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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)

(i) UNAUDITED MANAGEMENT ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020; AND (ii) CONTINUED SUSPENSION OF TRADING

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Reference is made to the announcement (the “**Announcement**”) of Winto Group (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 31 March 2021 in relation to, among other things, the delay in the publication of the 2020 Annual Results and despatch of 2020 Annual Report, and the continued suspension of trading. Capitalised terms used in this announcement shall bear the same meanings as those defined in the Announcement unless otherwise stated herein.

As disclosed in the Announcement, the delay in the release of the 2020 Annual Results and despatch of the 2020 Annual Report is due to the external auditor of the Company requiring additional time to complete all its audit procedures and necessary field work in Macau for the audit of the Group’s consolidated financial statements for the year ended 31 December 2020. As disclosed in the Company’s announcement dated 14 April 2021, HLB Hodgson Impey Cheng Limited has resigned as the auditor of the Company with effect from 14 April 2021 and the Board has resolved to appoint Moore Stephens CPA Limited as the new external auditor of the Company (“**Auditor**”) with effect from 14 April 2021 to fill the casual vacancy. The Company will continue to actively facilitate the audit process of the Auditor and work with the Auditor for the audit of the 2020 Annual Results in order to announce the 2020 Annual Results and despatch of the 2020 Annual Report as soon as possible.

To keep the shareholder and investors of the Company informed of the Group’s business, operation and financial position, the Board would like to provide the Shareholders and potential investors with the preliminary unaudited financial information of the Group for the year ended 31 December 2020 together with the audited comparative figures for the year ended 31 December 2019, which were prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”).

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Audited)
Continuing operations		
Revenue	35,994	20,605
Cost of sales	<u>(19,866)</u>	<u>(11,401)</u>
Gross profit	16,128	9,204
Other income	991	88
Operating expenses	(13,864)	(24,379)
Impairment loss recognised under expected credit loss model	–	(22,703)
Other gains or losses	–	(262)
Finance costs	<u>(1,871)</u>	<u>(1,541)</u>
Profit/(loss) before tax	1,384	(39,593)
Income tax expense	<u>(11)</u>	<u>(174)</u>
Profit/(loss) for the year from continuing operations	1,373	(39,767)
Discontinued operation		
Profit for the year from discontinued operation	<u>–</u>	<u>291</u>
Profit/(loss) for the year	<u>1,373</u>	<u>(39,476)</u>

	2020 HK\$'000 (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Other comprehensive (expense)/ income for the year		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value loss on equity instruments at fair value through other comprehensive income	–	(1,424)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translating foreign operations	–	(201)
Reclassification adjustment for a foreign operation disposed of	–	20
Other comprehensive (expense)/income for the year, net of income tax	–	(1,605)
Total comprehensive income/(expense) for the year	<u>1,373</u>	<u>(41,081)</u>
Profit/(loss) for the year attributable to:		
Owners of the Company		
– for continuing operations	1,502	(39,207)
– for discontinued operation	–	306
	<u>1,502</u>	<u>(38,901)</u>
Non-controlling interests		
– for continuing operations	(129)	(560)
– for discontinued operation	–	(15)
	<u>(129)</u>	<u>(575)</u>
	<u>1,373</u>	<u>(39,476)</u>

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Total comprehensive income/(expense) for the year attributable to:		
Owners of the Company	1,502	(40,408)
Non-controlling interests	<u>(129)</u>	<u>(673)</u>
	<u>1,373</u>	<u>(41,081)</u>
 From continuing and discontinued operations		
Profit/(loss) per share		
Basic and diluted (<i>HK cents</i>)	<u>0.35</u>	<u>(9.00)</u>
 From continuing operations		
Profit/(loss) per share		
Basic and diluted (<i>HK cents</i>)	<u>0.35</u>	<u>(9.08)</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Non-current assets		
Plant and equipment	901	1,450
Goodwill	1,399	1,399
Intangible assets	330	330
Rental deposit	<u>10,500</u>	<u>–</u>
	<u>13,130</u>	<u>3,179</u>
Current assets		
Trade and other receivables	11,071	8,766
Contract costs	4,311	870
Amount due from a non-controlling shareholder of a subsidiary	13	–
Tax recoverable	–	138
Bank balances and cash	<u>3,212</u>	<u>3,603</u>
	<u>18,607</u>	<u>13,377</u>
Current liabilities		
Trade and other payables	7,630	7,121
Contract liabilities	4,132	1,159
Other borrowing	7,000	10,000
Tax payables	<u>–</u>	<u>174</u>
	<u>18,762</u>	<u>18,454</u>
Net current liabilities	<u>(155)</u>	<u>(5,077)</u>
Total assets less current liabilities	<u>12,975</u>	<u>(1,898)</u>
Non-current liability		
Loan from a shareholder	<u>23,500</u>	<u>10,000</u>

	2020 HK\$'000 (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Net liabilities	<u>(10,525)</u>	<u>(11,898)</u>
Capital and reserves		
Share capital	8,640	8,640
Reserves	<u>(19,422)</u>	<u>(20,924)</u>
Total (capital deficiency)/ equity attributable to owners of the Company	(10,782)	(12,284)
Non-controlling interests	<u>257</u>	<u>386</u>
Total capital deficiency	<u>(10,525)</u>	<u>(11,898)</u>

The Board wishes to emphasize that the unaudited financial information of the Company set out above is extracted directly from the latest unaudited management accounts of the Company for the year ended 31 December 2020 (which is prepared in accordance with HKFRSs). The unaudited financial information of the Group sets out above has not been reviewed or audited by the Auditor, and is therefore subject to potential adjustments and finalisation pending the completion of the audit by the Auditor.

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. Further announcement(s) will be made by the Company in this respect as and when appropriate. 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, 15 April 2021

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>.