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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)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO PROVISION OF LOAN**

On 24 July 2018, the Company entered into the Loan Agreement with the Borrower, pursuant to which the Company agreed to provide the Loan in the principal amount of HK\$5,000,000 to the Borrower for a term of seven months.

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Loan pursuant to the Loan Agreement exceeded 5% at the material time, but was less than 25%, the provision of the Loan constituted a discloseable transaction for the Company and was subject to the relevant reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

As the assets ratio (as defined under the GEM Listing Rules) in respect of the Loan did not exceed 8% at the material time, the Loan did not constitute an advance to entity under Rule 17.15 of the GEM Listing Rules.

On 24 July 2018, the Company entered into the Loan Agreement with the Borrower, pursuant to which the Company agreed to provide the Loan in the principal amount of HK\$5,000,000 to the Borrower for a term of seven months.

#### **THE LOAN AGREEMENT**

Principal terms of the Loan Agreement are set out as below:

Date: 24 July 2018

Lender: The Company

Borrower: Xuancheng Financial Holdings Group Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Borrower and its ultimate beneficial shareholder at the material time when the Loan was advanced or as at the date of this announcement was a third party independent of the Company and its connected persons (as defined under the GEM Listing Rules)

Principal loan amount: HK\$5,000,000

Interest: 1% per month, payable on the repayment date of the Loan.

Pursuant to the Loan Agreement, the Borrower agreed to pay an aggregate amount of HK\$5,350,000 (inclusive of the accrued interest in the amount of HK\$350,000) on the repayment date, being 24 February 2019.

Loan period: 24 July 2018 to 24 February 2019

Repayment date: 24 February 2019

Security: Unsecured

Default interest: 4%, accrued on a daily basis

The Loan was advanced by internal resources of the Group.

#### **REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN**

The terms of the Loan Agreement (including the interest rate) were arrived at after arm's length negotiations between the Lender and the Borrower, with reference to prevailing commercial practice, and the amount of the Loan. Having considered the recurring interest income to be generated by and the other terms of the Loan, the Directors consider that the terms of the Loan Agreement were on normal commercial terms and were fair and reasonable and the provision of the Loan was in the interest of the Company and the Shareholders as a whole.

The Borrower fully settled the outstanding principal amount and the accrued interest in an aggregate amount of HK\$5,350,000 on 20 March 2019.

## **GEM LISTING RULES IMPLICATIONS**

As one the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Loan exceeded 5% at the material time, but was less than 25%, the provision of the Loan constituted a discloseable transaction for the Company and was subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

As the assets ratio (as defined under the GEM Listing Rules) in respect of the Loan did not exceed 8% at the material time, the Loan did not constitute an advance to entity under Rule 17.15 of the GEM Listing Rules.

It came to the notice of the Company that the transaction under the Loan Agreement should have been disclosed as a discloseable transaction under Chapter 19 of the GEM Listing Rules. The Company however wishes to provide the necessary details and updates to its Shareholders in relation to the Loan Agreement.

## **INFORMATION ON THE COMPANY AND THE GROUP**

The Group is principally engaged in (i) promotion of products and services by organizing exhibitions and trade shows; and (ii) sales and free distribution of Chinese language lifestyle magazines and the sales of advertising space in the magazines.

## **INFORMATION ON THE BORROWER**

The Borrower is an investment holding company incorporated in the Republic of Vanuatu.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Borrower”	Xuancheng Financial Holdings Group Limited, a company incorporated in the Republic of Vanuatu
“Company”	Winto 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
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Loan”	the loan in the principal amount of HK\$5,000,000 advanced by the Company to the Borrower pursuant to the terms of the Loan Agreement
“Loan Agreement”	a loan agreement dated 24 July 2018 entered into between the Company and the Borrower relating to the provision of the Loan
“Share(s)”	ordinary share(s) of HK\$0.02 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 22 May 2019

*As at the date of this announcement, the Board comprises Mr. Tang Yau Sing and Mr. Wong Siu Hung, Patrick as executive Directors, Mr. Chen Xiao as non-executive Director and Mr. Wen Kai, Mr. Tsang Zee Ho, Paul, Mr. Tse Chi Wai, Ms. Wang Yan and Mr. Lau Fai, Lawrence 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>.*