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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)

VOLUNTARY ANNOUNCEMENT

This announcement is made by the Company on a voluntary basis.

Reference is made to the announcement of the Company dated 11 April 2016 and 4 July 2016 in relation to, among other thing, the possible acquisition of 51% equity interest in 廣州啟匯營銷策劃有限公司 (Guangzhou Qihui Marketing and Planning Company Limited*) (“Guangzhou Qihui”).

The Board is pleased to announce that on 29 August 2016 (after trading hours), the Purchaser, a wholly owned subsidiary of the Company, entered into the Agreement with the Vendor on the acquisition of 51% of the issued share capital in the Target at a total consideration of RMB6 million.

Completion took place simultaneously upon the entering into the Agreement and the Consideration has been satisfied by the Purchaser to the Vendor in cash from internal resources of the Group. Upon Completion, the Target will become an indirect non-wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Company.

INTRODUCTION

Reference is made to the announcement of the Company dated 11 April 2016 and 4 July 2016 in relation to, among other thing, the possible acquisition of 51% equity interest in Guangzhou Qihui.

The Board is pleased to announce that on 29 August 2016 (after trading hours), the Purchaser and the Vendor entered into the Agreement, pursuant to which the Purchaser has acquired 51% of the issued share capital in the Target from the Vendor for a consideration of RMB6 million.

Set out below are the major terms of the Agreement.

THE AGREEMENT

Date:

29 August 2016

Parties

The Purchaser and the Vendor

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

The Sale Shares, representing 51% of the issued share capital of the Target.

Consideration

Pursuant to the Agreement, the Consideration shall be satisfied by the Purchaser to the Vendor in cash at Completion.

Basis of Consideration

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor, having regard to its asset, financial position and the prospects and potential of the businesses of the Target Group.

Completion

Completion has taken place simultaneously upon the Parties entered into the Agreement on the Completion Date.

INFORMATION ON THE TARGET GROUP

The Target was incorporated in Hong Kong with limited liability.

The Target is an investment holding company and the ultimate parent company of the Target Group, consisting of (a) 啟匯網絡技術(深圳)有限公司 (Qihui Network Technology (Shenzhen) Company Limited*) ("Shenzhen Qihui"), a limited company established under the laws of PRC and a direct wholly-owned subsidiary of the Target; and (b) Guanzhou Qihui, a limited company established under the laws of PRC and a direct wholly-owned subsidiary of Shenzhen Qihui.

The Target Group is principally engaged in the mobile phone apps development and provision of app solutions for its clients. It is also involved in WeChat planning, production and promotion, as well as research in blending WeChat with corporate marketing and planning.

Completion took place on 29 August 2016 (after trading hours) simultaneously upon entering into the Agreement and the Purchaser has satisfied the Consideration with the Vendor in cash from internal resources of the Group. Upon Completion, the Target will become an indirect non-wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The principal activity of the Company is investment holding. The Company's subsidiaries are principally engaged in sales and free distribution of Chinese language lifestyle magazines, the sales of advertising space in the magazines, provision of outdoor advertising services and e-commerce business.

Whilst the Group remains focused on developing its existing businesses, by leveraging on the Group's existing business network, the Directors consider expanding the Group's existing businesses into a line of business with growth potential and in line with our existing businesses. The Company believes that the Acquisition will be an attractive investment and will diversify the Group's business in terms of its scope and market.

The Directors have considered that the terms of the Agreement and the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATION OF THE GEM LISTING RULES

The Acquisition does not constitute any notifiable transaction or connected transaction of the Company under Chapter 19 and Chapter 20 of the GEM Listing Rules. This announcement is made by the Company on a voluntary basis.

DEFINITION

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

“Acquisition”	acquisition by the Purchaser of the Sale Shares under the Agreement
“Agreement”	the sale and purchase agreement entered into between the Purchaser and the Vendor on 29 August 2016 relating to the Acquisition
“Board”	board of Directors
“Company”	Winto Group (Holdings) Limited (Stock Code:8238), a limited company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Completion”	completion of the Agreement
“Completion Date”	29 August 2016
“Consideration”	RMB6 million being the consideration paid by the Purchaser to the Vendor for the purchase of the Sale Shares in accordance with the Agreement
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party(ies) independent of, and not connected with, the Company and its connected persons in accordance with the GEM Listing Rules

“Parties”	the parties to the Agreement
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administration Region of the PRC and Taiwan for the purpose of this announcement
“Purchaser”	Info Strength Limited, a limited company incorporated under the laws of the British Virgin Islands and a direct wholly-owned subsidiary of the Company
“Sale Shares”	means 510 ordinary shares in the Target, representing 51% of the issued and paid up share capital of the Target as at the date of this announcement held by the Vendor
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules
“Target”	Gold Upward Technology Limited (金升科技有限公司), a limited company incorporated under the laws of Hong Kong
“Target Group”	the Target and its subsidiaries
“Vendor”	麥鳳梅 (Mai Fengmei*), an Independent Third Party
“%”	per cent.

* Translation for identification purpose only

By order of the Board
Winto Group (Holdings) Limited
Kwan Shun Keung Timmy
Chairman

Hong Kong, 29 August 2016

As at the date of this announcement, the Board comprises Mr. Kwan Shun Keung Timmy, Mr. Mak Wai Kit and Ms. Law Shiu Wai as executive directors; Mr. Liu Kwong Chi Nelson as non-executive director; and Mr. Tsang Ho Ka Eugene, Ms. Wong Fei Tat and Mr. Pang Siu Yin 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 GEM Listing Rules 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>.