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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)

QUARTERLY UPDATE ON SUSPENSION OF TRADING

This announcement is made by the board of directors (the “**Board**”) of Winto Group (Holdings) Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) pursuant to Rules 17.10(2) and 17.26A of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 21 June 2019, 2 July 2019, 18 September 2019, 7 September 2020, 8 September 2020 and 9 September 2020, respectively, in relation to, among others, the decision of the GEM Listing (Review) Committee to suspend trading in the shares of the Company and the announcement of the Company dated 30 October 2020 in relation to, among others, the resumption guidance (collectively, the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meaning as those defined in the Announcements.

UPDATE ON RESUMPTION PROGRESS

Submission of resumption plan

As disclosed in the announcement of the Company dated 30 October 2020 in relation to the resumption guidance, the Stock Exchange has set out the Resumption Guidance below for the Company:

- (i) demonstrate the Company’s compliance with Rule 17.26 of the GEM Listing Rules; and
- (ii) inform the market of all material information for the Shareholders and other investors to appraise the Company’s position.

The Board is pleased to announce that the Company submitted a resumption plan (the “**Resumption Plan**”) to the Stock Exchange on 30 November 2020. The Resumption Plan set forth the business development plan and other material information including a profit forecast to demonstrate that it has a viable and sustainable business and compliance with Rule 17.26 of the GEM Listing Rules. The Group has been implementing the business development plan to revitalise its business to a sufficient and sustainable level, including but not limited to (i) actively sourcing new contracts to maintain the growth momentum; (ii) implementing measures to improve profitability; (iii) implementing strategies to expand the businesses in billboard advertising, advertising planning agency and design and production to diversify overall business risks; (iv) implementing stringent cost control measures; and (v) implementing control measures to minimise the impact of COVID-19 outbreak.

Further announcements will be made by the Company to update the Shareholders and the public on, among others, the progress of the Resumption Plan of the Company as and when appropriate and will announce quarterly updates as required under Rule 17.26A of the GEM Listing Rules.

Continued improvement of business operation

The Group is principally engaged in (i) sales and distribution of publications and the sales of print and online advertising spaces; and (ii) promotion of products and provision of ancillary services by organizing exhibitions and trade shows.

The outbreak of the COVID-19 since early 2020 has caused severe disruption to the overall market’s business activities and global and local economic environment due to the imposition of a series of governmental control measures. Despite the adverse impact of the COVID-19 outbreak on the Group’s results of operations, with the efforts of the Group’s management and staff, the Group’s revenue for the nine months ended 30 September 2020 was approximately HK\$25.3 million as compared to approximately HK\$9.3 million for the nine months ended 30 September 2019, which represented an increase of approximately HK\$16.0 million, as disclosed in the third quarterly report of the Group for the nine months ended 30 September 2020 published on 13 November 2020. Such increase was primarily attributable to the increase in revenue generated from the Group’s publications and media advertising business of approximately HK\$16.6 million as the Group extended its business sector geographically to Guangdong-Hong Kong-Macao Greater Bay Area.

During October and November 2020, the Group had generated an aggregate of approximately HK\$6.7 million revenue from the publications and media advertising business (including approximately HK\$1.8 million from outdoor billboard advertising) and an aggregate of approximately HK\$1.0 million from the exhibition business, respectively.

The Group will continue to review its existing business from time to time and strive to improve the business operations and financial position of the Group. The Company will continue to actively identify potential business and investment opportunities to expand its source of income.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company has been suspended with effect from 9:00 a.m. on 8 September 2020 and will remain suspended until further notice.

Please note that the above-mentioned development does not necessarily indicate that trading in the Company’s shares will be resumed. Accordingly, the Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By Order of the Board
Winto Group (Holdings) Limited
Hung Yuen Kin
Executive Director

Hong Kong, 7 December 2020

As at the date of this announcement, the Board comprises Mr. Hung Yuen Kin as executive Director, 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 collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard 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 <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>.