Announcement**”); (iii) the announcement of the Company dated 6 December 2018 relating to the entering into the Supplemental Agreement; (iv) the announcement of the Company dated 27 December 2018 relating to the entering into the Second Supplemental Agreement; and (v) the announcement dated 7 January 2019 relating to the entering into the Third Supplemental Agreement. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the First Announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As previously disclosed in the announcement of the Company dated 7 January 2019, pursuant to the Third Supplemental Agreement, the parties agreed that, subject to obtaining the necessary approval by the Shareholders of the Company at an EGM and the approval from the Listing Committee of the Stock Exchange, after completion of the Acquisition, the Company shall procure (i) the issue of Convertible Note in the principal amount of HK\$66.6 million, to the Vendor (or its designated entity), with conversion right to convert into up to 1,110,000,000 Conversion Shares at Conversion Price of HK\$0.06 per Conversion Share; and (ii) the issue and allotment of 950,000,000 Consideration Shares at the Issue Price of HK\$0.06 per Consideration Share to the Vendor (or its designated entity) (in the amount equivalent to HK\$57 million), each

within 10 business days upon obtaining such approvals. As a result of the issue of the Consideration Shares and the Convertible Note, the aggregate amount of HK\$123.6 million shall be offset against the then outstanding principal amount of the Promissory Note.

The Company hereby clarifies that in light of the above adjustments to the apportionment of the Consideration Shares and the Convertible Note, the shareholding structure of the Company, as disclosed in the First Announcement, shall be replaced and updated accordingly.

Set out below is the revised shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the issue and allotment of the Consideration Shares; (iii) immediately after the issue and allotment of the Conversion Shares (upon full conversion of the Convertible Note); and (iv) immediately after the issue and allotment of the Consideration Shares and the Conversion Shares (upon full conversion of the Convertible Note):

Shareholder	(i) as of the date of this announcement		Immediately after the issue and allotment of					
			(ii) the Consideration Shares		(iii) the Conversion Shares (upon full conversion of the Convertible Note) (Note 4)		(iv) the Consideration Shares and the Conversion Shares (upon full conversion of the Convertible Note) (Note 4)	
	Number of Shares	Approx. %	Number of Shares	Approx. % (Note 1)	Number of Shares	Approx. % (Note 2)	Number of Shares	Approx. % (Note 3)
Noble Gate	3,893,254,000	45.06	3,893,254,000	40.60	3,893,254,000	39.93	3,893,254,000	36.39
Shareholder Value Fund	2,568,816,000	29.73	2,568,816,000	26.79	2,568,816,000	26.35	2,568,816,000	24.01
Public	2,177,930,000	25.21	2,177,930,000	22.71	2,177,930,000	22.34	2,177,930,000	20.35
Vendor	-	-	950,000,000	9.90	1,110,000,000	11.38	2,060,000,000	19.25
Total	8,640,000,000	100	9,590,000,000	100	9,750,000,000	100	10,700,000,000	100

Note 1: As enlarged by the allotment and issue of the Consideration Shares and assuming there is no change to the share capital of the Company other than the issue of the Consideration Shares

Note 2: As enlarged by the allotment and issue of the Conversion Shares and assuming there is no change to the share capital of the Company other than the issue of the Conversion Shares

Note 3: As enlarged by the allotment and issue of the Consideration Shares and Conversion Shares and assuming there is no change to the share capital of the Company other than the issue of the Consideration Shares and Conversion Shares

Note 4: According to the terms of the Convertible Note and as disclosed in the First Announcement, the Vendor shall have no right to exercise, and shall not exercise, any conversion rights if, as a result of such exercise, the Company will be in breach of the minimum public float requirements under the GEM Listing Rules or other relevant requirements under the GEM Listing Rules immediately after the relevant exercise of conversion rights and in such case, the Company shall disregard (and return to such Vendor) any notice of exercise of conversion rights.

ENGLISH TRANSLATION OF CERTAIN CHINESE TERMS

The Company hereby provides supplemental information on the English translated names of certain Chinese terms, as referred to on page 8 in paragraphs (q), (r) and (s) under the section headed “Conditions Precedent” in the First Announcement, as follows:

- (i) in paragraph (q), the Chinese entity named 北京虛實互動科技有限公司 (Beijing Virtual Reality Interactive Technology Co., Ltd.*);
- (ii) in paragraph (q), the game titled “《戰地聯盟ol》 (Battlefield Alliance*)”;
- (iii) in paragraph (r), the Chinese entity named 西山居多盈 (北京) 科技有限公司 (Xishanju Duoying (Beijing) Technology Co., Ltd.*); and
- (iv) in paragraph (s), the Chinese entity named 北京市朝陽電器開關成套設備有限公司 (Beijing Chaoyang Electric Appliance Switch Full Equipment Co., Ltd.*).

DELAY IN DESPATCH OF CIRCULAR

As disclosed in the First Announcement, the Company is required to despatch a circular (the “**Circular**”) containing, among other things, (i) further details of the Agreement and the transaction contemplated thereunder; (ii) the accountants’ report of the Target Company; and (iii) the pro forma financial statements of the Enlarged Group, to the Shareholders within 15 business days after the publication of the Announcement, which should be on or before 27 December 2018.

As additional time is required for the Company to prepare and finalise certain information to be included in the Circular, the Company will apply for a waiver from strict compliance with Rule 19.41(a) of the GEM Listing Rules for a further extension of time to despatch the Circular to the Shareholders on or before 28 February 2019. The Company will make further announcement as and when appropriate.

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

Hong Kong, 16 January 2019

As at the date of this announcement, the Board comprises Mr. Tang Yau Sing as an 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>.

** English name for identification purpose only*