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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 — ACQUISITION OF PROPERTY

On 7 October 2016, the Purchaser entered into the Provisional Agreement with the Vendor for the acquisition of the Property for a consideration of HK\$11,000,000.

The Acquisition constitutes a discloseable transaction of the Company under Rule 19.06(2) of the GEM Listing Rules.

The Board is pleased to announce that the Purchaser entered into the Provisional Agreement with the Vendor on 7 October 2016 pursuant to which the Vendor shall sell and the Purchaser shall acquire the Property for a consideration of HK\$11,000,000.

THE PROVISIONAL AGREEMENT

Date of Agreement:

7 October 2016

Purchaser:

Lucky Channel Limited.

Vendor:

Suncity Travel Company Limited, a company which is and whose beneficial owners are, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, third parties independent of the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholders or any of their respective Associates.

The Property:

An office premises situate at Office B on 7/F, Valiant Commercial Building, Nos 22–24 Prat Avenue, Tsim Sha Tsui, Kowloon, Hong Kong.

Consideration:

HK\$11,000,000 payable in cash and the payment schedule is as follows:

- (a) an initial deposit of HK\$550,000 was paid by the Purchaser upon signing of the Provisional Agreement;

- (b) a further deposit of HK\$550,000 shall be paid upon signing of the Formal Agreement which is scheduled on or before 21 October 2016; and
- (c) a sum of HK\$9,900,000 being balance of the consideration shall be paid upon Completion which is scheduled to be taken place on or before 30 November 2016.

Date of Completion:

On or before 30 November 2016

Agency fee:

In consideration of the services rendered by a property agency company to the Purchaser regarding the Acquisition, the Purchaser shall pay to the property agency company an agency fee of HK\$110,000 upon Completion. The property agency company is and whose beneficial owners are, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, third parties independent of the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholders or any of their respective Associates.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the sales and free distribution of Chinese language lifestyle magazines, the sales of advertising space in the magazines and provision of outdoor advertising services and e-commerce business.

The Property is sold subject to a tenancy agreement which will expire on December 2017. The Company intends to use the Property as office premises of the Group after the expiry of the tenancy agreement and recovery of vacant possession of the Property. The consideration was determined after arm's length negotiations between the Vendor and the Company with reference to the prevailing market value of properties of comparable size and quality in the nearby area where the Property is located as provided by the property agency company.

The Directors believe that the Acquisition can save the rental expenses of the Group and provide stable working environment for the Group in the long run, and is in the interests of the Company and its Shareholders as a whole. The Directors consider the terms of the Acquisition to be fair and reasonable.

FINANCIAL EFFECTS ON THE GROUP

It is expected that the consideration and the agency fee will be financed by internal resources, details of which will be further considered and decided by the Group. The Directors do not expect any significant financial impact on the Group due to the Acquisition.

GENERAL

The Acquisition constitutes a discloseable transaction for the Company under Rule 19.06(2) of the GEM Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the Provisional Agreement and the Formal Agreement
“Associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Company”	Winto Group (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed on GEM
“Completion”	proper completion of the Provisional Agreement and the Formal Agreement whereby the Purchaser shall acquire good title to the Property
“Directors”	the directors of the Company
“Formal Agreement”	the formal sale and purchase agreement to be entered into on or before 21 October 2016 between the Purchaser and the Vendor in relation to the Acquisition
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Property”	an office premises situate at Office B on 7/F, Valiant Commercial Building, Nos. 22–24 Prat Avenue, Tsim Sha Tsui, Kowloon, Hong Kong
“Provisional Agreement”	provisional agreement for sale and purchase dated 7 October 2016 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Purchaser”	Lucky Channel Limited, a limited company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.001 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
“subsidiaries”	has the meaning ascribed to it under the GEM Listing Rules

“Vendor”	Suncity Travel Company Limited, a limited company incorporated in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 7 October 2016

As at the date of this announcement, the Board comprises Mr. Kwan Shun Keung Timmy, Mr. Mak Wai Kit, Ms. Law Shiu Wai and Mr. Lan Zhi Cheng 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 Rules Governing the Listing of Securities on the Growth Enterprise Market 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>.