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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)

BUSINESS UPDATE

Winto Group (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to update the shareholders and potential investors of the Company of the recent developments of the business operations of the Group. Set out below is a summary of the unaudited operating results of the Group for the one month ended 30 November 2019, two months ended 31 December 2019, three months ended 31 January 2020 and four months ended 29 February 2020, respectively, comparing with the corresponding period of the previous year:

Business segment	Unaudited operating results of the Group							
	One month ended		Two months ended		Three months ended		Four months ended	
	30 November		31 December		31 January		29 February	28 February
	2019	2018	2019	2018	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue								
Advertising Business	1,857	54	7,535	75	9,254	110	10,301	128
- Print media and online media	1,857	54	7,347	75	8,891	110	9,369	128
- Advertising planning agency	0	0	113	0	288	0	565	0
- Design and production	0	0	75	0	75	0	367	0
Exhibition and Show Business	1,549	1,190	3,029	3,539	3,844	4,065	4,437	4,255
Total Revenue	3,406	1,244	10,564	3,614	13,098	4,175	14,738	4,383
Gross profit	1,916	514	7,034	694	8,173	632	9,091	592

After the change in control of the Company in November 2019, the Group had further expanded its core businesses, including its advertising business and exhibition and show business.

Revenue had increased rapidly from approximately HK\$4,383,000 for the four months ended 28 February 2019 to approximately HK\$14,738,000 for the four months ended 29 February 2020, which was mainly attributable to the increase in revenue of approximately HK\$10,173,000 generated from the advertising business.

Gross profit had increased significantly from approximately HK\$592,000 for the four months ended 28 February 2019 to approximately HK\$9,091,000 for the four months ended 29 February 2020.

Due to the recent social turmoil in Hong Kong and the current coronavirus outbreak, consumers' spending sentiment in advertisements had weakened and various events and exhibitions had postponed as expected. It is projected that the Group's estimated revenue and gross profit for the coming few months could deteriorate, but an increase in period-to-period estimate results is still anticipated. Furthermore, the Group's performance is anticipated to resume in the second half of year 2020 in line with the expected economic recovery. The Group will continue to use its best endeavours to implement its business development plan and improve the financial performance of the Group.

The Board wishes to remind the Shareholders and the potential investors of the Company that the financial information contained in this announcement is based on the management accounts of the Group and has not been audited. Shareholders and potential investors of the Company should exercise caution not to unduly rely on such information.

By order of the Board
Winto Group (Holdings) Limited
Li Ka Yee Daphne
Executive Director

Hong Kong, 13 March 2020

As at the date of this announcement, the Board comprises Mr. Hung Yuen Kin and Ms. Li Ka Yee Daphne as executive Directors, 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 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 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>.