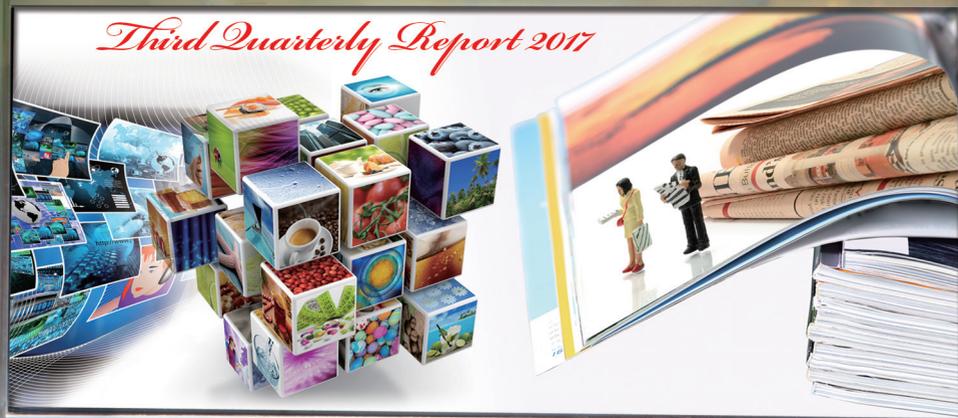


WINTO GROUP (HOLDINGS) LIMITED

惠陶集團(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8238



CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This report, for which the directors (the “Directors”) of Winto Group (Holdings) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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 report is accurate and complete in all material respects and not misleading and deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.



FINANCIAL RESULTS

The board of directors (the "Board") of Winto Group (Holdings) Limited (the "Company") is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (the "Group") for the nine months ended 30 September 2017 together with the comparative unaudited figures for the corresponding period in 2016 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three and nine months ended 30 September 2017

	Note	Three months ended 30 September		Nine months ended 30 September	
		2017 HK\$ (Unaudited)	2016 HK\$ (Unaudited)	2017 HK\$ (Unaudited)	2016 HK\$ (Unaudited)
Continuing operations					
Revenue	3	8,102,341	8,424,961	24,771,302	24,767,463
Cost of sales		(6,788,945)	(8,788,950)	(21,686,194)	(25,260,292)
Gross profit/(loss)		1,313,396	(363,989)	3,085,108	(492,829)
Other income		336,504	3,233	661,717	19,036
Operating expenses		(4,738,491)	(5,883,055)	(15,099,782)	(13,102,666)
Loss from operations		(3,088,591)	(6,243,811)	(11,352,957)	(13,576,459)
Fair value change on financial assets at fair value through profit or loss		—	(5,596,800)	(590,043)	(4,727,271)
Share of loss of associates		—	—	—	(200,000)
Other gain or losses		155,867	—	87,196	—
Gain on disposal of associates		—	—	2,000,000	—
Finance costs		(267,586)	(902,963)	(2,201,868)	(944,112)
Loss before tax		(3,200,310)	(12,743,574)	(12,057,672)	(19,447,842)
Income tax credit (expense)	4	5,706	(268,271)	(22,107)	(537,955)
Loss for the period from continuing operation		(3,194,604)	(13,011,845)	(12,079,779)	(19,985,797)
Discontinued operations					
Profit/(loss) for the period from discontinued operations	5	6,354,522	(440,745)	5,769,168	(440,745)
Profit/(loss) for the period		3,159,918	(13,452,590)	(6,310,611)	(20,426,542)

Note	Three months ended 30 September		Nine months ended 30 September	
	2017 HK\$ (Unaudited)	2016 HK\$ (Unaudited)	2017 HK\$ (Unaudited)	2016 HK\$ (Unaudited)
Other comprehensive (expenses)/ income: Item that may be reclassified subsequently to profit or loss: Exchange differences on translation of foreign operation	(82,606)	1,053	(309,154)	1,053
Total comprehensive income/ (expenses) for the period	3,077,312	(13,451,537)	(6,619,765)	(20,425,489)
Loss for the period from continuing operations attributable to:				
Owners of the Company	(2,973,360)	(13,011,845)	(11,377,724)	(19,985,797)
Non-controlling interests	(221,244)	—	(702,055)	—
	(3,194,604)	(13,011,845)	(12,079,779)	(19,985,797)
Profit/(loss) for the period from discontinued operations attributable to:				
Owners of the Company	6,374,584	(343,409)	6,112,207	(343,409)
Non-controlling interests	(20,062)	(97,336)	(343,039)	(97,336)
	6,354,522	(440,745)	5,769,168	(440,745)
Total comprehensive income/ (expenses) attributable to:				
Owners of the Company	3,353,976	(13,354,201)	(5,455,821)	(20,328,153)
Non-controlling interests	(276,664)	(97,336)	(1,163,944)	(97,336)
	3,077,312	(13,451,537)	(6,619,765)	(20,425,489)
Basic profit/(loss) per share				
From continuing and discontinued operations (HK Cents)	7	0.04	(0.19)	(0.06)
From continuing operations (HK cents)	7	(0.03)	(0.18)	(0.27)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2017

	Share capital HK\$	Share premium HK\$	Exchange reserve HK\$	Accumulated losses HK\$	Total HK\$	Non-controlling interests HK\$	Total HK\$
Balance at 1 January 2016 (audited)	7,200,000	57,469,914	—	(666,711)	64,003,203	—	64,003,203
Loss for the period	—	—	—	(20,329,206)	(20,329,206)	(97,336)	(20,426,542)
Other comprehensive income: Exchange gain on translation of foreign operations	—	—	1,053	—	1,053	—	1,053
Total comprehensive (expense)/ income for the period	—	—	1,053	(20,329,206)	(20,328,153)	(97,336)	(20,425,489)
Acquisition of subsidiaries	—	—	—	—	—	391,212	391,212
Balance at 30 September 2016 (unaudited)	7,200,000	57,469,914	1,053	(20,995,917)	43,675,050	293,876	43,968,926
Balance at 1 January 2017 (audited)	8,640,000	94,330,810	(1,844)	(26,959,735)	76,009,231	(1,203,324)	74,805,907
Loss for the period	—	—	—	(5,265,516)	(5,265,516)	(1,045,095)	(6,310,611)
Other comprehensive expense: Exchange gain on translation of foreign operations	—	—	(190,305)	—	(190,305)	(118,849)	(309,154)
Total comprehensive expense for the period	—	—	(190,305)	(5,265,516)	(5,455,821)	(1,163,944)	(6,619,765)
Disposal of subsidiaries	—	—	157,656	—	157,656	860,276	1,017,932
Balance at 30 September 2017 (unaudited)	8,640,000	94,330,810	(34,493)	(32,225,251)	70,711,066	(1,506,992)	69,204,074



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL RESULTS

1. BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands on 7 December 2012, as an exempted company with limited liability under the Companies Law (as Revised) of the Cayman Islands. The Company's shares are listed on the GEM since 16 February 2015 (the "Listing").

The unaudited condensed consolidated financial results of the Group for the nine months ended 30 September 2017 are presented in Hong Kong dollars ("HK\$") which is also the functional currency of the Company, unless otherwise stated.

The unaudited condensed consolidated financial results of the Group for the nine months ended 30 September 2017 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the GEM Listing Rules. The unaudited condensed consolidated financial results have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES

The preparation of the unaudited condensed consolidated financial results in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The unaudited condensed consolidated financial results should be read in conjunction with the Group's audited consolidated financial statements and notes thereto for the year ended 31 December 2016.

Adoption of new/revised HKFRS

The adoption of the new/revised HKFRS that are relevant to the Group and effective from the current period, did not have any significant effect on the results and financial position of the Group for the current and prior accounting periods.

The Group has not early adopted any new/revised HKFRS that have been issued but are not yet effective for the current period. The Directors have already commenced an assessment of the impact of these new and revised HKFRS but are not yet in a position to reasonably estimate whether these new and revised HKFRS would have a significant impact on the Group's results of operations and financial position.

3. REVENUE

The principal activities of the Group are (i) sales and free distribution of Chinese lifestyle magazines, the sales of advertising space in the magazines; (ii) provision of outdoor advertising service; and (iii) mobile phone apps development, provision of apps solutions and provision of online marketing planning and production.

The amount of each significant category of revenue recognised in turnover during the period from continuing operations is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2017 HK\$ (Unaudited)	2016 HK\$ (Unaudited)	2017 HK\$ (Unaudited)	2016 HK\$ (Unaudited)
Printed media advertising	528,939	2,768,502	1,247,988	7,391,826
Outdoor advertising	5,814,460	5,612,197	16,348,936	17,223,385
Sales of magazines	30,772	44,262	114,610	152,252
Provision of mobile app development service	1,728,170	—	7,059,768	—
	8,102,341	8,424,961	24,771,302	24,767,463

4. INCOME TAX (CREDIT) EXPENSES

Income tax recognised in profit or loss from continuing operations:

	Three months ended 30 September		Nine months ended 30 September	
	2017 HK\$ (Unaudited)	2016 HK\$ (Unaudited)	2017 HK\$ (Unaudited)	2016 HK\$ (Unaudited)
Current tax:				
Hong Kong	(5,706)	268,271	22,107	537,955
	(5,706)	268,271	22,107	537,955

Hong Kong profits tax has been provided at the rate of 16.5% (three and nine months ended 30 September 2016: 16.5%) on the estimated assessable profit during the period arising in or derived from Hong Kong.

The tax rate applicable to the PRC subsidiaries in the Group were 25% (three and nine months ended 30 September 2016: 25%) during the period. However, no provision for PRC enterprise income tax has been made in the financial statements for the nine months ended 30 September 2017 (three and nine months ended 30 September 2016: Nil) as the PRC subsidiaries did not generate any assessable profit for the period.

5. DISCONTINUED OPERATIONS

On 5 June 2017, the Company entered into a disposal agreement with an independent third party, pursuant to which the Company disposed of its entire interests in Lasermoon Limited (“Lasermoon”). Lasermoon and its subsidiaries (the “Lasermoon Group”) is engaged in internet information technology development, e-commerce, sales, installation, testing and maintenance of information system, development of software and trading of LNG and other related products in PRC. The disposal was completed in July 2017.

The profit for the period from the discontinued operations is set out below. The comparative figures in the unaudited condensed consolidated statement of profit or loss and other comprehensive income have been restated to re-present the LNG and related products trading business as a discontinued operation.

	Three months ended 30 September		Nine months ended 30 September	
	2017 HK\$ (Unaudited)	2016 HK\$ (Unaudited)	2017 HK\$ (Unaudited)	2016 HK\$ (Unaudited)
Loss of LNG and related products trading business	(36,485)	(440,745)	(621,839)	(440,745)
Gain on disposal of LNG and related products trading business	6,391,007	—	6,391,007	—
	6,354,522	(440,745)	5,769,168	(440,745)

6. DIVIDEND

No dividend has been paid or proposed by the Group for the nine months ended 30 September 2017 (nine months ended 30 September 2016: nil).

7. PROFIT/(LOSS) PER SHARE

From continuing operations

The calculation of basic loss per share from continuing operations attributable to owners of the Company is based on the following data:

	Three months ended 30 September		Nine months ended 30 September	
	2017 HK\$ (Unaudited)	2016 HK\$ (Unaudited)	2017 HK\$ (Unaudited)	2016 HK\$ (Unaudited)
Loss attributable to owners of the Company for the purpose of basic loss per share	(2,973,360)	(13,011,845)	(11,377,724)	(19,985,797)
Weighted average number of ordinary shares for the purpose of basic loss per share	8,640,000,000	7,200,000,000	8,640,000,000	7,200,000,000
Basic loss per share	HK\$(0.03) cents	HK\$(0.18) cents	HK\$(0.13) cents	HK\$(0.27) cents

From discontinued operations

Basic profit per share from discontinued operations is HK\$0.07 cents per share (nine months ended 30 September 2016: HK\$0.01 cents loss per share) based on the profit for the period from discontinued operations of HK\$6,112,207 (nine months ended 30 September 2016: loss of HK\$343,409) and the denominators detailed above for basic loss per share.

No presentation of diluted loss per share for the nine months ended 30 September 2017 and 2016 as there were no potential ordinary shares outstanding for both periods.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

In March 2017, the Group completed the disposal of 20% equity interests in Strategist Media Holdings Limited (the “SMHL”). The consideration was HK\$2 million.

In March 2017, the Group completed the acquisition of 100% equity interests in i-Lend Finance Limited (“i-Lend”). The consideration was HK\$450,000. i-Lend is a licensed money lender that is regulated under the Money Lenders Ordinance in Hong Kong. The Directors considered that i-Lend could broaden the Group’s revenue source and leverage with the existing business. However, i-Lend has never commenced operation due to lack of senior management to monitor the overall money lending business and fix up the business development plan. In October 2017, the Group completed the disposal of 100% equity interests in i-Lend. The consideration was approximately HK\$834,000.

On 5 June 2017, the Company and an independent third party entered into a disposal agreement, pursuant to which the Company conditionally agreed to sell, and the purchaser conditionally agreed to acquire the 100% of the issued share capital of Lasermoon, at the consideration of HK\$36 million. The disposal represented an opportunity for the Group to realise its investment in Lasermoon, avoid substantial amount of further investment and reduce its liability level. A gain of approximately HK\$6.4 million (subject to final audit) was recorded. The disposal was completed in July 2017.

The advertising industry, especially the traditional media, remains challenging and the economic outlook is still uncertain. In May 2017, the Group suspended the publication of two of the Group’s magazines, namely, Pets Buyer and Bplus, and since November 2017, the publication of one more Group’s magazine, Motoz Xpress, has been suspended. In September 2017, the Group terminated the publication of Pets Buyer and Bplus. The Group will reallocate the resources to and focus on the development of the Group’s remaining magazines.

The Group will continue to look for other opportunities in an attempt to diversify its business in order to reduce its reliance upon the existing magazine and advertising business. The Group will also continue to review and integrate its business units so as to reduce costs and enhance return to shareholders.



FINANCIAL REVIEW

Revenue

Total revenue increased by approximately 0.02% from approximately HK\$24,767,000 for the nine months ended 30 September 2016 to approximately HK\$24,771,000 for the nine months ended 30 September 2017. It was mainly attributable to the Group's new mobile app development business which generated approximately HK\$7,060,000 revenue for the nine months ended 30 September 2017. However, due to reduction in numbers of clients in printed media advertising business, revenue generated therefrom decreased from approximately HK\$7,392,000 for the nine months ended 30 September 2016 to approximately HK\$1,248,000 for the nine months 30 September 2017. Revenue from outdoor advertising business decreased from approximately HK\$17,223,000 for the nine months ended 30 September 2016 to approximately HK\$16,349,000 for the nine months 30 September 2017.

Cost of Sales

The Group's major cost of sales included transportation and outdoor billboard rental and licence fee payable to the taxi owners, minibus owners and billboard owners for provision of outdoor advertising services.

Cost of sales decreased from approximately HK\$25,260,000 for the nine months ended 30 September 2016 to approximately HK\$21,686,000 for the nine months 30 September 2017, representing a decrease of 14.1%. The decrease in cost of sales was mainly attributable to the decrement of the cost derived from outdoor advertising business.

Gross Profit/(Loss)

The Group turned from a gross loss of approximately HK\$493,000 for the nine months ended 30 September 2016 to a gross profit of approximately HK\$3,085,000 for the nine months 30 September 2017. The Group's gross profit was mainly attributable to the gross profit derived from provision of mobile app development service business and outdoor advertising business.

Fair Value Change on Financial Assets at Fair Value through Profit or Loss

During the nine months ended 30 September 2017, the Group recorded unrealised decreased of fair value changes on financial assets at fair value through profit or loss of approximately HK\$590,000 (nine month ended 30 September 2016: HK\$4,727,000).

Operating Expenses

The operating expenses of the Group increased by approximately 15.2% from approximately HK\$13,103,000 for the nine months ended 30 September 2016 to approximately HK\$15,100,000 for the nine months ended 30 September 2017. The increase in the operating expenses was primarily attributable to new mobile app development business.

Loss from continuing operations Attributable to Owners of the Company

During the nine months ended 30 September 2017, the Group's loss attributable to owners of the Company decreased to approximately HK\$11,378,000 from approximately HK\$19,986,000 for the nine months ended 30 September 2016. This was mainly attributable to (i) gain on disposal of associates; (ii) reduction in loss derived from outdoor advertising business; and (iii) a reduction in the decrease of fair value change on financial assets at fair value through profit or loss. But it was partly offset by (i) the loss generated by printed media advertising business and new mobile app development business; (ii) the amortization of promissory notes measured at amortized cost for the nine months ended 30 September 2017; and (iii) professional fee in relation to the disposal of Lasermoon Group.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2017, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

LONG POSITIONS IN THE SHARES

Name of Director	Nature of interest	Number of Shares or Underlying Shares	Approximate percentage of shareholding interests
Mr. Tang Yau Sing ("Mr. Tang")	Interests in a controlled corporation (Note)	360,000,000	4.17%

Notes: These shares are directly held by Maxace Holdings Limited, which is wholly owned by Mr. Tang.



Save as disclosed above, as at 30 September 2017, none of the Directors nor chief executives had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or were recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2017, so far as the Directors were aware, the following persons (other than the Directors or chief executive of the Company) had or were deemed or taken to have an interest and/or short position in the Shares or the underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO, and/or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

LONG POSITIONS IN THE SHARES

Name	Nature of interests	Number of Shares or Underlying Shares	Approximate percentage of shareholding interests
Shareholder Value Fund	Beneficial owner	2,531,656,000	29.30%
CM Asset Management (Hongkong) Company Limited	Fund manager	2,531,656,000	29.30%
Mr. Wong Man Hin Charles	Beneficial owner (Note 1)	1,704,232,000	19.72%
Ms. Loo Chi Yiu	Family interests (Note 1)	1,704,232,000	19.72%
Flame Capital Limited	Beneficial owner (Note 2)	846,000,000	9.79%
Ms. Chung Oi Ling Stella	Interests in a controlled corporation (Note 2)	846,000,000	9.79%



Notes:

1. Ms. Loo Chi Yiu is the spouse of Mr. Wong Man Hin Charles (“Mr. Wong”) and deemed to be interested in the 1,704,232,000 shares held by Mr. Wong.
2. The entire issued share capital of Flame Capital Limited is owned by Ms. Chung Oi Ling Stella.

Save as disclosed above, as at 30 September 2017, the Directors were not aware of any other persons who had any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register required to be kept under Section 336 of the SFO, and/or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

SHARE OPTION SCHEME

The Company has a share option scheme (the “Scheme”) which was approved and adopted by the sole shareholder of the Company by way of written resolutions passed on 23 January 2015. No share option has been granted under the Scheme since its adoption.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES

At no time during the nine months ended 30 September 2017 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the nine months ended 30 September 2017, the Company did not redeem any of its shares, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company’s shares.



COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings concerning securities transaction by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having been made specific enquiry, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding Directors' securities transactions during the nine months ended 30 September 2017.

INTERESTS IN COMPETING BUSINESS

Interests of Directors in businesses which might compete with the Group during the nine months ended 30 September 2017 were as follows:

Mr. Lan Zhi Cheng, a former executive Director (appointed on 8 September 2016 and resigned on 2 August 2017), is also an executive director of Affluent Partners Holding Limited ("Affluent Partners") (HKEx Stock Code: 1466), which is engaged in money lending business in Hong Kong. Mr. Pang Siu Yin, an independent non-executive Director since 24 July 2015, is also an independent non-executive director of Affluent Partners. Although the business nature of Affluent Partners is partially similar to that of i-Lend, a money lending business acquired by the Group in March 2017 and disposed of in October 2017, which had never commenced operations. Affluent Partners and i-Lend are of different scale and are operating independently. Therefore, the Board is of the view that the businesses of Affluent Partners did not compete with the businesses of the Group.

Mr. Tsang Ho Ka Eugene, who has been appointed as an independent non-executive Director since 23 January 2015, is also the managing director of New Horizon Capital (Group) Limited and New Horizon Finance (HK) Limited ("New Horizons"), both of which are principally engaged in the business including private equity investment in Hong Kong, the PRC and overseas, and New Horizon Finance (HK) Limited also engaged in the money lending business in Hong Kong. Although the business nature of the New Horizons is partially similar to that of i-Lend, a newly acquired money lending business which has not commenced operations, New Horizons and i-Lend are of different scale and are operating independently. Therefore, the Board is of the view that the businesses of the New Horizons did not compete with the businesses of the Group.

Save as disclosed above, as far as the Directors are aware of, none of the Directors have any interests in a business which competes or may compete with the business of the Group or have any other conflict of interests with the Group during the nine months ended 30 September 2017.



INTERESTS OF THE COMPLIANCE ADVISER

Mr. Wong Man Hin Charles was interested in 19.72% of the issued share capital of the Company. Mr. Wong holds the position as managing director of VC Brokerage Limited, a wholly owned subsidiary of the holding company of VC Capital Limited (namely Value Convergence Holdings Limited with stock code: 821). He is also a member of senior management and a non-voting member of the executive committee of Value Convergence Holdings Limited. As at 30 September 2017, as notified by the Company's compliance adviser, VC Capital Limited (the "Compliance Adviser"), save for disclosed and except for the compliance adviser agreement entered into between the Company and the Compliance Adviser on 27 March 2014, neither the Compliance Adviser nor its directors, employees or close associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

VC Capital Limited has resigned as Compliance Advisor to the Company with effect from 26 October 2017.

AUDIT COMMITTEE

The Company has established an audit committee (the "Committee") with the written terms of reference in compliance with the GEM Listing Rules. As at the date of this report, the Committee consists of three independent non-executive Directors, namely Ms. Wong Fei Tat (chairman of the Committee), Mr. Tsang Ho Ka Eugene and Mr. Pang Siu Yin. The Committee has reviewed the unaudited condensed consolidated financial results of the Group for the nine months ended 30 September 2017.



CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. The Directors consider, the Company has complied with the Corporate Governance Code (the "Code") for the reporting period, except for Code Provision A.2.1.

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer ("CEO") should be separated and should not be performed by the same person. The Company currently has no chairman or CEO. Decisions of the Company are made collectively by the executive Directors. The Board believes that the present arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company's objectives efficiently and effectively in response to the changing environment.

The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, comply with regulatory requirements and meet the growing expectations of the shareholders and investors.

By Order of the Board
Winto Group (Holdings) Limited
Mak Wai Kit
Executive Director

Hong Kong, 4 November 2017

As at the date of this report, the Board comprises Mr. Mak Wai Kit, Ms. Law Shiu Wai and Mr. Tang Yau Sing 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.