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Winning Tower Group Holdings Limited

運興泰集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8362)

PROFIT WARNING

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Law of Hong Kong).

The Board of directors (the “**Board**”) of Winning Tower Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the latest unaudited financial information, the Group is expected to record a net loss for the nine months ended 30 September 2019 as compared with last year’s net profit of the corresponding period which was largely due to (i) change of customers’ preference as a result of the outbreak of swine flu in China early this year, leading to a change of product mix from pork to chicken, lowering the revenue (as the selling price per kg of our chicken products are lower than pork products) and gross profit margin (as the cost of chicken raw materials has increased substantially); (ii) increase in storage cost due to piling up stock of chicken raw material in anticipation of rising prices of chicken from China because of rising prices of chicken feed arisen from the trade dispute between China and The United States and the increased demand for chicken as an alternative to pork in China; (iii) increase in operating expenses, such as depreciation and staff cost.

As the Company is in the process of finalising the third quarterly results of the Group for the nine months ended 30 September 2019, the information contained in this announcement is only based on the preliminary assessment by the Company with reference to the information currently available and the consolidated management accounts of the Group, which have neither been confirmed nor audited by the Company’s auditor or reviewed by the audit committee of the Company, and may be subject to necessary adjustments. Detailed financial results of the Group for the nine months ended 30 September 2019 will be announced on or before 6 November 2019.

Potential investors and shareholders of the Company should exercise caution when dealing in shares of the Company.

By order of the Board
Winning Tower Group Holdings Limited
Lai King Wah
Chairman and Executive Director

Hong Kong, 29 October 2019

As at the date of this announcement, the executive directors are Mr. Lai King Wah, Mr. Lai Ho Yin Eldon and Mr. Ho Timothy Kin Wah; the non-executive directors are Mr. Yu Ting Hei, Mr. Chow Kuen Chung and Ms. Ou Honglian; and the independent non-executive directors are Mr. Chau Chun Wai, Mr. Lo Sun Tong and Mr. Lam Lai Kiu Kelvin.

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 www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.wtgl.hk.