

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Winning Tower Group Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

MAJOR AND CONNECTED TRANSACTIONS AND NOTICE OF EGM

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



Innovax Capital Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 5 to 16 of this circular. A letter from the Independent Board Committee is set out on pages 17 and 18 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 19 to 31 of this circular.

A notice convening the EGM to be held at Units 329–330, 3/F, Hankow Centre, 5–15 Hankow Road, Tsim Sha Tsui, Kowloon, Hong Kong on Monday, 9 September 2019 at 3:00 p.m. is set out on pages 51 to 53 of this circular.

Whether or not you are able to attend the EGM or any adjourned meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

23 August 2019

CHARACTERISTICS OF GEM

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.

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DEFINITIONS

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

“associate”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and Sunday, public holiday in Hong Kong and any day on which a tropical cyclone warning signal No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. or on which a “black” rainstorm warning is issued or remains in effect between 9:00 a.m. and 5:00 p.m. on which licensed banks in Hong Kong are open for general business
“BVI”	the British Virgin Islands
“Company”	Winning Tower Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange (Stock Code: 8362)
“Completion”	Completion of the sale and purchase of each of the Properties in accordance with the terms and conditions of each of the Property Disposal Agreements respectively, as further described under the section headed “Major terms of the Property Disposal Agreements — Completion”
“Completion Date”	within ten (10) Business Days following the day on which all the Conditions are satisfied in full or waived (as the case may be), or such other date as the parties may agree being the date on which Completion occurs
“Condition(s)”	the conditions precedent to Completion pursuant to the Property Disposal Agreements, as further described under the section headed “Major terms of the Property Disposal Agreements — Conditions”
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Properties under the Property Disposal Agreements

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened and held at Units 329–330, 3/F, Hankow Centre, 5–15 Hankow Road, Tsim Sha Tsui, Kowloon, Hong Kong on Monday, 9 September 2019 at 3:00 p.m. for the Independent Shareholders to consider and, if thought fit, approving the Property Disposal Agreements, Leasing Agreements and the transactions contemplated thereunder, or where the context so admits, any adjournment of such extraordinary general meeting
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Government”	the government of Hong Kong
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“HKFRS(s)”	Hong Kong Financial Reporting Standard(s) issued by the Hong Kong Institute of Certified Public Accountants from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Iao Ip Property”	Iao Ip Property Investment Company Limited, a company incorporated in Hong Kong and is owned as to 20% by Mr. Yu and as to 80% in aggregate by three associates of Mr. Yu
“Independent Board Committee”	the independent board committee, comprising all independent non-executive Directors, formed to advise the Independent Shareholders in respect of the Property Disposal Agreements and the transactions contemplated thereunder
“Independent Financial Adviser”	Innovax Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Property Disposal Agreements and the transactions contemplated thereunder
“Independent Property Valuer”	AVISTA Valuation Advisory Limited

DEFINITIONS

“Independent Shareholders”	the Shareholders who, under the GEM Listing Rules, are not required to abstain from voting for the resolutions approving the Property Disposal Agreements, the Leasing Agreements and the transactions contemplated thereunder
“Keyview Ventures”	Keyview Ventures Limited (建景創投有限公司), a company incorporated in the BVI with limited liability on 31 October 2016 and a controlling shareholder of the Company holding 75% of the issued shareholding of the Company
“Latest Practicable Date”	15 August 2019, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“Leasing”	the lease of the Properties by the Group pursuant to the Leasing Agreements
“Leasing Agreements”	the two leasing agreements to be entered into between Iao Ip Property (as landlord) and Winning Tower Group (as tenant) in relation to the leasing of each of the Properties on their respective Completion Date
“Long Stop Date”	30 September 2019, or such later date as all parties may agree in writing
“Mr. Yu”	Mr. Yu Ting Hei, our non-executive Director and one of the controlling shareholders of the Company
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Properties”	two properties: (i) the workshop, warehouse and ancillary office located at Unit 803, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong; and (ii) the workshop and warehouse located at Unit 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong
“Property Disposal Agreements”	the two sale and purchase agreements both dated 2 July 2019 and entered into between Iao Ip Property (as purchaser) and Winning Tower Group (as vendor) in relation to the sale and purchase of each of the Properties respectively
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Shareholder(s)”	the holder(s) of the Shares
“Shares”	ordinary shares in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Winning Tower Group”	Winning Tower Group Limited (運興泰集團有限公司), a company incorporated in Hong Kong with limited liability on 21 January 2015 and an indirect wholly-owned subsidiary of the Company
“sq. ft.”	square feet
“%”	per cent.

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Lai King Wah (*Chairman*)
Mr. Lai Ho Yin Eldon
Mr. Ho Timothy Kin Wah

Non-executive Directors:

Mr. Yu Ting Hei
Mr. Chow Kuen Chung
Ms. Ho Lai Sze Jacqueline

Independent Non-executive Directors:

Mr. Chau Chun Wai
Mr. Lo Sun Tong
Mr. Lam Lai Kiu Kelvin

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal place of business
in Hong Kong:*

Unit 803, 8/F, Riley House
88 Lei Muk Road, Kwai Chung
New Territories, Hong Kong

23 August 2019

**MAJOR AND CONNECTED TRANSACTIONS
AND
NOTICE OF EGM**

To the Shareholders

Dear Sir or Madam,

INTRODUCTION

Reference is made to the announcement of the Company dated 2 July 2019.

On 2 July 2019 (after trading hours), Winning Tower Group entered into the Property Disposal Agreements with Iao Ip Property, pursuant to which Iao Ip Property has conditionally agreed to acquire and Winning Tower Group has conditionally agreed to sell the Properties at the aggregate consideration of HK\$45,516,400.

As at the Latest Practicable Date, the Group used the Properties for its operation in Hong Kong. Upon Completion, the Properties will be wholly-owned by Iao Ip Property.

Pursuant to the Property Disposal Agreements, Iao Ip Property and Winning Tower Group shall enter into the respective Leasing Agreement upon the respective Completion that Iao Ip Property (as landlord) shall lease to Winning Tower Group (as tenant) the Properties for a term of three years commencing from the respective Completion Date.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details of the Property Disposal Agreements, the Leasing Agreements and the transactions contemplated thereunder; (ii) certain financial information as required under the GEM Listing Rules; (iii) further information on the Group; (iv) the valuation report on the Properties; and (v) a notice of the EGM.

MAJOR TERMS OF THE PROPERTY DISPOSAL AGREEMENTS

Major terms of the Property Disposal Agreements and the transactions contemplated thereunder are set out below:

- Date: 2 July 2019
- Parties: Iao Ip Property (as purchaser); and Winning Tower Group (as vendor)
- Subject matter: Iao Ip Property has conditionally agreed to acquire and Winning Tower Group has conditionally agreed to sell the Properties.
- Consideration: The consideration about the sale and purchase of Unit 803, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong is HK\$27,645,000, while the consideration about the sale and purchase of Unit 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong is HK\$17,871,400. Thus, the consideration in aggregate under the Property Disposal Agreements equals to the sum of HK\$45,516,400. The consideration shall be paid and satisfied by cashier order or solicitors' cheque upon the respective Completion.
- Conditions: Respective Completion is subject to the satisfactory fulfillment and/or waiver of the following Conditions:
- (a) all necessary approvals by the government and regulatory authorities (including but not limited to the Stock Exchange), corporate approvals and consents for the transactions contemplated under the respective Property Disposal Agreement being obtained;
 - (b) in relation to the transactions contemplated in the respective Property Disposal Agreement, all relevant regulatory requirements (including but not limited to those under the GEM Listing Rules) having been complied with and satisfied;

LETTER FROM THE BOARD

- (c) the Vendor shall prove its title to the respective Property in accordance with Section 13 of the Conveyancing and Property Ordinance (Chapter 219) and the mechanisms under the respective Property Disposal Agreement;
- (d) all representations, warranties and undertakings given by each of Winning Tower Group and Iao Ip Property under the respective Property Disposal Agreement having remained true and accurate in all material respects; and
- (e) there not having been, at any time before the respective Completion Date:
 - (I) any adverse change or any prospective adverse change in the conditions (financial, business, operations, prospects or otherwise) of the Group which is material in the context of the transaction contemplated in the respective Property Disposal Agreement;
 - (II) the occurrence of any event or the existence of any circumstance which would render any of the representations, warranties and undertakings given by each of Winning Tower Group and Iao Ip Property under the respective Property Disposal Agreement untrue or inaccurate in any material respect; and
 - (III) the occurrence of any breach of the terms of the respective Property Disposal Agreement or any undertakings given by each of Winning Tower Group and Iao Ip Property as set out in the respective Property Disposal Agreement.

Winning Tower Group may at any time waive in writing any Conditions (other than Conditions (a), (b) and (c) above) and such waiver(s) may be made subject to such terms and conditions as may be determined by Winning Tower Group. Conditions (a), (b) and (c) above are not capable of being waived by Winning Tower Group.

LETTER FROM THE BOARD

If the Conditions have not been fulfilled or waived by Winning Tower Group (as the case may be) at or before 12:00 noon on the Long Stop Date (or such later date as all parties may agree in writing), the respective Property Disposal Agreement shall lapse, whereupon all rights and obligations of the parties shall cease to have effect except in respect of any accrued rights and obligations of the parties.

Completion: Completion shall take place on the Completion Date at which shall not be later than Long Stop Date or such other day as all parties may agree in writing.

At the respective Completion, the respective Property will cease to be held by the Group, and Iao Ip Property and Winning Tower Group shall execute the respective Leasing Agreement. The Group intends to continue with its operations at the Properties after Completion. For further details, please refer to the section headed “Major terms of the Leasing Agreements” below.

MAJOR TERMS OF THE LEASING AGREEMENTS

Major terms of the Leasing Agreements and the transactions contemplated thereunder are set out below:

Date:	Respective Completion Date
Parties:	Iao Ip Property (as landlord); and Winning Tower Group (as tenant)
Subject matter:	Iao Ip Property shall lease the Properties to Winning Tower Group as the workshop, warehouse and ancillary office of the Group.
Term:	Three (3) years commencing from the respective Completion Date
Rent:	For Unit 803, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong, at HK\$87,300 per calendar month, while for Unit 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong, at HK\$56,436 per calendar month, in aggregate at HK\$143,736 per calendar month, inclusive of property tax, management fee, government rent and rates but exclusive of water, gas and electricity charges

LETTER FROM THE BOARD

Option to renew: Winning Tower Group shall have the right to renew the tenancy upon expiry of the initial term for a further term of three (3) years at the then current market rent

INFORMATION OF THE GROUP AND IAO IP PROPERTY

The Group is a food supplier focusing on processed raw and cooked food products in Hong Kong.

As at the Latest Practicable Date, Iao Ip Property was owned as to 20% by Mr. Yu and as to 80% in aggregate by three associates of Mr. Yu. Mr. Yu is our non-executive Director and one of the controlling shareholders of the Company. Iao Ip Property is a property holding company.

INFORMATION OF THE PROPERTIES

As at the Latest Practicable Date and immediately before the Completion, the Properties were wholly owned by Winning Tower Group. The details of the Properties are set out below:

Address	Usage	Approximate saleable area
Unit 803, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	Workshop, warehouse and ancillary office	5,511 sq. ft.
Unit 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	Workshop and warehouse	3,563 sq. ft.

Details of the reconciliation of the valuation figures and balance sheet figures of the Properties as at 31 May 2019 are set out below:

	Unit 803, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong HK\$	Unit 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong HK\$	Total HK\$
Net book value of the Property in the Balance Sheet	26,200,000	17,000,000	43,200,000
Add: Appreciation on valuation	300,000	100,000	400,000
Fair value of the Property as stated in the valuation report	26,500,000	17,100,000	43,600,000

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE DISPOSAL

The Properties were used by the Group for its operations as at the Latest Practicable Date. The unaudited net book value of the Properties as at 31 May 2019 was approximately HK\$43.2 million in total. Upon Completion, the Properties will cease to be held by the Group.

The consideration under the Property Disposal Agreements was determined after arm's length negotiations between Winning Tower Group and Iao Ip Property with reference to, among others, the valuation in relation to the Properties conducted by the Independent Property Valuer. The consideration for the sale of the Properties under the Property Disposal Agreements is in excess of approximately HK\$2.3 million (representing approximately 5.3% premium) as compared to its net book value.

As such, the Group expects to record a gain of approximately HK\$2.3 million (subject to adjustment and audit) from the Disposal. This amount is calculated based on the difference between the consideration of the Disposal and the net book value of the Properties. The actual gain to be recorded by the Company can only be ascertained when the consolidated net book values of the Properties and the incidental transaction cost are determined upon Completion.

Further, based on the unaudited financial information of the Group as at 31 May 2019 and assuming that there will be no substantial changes in the assets and liabilities of the Properties until the Completion and the Lease Agreements were effective on the Completion Date, it is expected that:

Effect of the Disposal —

- (i) the total non-current assets of the Group will decrease by approximately HK\$43.2 million due to the Properties will no longer be consolidated into the Group's consolidated financial statements;
- (ii) the total current assets of the Group will increase by approximately HK\$45.5 million due to the increase in receivables or cash and bank balances; and
- (iii) the net assets of the Group will increase by approximately HK\$2.3 million due to the net gain from the Disposal.

Effect of the Leasing —

- (i) the total assets of the Group will increase by approximately HK\$5.0 million due to the recognition of the right-of-use assets at the Completion Date;
- (ii) the total liabilities of the Group will increase by approximately HK\$5.0 million due to the recognition of lease liabilities at the Completion Date; and
- (iii) the net assets of the Group will not be affected at the Completion Date.

Nevertheless, the actual impact of the Disposal to be recognised by the Group will be subject to the then financial position of the Group upon Completion.

LETTER FROM THE BOARD

OTHER INFORMATION ABOUT THE LEASING AGREEMENTS

Winning Tower Group (as tenant) entered into a tenancy agreement (the “**Warehouse Tenancy Agreement**”) dated 20 September 2018 with Iao Ip Property (as landlord), pursuant to which Iao Ip Property agreed to lease Unit 1002, 10/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong to Winning Tower Group for a term of three years commencing from 1 October 2018 and ending on 30 September 2021 (both days inclusive) at the monthly rent of HK\$65,000 (inclusive of property tax but exclusive of management fee, government rent, rates and water, gas and electricity charges).

Being a continuing connected transaction and by using the above expected annual rent (together with the management fee, government rent and rates) as the numerators for the calculation of the applicable percentage ratios, all the relevant percentage ratios calculated for the transactions contemplated under the Warehouse Tenancy Agreement are less than 5% and the annual consideration is less than HK\$3,000,000, and therefore the transactions contemplated under the Warehouse Tenancy Agreement constitute exempt continuing connected transactions under Chapter 20 of the GEM Listing Rules.

Given that the Leasing Agreements and the Warehouse Tenancy Agreement (i) are not interrelated; and (ii) are not made under a master agreement or negotiated and concluded at the same time, our Directors consider that the transactions contemplated under the Leasing Agreements shall not require aggregation with the transactions contemplated under the Warehouse Tenancy Agreement.

In accordance with the HKFRS 16 applicable to the Group (which has come into effect on 1 January 2019), the Group will recognise the rental payments to be paid by the Group under the Leasing Agreements as acquisition of right-of-use asset which will constitute one-off connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

The terms of the Leasing Agreements (together with the consideration) were determined after arm’s length negotiations between the parties and after making reference to the prevailing market rates (for details, please refer to “Appendix II — Valuation Report” on page 41 (note 6) and page 42 (note 6) of this Circular) and the valuation conducted by the Independent Property Valuer.

REASONS FOR AND BENEFITS OF THE PROPERTY DISPOSAL AGREEMENTS AND THE LEASING AGREEMENTS

As at the Latest Practicable Date, the Group carried out its operations in seven properties in Hong Kong. Six properties, namely Units 803, 805 and 808, 8/F, and Units 1101, 1103 and 1105, 11/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong, were self-owned, while the remaining one property, namely Unit 1002, 10/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong was leased from Iao Ip Property.

While the Group used to carry on its business operations principally based on its self-owned properties in Hong Kong, the Directors consider the Hong Kong property market is becoming unstable and have uncertainties due to the unstable political development and social contradiction as the results of the Government’s attempt to introduce a new law in Hong Kong

LETTER FROM THE BOARD

since early 2019, and such Directors' concerns were further deepened in view of the recent announcement of a listed financial company about their board resolution to withhold the payment of the balance of the land premium in respect of their tender for land use right for the land parcel located at Kai Tak, Kowloon, Hong Kong resulting in the potential legal consequences of forfeiture of the deposit of HK\$25 million and payment of liquidated damages to the Hong Kong government due also to the concerns over the social contradiction and economic instability in Hong Kong.

With the aforesaid concern, the Directors consider that the Group shall diversify and mitigate its risk on the potential fall in property prices of its self-owned properties by adopting a sale-and-lease back arrangement on two (out of six) self-owned properties of the Group, namely Units 803 and 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong. Comparing with simply disposing the relevant two self-owned properties, the Directors consider that the sale-and-lease back arrangement would not disrupt the existing operations of the Group.

Besides mitigating the risk on the potential fall in property prices of the Group's self-owned properties, the Directors consider that the Group has increasing capital needs in the Group's daily operation and business development.

There has been an increase in cost of inventories consumed which was due to a change of customers' preference as a result of the outbreak of swine flu in China, leading to a change of product mix from pork to chicken, lowering the gross profit margin. In order to achieve a stable source of raw materials with stable price, the Directors consider that the Group shall reduce its reliance on the local suppliers and increase the purchase by way of import. Nevertheless, deposit of over 40% of the purchase price upfront shall generally be required by the overseas suppliers. The increase of import of the Group will invariably increase the capital requirement on operation.

Further, the Group has established its restaurant business under a joint venture (for details, please refer to the announcement of the Company dated 24 May 2019). The Directors consider that the further expansion of the business under the joint venture will increase the capital requirement of the Group.

In view of the above capital needs, the Directors consider that the Group shall strengthen its financial position by way of Disposal.

Therefore, the Company began to look for potential purchaser(s) who would be willing to buy the Properties at the prevailing market price with a condition to lease the Properties back to the Group for a term of at least three years with an option to renew the lease for another three years. Despite the Company using its best endeavour in approaching more potential purchasers to purchase the Properties and attempting to seek for other potential purchasers apart from the controlling shareholders of the Company, the Company did not succeed in securing any offer — save and except the potential purchaser, namely Iao Ip Property (which is a connected person of the Company), offered a consideration of HK\$45,516,400 in total, which is approximately 4.4% higher than the market value as indicated by the property valuer, for the sale and purchase of the Properties. As indicated by the estate agency and to the best knowledge of the Directors, since most of the potential purchasers for non-domestic premises

LETTER FROM THE BOARD

are for self-use instead of investment purpose (generally because for investment amount at over HK\$40 million, investment on luxury residential premises can have a better return than on non-domestic premises), it is difficult to secure independent third party purchasers for the sale-and-lease back arrangement unless the consideration is much lower than the market value.

In order to reduce its reliance on bank loans, the proceeds of the Disposal will also be used for the purpose of the repayment of certain existing banking facilities of the Group, details of which are set out below:

Description	Loan amount (HK\$'million)	Due date	Interest rate (%)	Outstanding amount as at 30 June 2019 (HK\$'million)
Mortgage loan for the purchase of Unit 805, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	5.7	27 September 2035	2.375	5.3
Mortgage loan for the purchase of Unit 1103, 11/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	5.2	30 July 2030	2.375	4.1
Mortgage loan for the purchase of Unit 1105, 11/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	8.5	15 September 2033	2.375	7.1
Instalment loan for the decoration of Unit 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	5.0	16 November 2028	2.625	4.7
Instalment loan for business use	6.5	11 October 2024	2.375	5.0
			Total ^(Note) :	26.2

LETTER FROM THE BOARD

Note: The total outstanding amount of approximately HK\$26.2 million as at 30 June 2019 did not include interests accrued therefrom.

The Directors intend to use the proceeds to repay the two outstanding mortgage loans of Unit 808, 8/F and Unit 1103, 11/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong (in aggregate at approximately HK\$8.8 million as at 30 June 2019) within around one month from the Completion Date. Depending on the financial situation of the Group in 2020, the Directors will repay further amount of the remaining three outstanding loans with the proceeds in 2020.

The Directors consider that using the proceeds to repay certain parts of the above existing banking facilities of the Group not only will increase the liquidity of the Group's asset, but also improve the debt to equity ratio of the Company, which is in the interest of the Group and the Shareholders as a whole.

Taking into account of the above factors, including the fact that the consideration of the Disposal offered by Iao Ip Property has been the only offer and is slightly higher than the market value as indicated by the property valuer, the Board approved (with Mr. Yu abstained from voting on the Board resolutions approving the Disposal and the Leasing) the Group to enter into the Property Disposal Agreements and the Leasing Agreements with Iao Ip Property. In addition, the Directors, including the independent non-executive Directors, believe that (i) the Property Disposal Agreements are not entered in the ordinary and usual course of business of the Group, but the terms thereof are on normal commercial terms or better after arm's length negotiations between the parties and are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole; and (ii) the Leasing Agreements are entered in the ordinary and usual course of business of the Group, and the terms thereof are on normal commercial terms or better after arm's length negotiations between the parties and are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors, including the independent non-executive Directors, recommend the Shareholders to vote in favour of the resolutions had the Property Disposal Agreements, the Leasing Agreements and the transactions contemplated thereunder been required to put forward for consideration and approval at a general meeting of the Company.

Mr. Yu is considered to have material interests in the Disposal and the Leasing by virtue of his directorship in the Company and interests in Iao Ip Property, and therefore he has abstained from voting on the Board resolutions approving the Disposal and the Leasing. Save as disclosed, no other Directors have abstained from voting on the said Board resolutions.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios for the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 19 of the GEM Listing Rules. Accordingly, the Disposal is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Iao Ip Property was owned as to 20% by Mr. Yu and as to 80% in aggregate by three associates of Mr. Yu. Mr. Yu is our non-executive Director and one of the controlling shareholders of the Company. As such, Iao Ip Property is an associate of Mr. Yu and hence a connected person of the Company for the purpose of Chapter 20 of the GEM Listing Rules. Accordingly, the Disposal also constitutes a connected transaction of the Company, and is subject to the announcement, reporting, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Subject to Completion, the transactions contemplated under the Leasing Agreements also constitute connected transactions of the Company. As the applicable percentage ratios for the Leasing on the basis of the estimated value of the right-of-use asset are less than 25% and the total consideration is less than HK\$10,000,000, the Leasing is subject to the requirements of reporting and announcement but is exempt from compliance with the requirements of circular (including independent financial advice) and Independent Shareholders' approval under Chapter 20 of the GEM Listing Rules. However, pursuant to the Property Disposal Agreements, Iao Ip Property and Winning Tower Group shall enter into the Leasing Agreements upon Completion that Iao Ip Property (as landlord) shall lease to Winning Tower Group (as tenant) the respective Property for a term of three years commencing from the respective Completion Date, the Board considered that the Property Disposal Agreements and the Leasing Agreements are interrelated, as such, the Leasing Agreements and the transactions contemplated thereunder would be put forward to the EGM for the Independent Shareholders' approval.

EGM

The Company will convene and hold the EGM at Units 329–330, 3/F, Hankow Centre, 5–15 Hankow Road, Tsim Sha Tsui, Kowloon, Hong Kong on Monday, 9 September 2019 at 3:00 p.m. to consider and, if thought fit, approve the Property Disposal Agreements, Leasing Agreements and the transaction contemplated thereunder. A notice of the EGM is set out on pages 51 to 53 of this circular.

In order to determine the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 4 September 2019 to Monday, 9 September 2019 (both days inclusive) during which period no transfer of Shares will be registered. All properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 3 September 2019.

The voting at the EGM will be taken by poll. In accordance with the GEM Listing Rules, any Shareholder with a material interest in Property Disposal Agreements, Leasing Agreements and the transaction contemplated thereunder is required to abstain from voting on the resolution to be put forward to the Independent Shareholders for approving the Property Disposal Agreements, Leasing Agreements and the transaction contemplated thereunder. Keyview Ventures, the controlling shareholder of the Company, in which Mr. Yu holds approximately 19.02% interest, will abstain from voting on such resolutions at the EGM. As at

LETTER FROM THE BOARD

the Latest Practicable Date, Keyview Ventures held 1,050,000,000 Shares, representing approximately 75% issued share capital of the Company. After the conclusion of the EGM, the results of the poll will be released on the HKEXnews website at (www.hkexnews.hk) and the Company's website at (www.wtgl.hk).

Save for the aforesaid and to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the date of this circular, no other Shareholder is interested in the Property Disposal Agreements, the Leasing Agreements and the transactions contemplated thereunder. A form of proxy for use in connection with the EGM is also enclosed. Whether or not you are able to attend the EGM or any adjourned meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

WARNING NOTICE

Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction of the Conditions. Therefore, the Disposal may or may not proceed. In addition, the Leasing is subject to Completion. Therefore, the Leasing also may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Property Disposal Agreements and the transactions contemplated thereunder:

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)

MAJOR AND CONNECTED TRANSACTIONS AND NOTICE OF EGM

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular dated 23 August 2019 (the “**Circular**”) to the Shareholders of which this letter forms part. Unless otherwise specified, terms defined in the Circular shall have the same meanings in this letter.

We have been appointed to form the Independent Board Committee to advise the Independent Shareholders in respect of the Property Disposal Agreements and the transactions contemplated thereunder, details of which are set out in the “Letter from the Board” contained in the Circular. The Independent Financial Adviser has been appointed to advise the Independent Shareholders and us in this regard.

Details of the advice of the Independent Financial Adviser and the principal factors and reasons that the Independent Financial Adviser has taken into consideration in giving such advice are set out in the “Letter from the Independent Financial Adviser” in the Circular. Your attention is also drawn to the “Letter from the Board” in the Circular and the additional information set out in the appendices thereto.

Having taken into account the (i) terms of the Property Disposal Agreements and the transactions contemplated thereunder; and (ii) the factors referred to in the “Letter from the Independent Financial Adviser” in the Circular, we are of the opinion that despite the entering into of each of the Property Disposal Agreements is not in the ordinary and usual course of business of the Company, the terms of the Property Disposal Agreements and the transactions contemplated thereunder are (i) fair and reasonable so far as the Shareholders (including the Independent Shareholders) are concerned; (ii) on normal commercial terms; and (iii) in the interests of the Group and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, had the Property Disposal Agreements and the transactions contemplated thereunder been required to put forward for consideration and approve at a general meeting of the Company, we would recommend you to approve them.

Yours faithfully,
For and on behalf of
The Independent Board Committee

Mr. Chau Chun Wai
Independent
Non-executive Director

Mr. Lo Sun Tong
Independent
Non-executive Director

Mr. Lam Lai Kiu Kelvin
Independent
Non-executive Director

LETTER FROM INNOVAX CAPITAL

The following is the full text of the letter from Innovax Capital Limited setting out its advice to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.

23 August 2019

*To the Independent Board Committee and the Independent Shareholders of
Winning Tower Group Holdings Limited*

Dear Sirs,

MAJOR AND CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the independent financial adviser (the “**IFA**”) to the Independent Board Committee and the Independent Shareholders in respect of the terms and conditions of the Property Disposal Agreements, the details of which are set out in the Letter from the Board (the “**Letter from the Board**”) contained in this circular (the “**Circular**”) dated 23 August 2019 issued by the Company to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

Reference is made to the announcement dated 2 July 2019 of the Company in relation to the Disposal. According to the Property Disposal Agreements entered into between Winning Tower Group and Iao Ip Property, pursuant to which Iao Ip Property has conditionally agreed to acquire and Winning Tower Group has conditionally agreed to sell the Properties at the aggregate consideration of HK\$45,516,400.

As the applicable percentage ratios for the Disposal is more than 25% but do not exceed 75%, the Disposal constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules. Accordingly, the Disposal is subject to the reporting, announcement, circular and Shareholders’ approval requirements under Chapter 19 of the GEM Listing Rules.

As at the latest Practicable Date, Iao Ip Property was owned as to 20% by Mr. Yu and as to 80% in aggregate by three associates of Mr. Yu. Mr. Yu is the non-executive Director and one of the controlling shareholders of the Company. As such, Iao Ip Property is an associate of Mr. Yu and hence a connected person of the Company for the purpose of Chapter 20 of the GEM Listing Rules. Therefore, the Disposal also constitutes a connected transaction of the Company, and is subject to the announcement, reporting, circular (including independent financial advice) and independent Shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all of the three independent non-executive Directors, has been formed to consider whether the terms and conditions of the Property Disposal Agreements are fair and reasonable, and are in the interests of the Group and the

LETTER FROM INNOVAX CAPITAL

Shareholders as a whole, and to make recommendations to the Independent Shareholders in respect of the voting on the resolutions to be proposed at the EGM. We, Innovax Capital Limited, have been appointed as the IFA to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were not connected with the Company or any of its respective substantial shareholders, directors or chief executives, or any of their respective associates and accordingly, are considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the Disposal. In the last two years, we have not acted as any financial adviser role to the Company. Apart from normal professional fees paid or payable to us in connection with the current appointment as the IFA, no arrangements exist whereby we had received or will receive any fees or benefits from the Company, its subsidiaries or their respective controlling shareholders that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent to act as the IFA in respect of the Disposal.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the management (the “**Management**”) of the Company. We have assumed that all information and representations that have been provided by the Directors and the Management, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, the Management (where applicable), which have been provided to us. The Directors have confirmed that, to the best of their knowledge, they believe that no material fact or information has been omitted from the information supplied to us and that the representations made or opinions expressed have been arrived at after due and careful consideration and there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading.

We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 17.92 of the GEM Listing Rules.

LETTER FROM INNOVAX CAPITAL

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We, as the IFA, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information, opinions or representations given or made by or on behalf of the Company, nor any independent in-depth investigation into the business affairs, assets and liabilities or future prospects of the Company, their respective subsidiaries or associates (if applicable) or any of the other parties involved in the Disposal, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Disposal.

PRINCIPAL FACTORS AND REASONS TAKEN INTO ACCOUNT

In formulating our view on the Disposal, we have taken into consideration the principal factors and reasons as set out below.

Background information of the Group, Winning Tower Group and Iao Ip Property

The Group is a food supplier focusing on processed raw and cooked food products in Hong Kong.

Winning Tower Group, a company incorporated in Hong Kong with limited liability on 21 January 2015 and an indirect wholly-owned subsidiary of the Company. Winning Tower Group is an investment holding company.

Iao Ip Property is a property holding company, as at the Latest Practicable Date, Iao Ip Property was owned as to 20% by Mr. Yu and as to 80% in aggregate by three associates of Mr. Yu. Mr. Yu is the non-executive Director and one of the controlling shareholders of the Company.

LETTER FROM INNOVAX CAPITAL

The following table summarises the financial information of the Group for the two years ended 31 December 2017 (the “**FY2017**”) and 2018 (the “**FY2018**”) as extracted from the annual report of the Company for FY2018 published on 29 March 2019 (the “**2018 Annual Report**”) and six months ended 30 June 2018 (the “**1H2018**”) and 2019 (the “**1H2019**”) as extracted from the interim results announcement of the Company published on 6 August 2019 (the “**2019 Interim Results Announcement**”):

	For the year ended 31 December			For the six months ended 30 June		
	2017 HK\$'000 (audited)	2018 HK\$'000 (audited)	Change (%)	2018 HK'000 (unaudited)	2019 HK'000 (unaudited)	Change (%)
Revenue	132,934	136,218	2.5	68,830	67,365	(2.1)
Cost of inventories consumed	(89,019)	(88,514)	(0.6)	(44,184)	(45,210)	2.3
Profit/(loss) for the year/ period	(7,823)	3,569	N/A	2,880	(2,297)	N/A
					As at	
					30 June	
					2019	
					Change	
					(%)	
					(unaudited)	
Non-current assets		120,481	142,140	18.0	139,080	(2.2)
Current assets		50,230	51,014	1.6	52,806	3.5
Non-current liabilities		31,165	36,760	18.0	36,563	(0.5)
Current liabilities		12,593	13,262	5.3	14,202	7.1
Net assets		126,953	143,132	12.7	141,121	(1.4)
Current ratio (times)		3.99	3.85	(3.5)	3.72	(3.4)

As referred to the 2018 Annual Report, the Group recorded a revenue of approximately HK\$136.2 million for FY2018, representing a moderate increase of approximately HK\$3.3 million or approximately 2.5% from approximately HK\$132.9 million for FY2017. Such increase was mainly attributable to increase in sales order for the raw, frozen and processed food products. The profit for the year was approximately HK\$3.6 million for FY2018 as compared to the loss for the year of approximately HK\$7.8 million for FY2017. The turnaround from the loss for the year to profit for the year was mainly attributable to (i) absence of the non-recurring listing expenses incurred for the listing on the GEM of the Company in FY2017 and (ii) the increase in revenue for FY2018 as discussed above.

The Group mainly sells goods to wholesalers and individual retailers. The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 60 days from delivery. The average trade receivables turnover days of the Group for FY2018 was approximately 51 days and the average trade payables turnover days of the Group was approximately 26 days. As advised by the Directors, the total purchase for FY2018 was approximately HK\$88.9 million, of which approximately 71.3% of total purchase was purchased from local suppliers, and approximately 28.7% of total purchase was imported from overseas suppliers in FY2018.

LETTER FROM INNOVAX CAPITAL

The net assets of the Group increased from approximately HK\$127.0 million as at 31 December 2017 to approximately HK\$143.1 million as at 31 December 2018. Such increase was mainly attributable to increase in leasehold improvements and the surplus on revaluation for the leasehold land and buildings during the FY2018. Given the increase in the net assets for FY2018 was mainly attributable to the increase in the non-current assets, the liquidity ratio of the Group remained relatively stable. The current ratio slightly decreased to 3.85 times as at 31 December 2018 from 3.99 times as at 31 December 2017.

As referred to the 2019 Interim Results Announcement, the Group recorded a revenue of approximately HK\$67.4 million for 1H2019, representing a slight decrease of approximately HK\$1.4 million or approximately 2.1% from approximately HK\$68.8 million for 1H2018. Such decrease was mainly due to decrease in sales of cooked food products and a change of product mix from pork to chicken where the selling price per kilogram of chicken products are lower. The Group recorded a net loss for 1H2019 of approximately HK\$2.3 million as compared to a net profit for 1H2018 of approximately HK\$2.9 million. The loss-making for 1H2019 was mainly due to (i) decrease in sales; (ii) increase in cost of inventories consumed as a result of change of product mix from pork to chicken and (iii) increase in employee benefit expenses.

The net assets of the Group were relatively stable at approximately HK\$143.1 million and HK\$141.1 million as at 31 December 2018 and 30 June 2019, respectively.

Background information of the Properties

As at the Latest Practicable Date and immediately before the Completion, the Properties were wholly owned by Winning Tower Group. The details of the Properties are set out below:

Address	Usage	Approximate saleable area
Unit 803, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	Workshop, warehouse and ancillary office	5,511 sq. ft.
Unit 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	Workshop and warehouse	3,563 sq. ft.

Reason for and benefits of the Disposal

As at the Latest Practicable Date, the Group carried out its operations in seven properties in Hong Kong. Six properties, namely Units 803, 805 and 808, 8/F, and Units 1101, 1103 and 1105, 11/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong, were self-owned, while the remaining one property, namely Unit 1002, 10/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong was leased from Iao Ip Property.

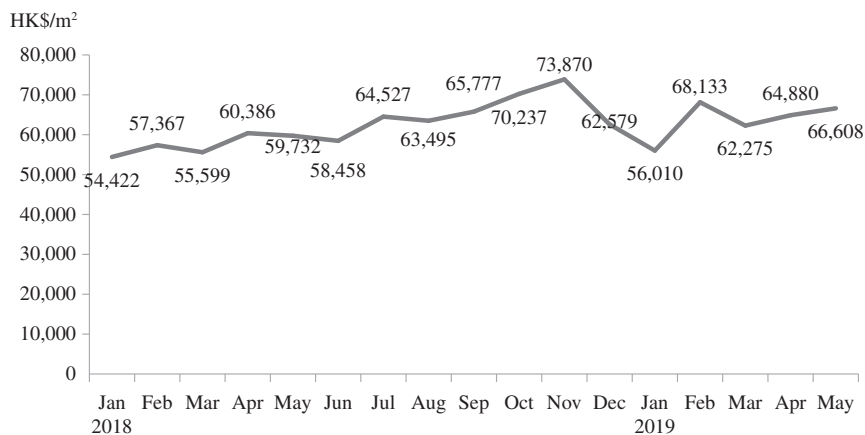
LETTER FROM INNOVAX CAPITAL

According to the Letter from the Board, the Directors believe the Hong Kong property market is becoming unstable and surrounded with uncertainties. As such the Directors consider that the Group shall diversify and mitigate its risk on the potential fall in property prices of its self-owned properties by adopting a sale-and-lease back arrangement on the abovementioned two self-owned properties of the Group. The Disposal not only may enable the Group to minimise the risk of the potential fall in property prices, it may also be able to strengthen its financial position and its working capital needs in the Group's daily operation and business development.

With reference to the announcement of the Company dated 2 July 2019, the Company entered into the Property Disposal Agreements with Iao Ip Property after arm's length negotiation between the parties at the aggregate consideration of approximately HK\$45.5 million, representing a premium of approximately 5.3% to the unaudited net book value of the Properties of approximately HK\$43.2 million as at 31 May 2019 and a premium of approximately 4.4% to the market value of approximately HK\$43.6 million as set out in the valuation report issued by property valuer on 30 June 2019 based on the market approach, details of which please refer to Appendix II of the Circular.

The pricing of industrial buildings in New Territories have been fluctuating, and it has been on a downward trend since November 2018. According to the average prices of private flatted factories in New Territories published by Rating and Valuation Department, the average prices of private flatted factories experienced a gradual decrease from approximately HK\$73,870 per square meter in November 2018 to approximately HK\$66,608 per square meter in May 2019, representing a decrease of approximately 9.8%. The following chart sets forth the average prices of private flatted factories in New Territories for the period from January 2018 to May 2019:

Average prices of private flatted factories in New Territories



Note: the figures from December 2018 to May 2019 are provisional figures

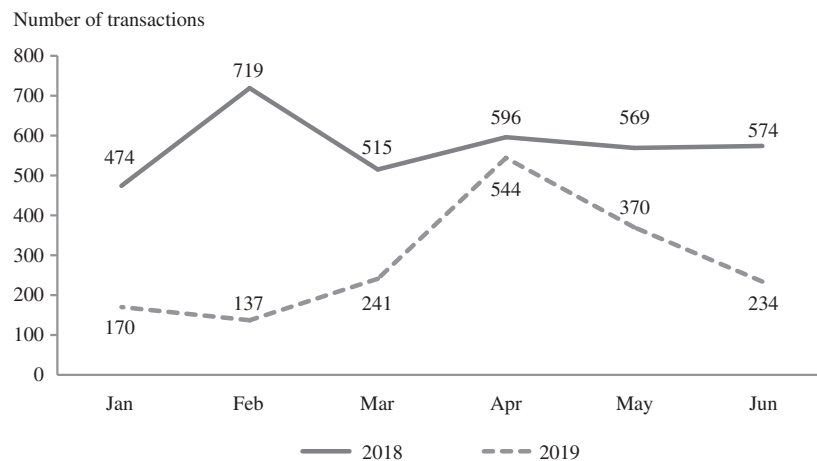
Source: the Rating and Valuation Department of the government of HKSAR

LETTER FROM INNOVAX CAPITAL

Furthermore, with reference to the website of Midland IC&I Limited (the “**Midland**”) (<https://www.midlandici.com.hk/ics/property/home/>), an independent and one of the leading Hong Kong-listed property agencies, Midland extracts and summarizes the latest transaction volume of industrial buildings from the Land Registry on a regular basis and such figures have been updated to June 2019.

According to the website of Midland, for the first half of 2018 and 2019, the average transaction volume of industrial buildings significantly decreased by approximately 51% from 575 in 2018 to 283 in 2019. The following chart sets forth transaction volume of industrial buildings for the first half of 2018 and 2019:

Transaction volume of industrial buildings



Sources: statistics of properties transactions in Land Registry and the in-house research of Midland.

In view of the fluctuating property market condition, the Directors determined to offload some of the Company’s properties in order to diversify the risk on the potential fall in property prices of the Group’s self-owned properties by appointing a real estate agency to dispose of the Properties since April 2019. In June 2019, amid widespread concerns over the government’s extradition bill, the board of a local listed financial company considered that the social contradiction and economic instability would have negative impact on the growth of Hong Kong commercial property market, and therefore they decided to cease a land deal in Kai Tak and forfeited a non-refundable deposit of HK\$25 million and payment of liquidated damages to the Hong Kong government as a result. The Directors also concurred with the view of the local listed financial company, and believe the turmoil of the local political environment would only worsen the property market condition.

Notwithstanding, the Group has been actively trying to dispose of the Properties by the real estate agency, as confirmed by the Directors, no potential independent third party purchasers was identified. In view of the absence of potential independent third party purchasers, the Directors consider that selling the Properties (two out of six self-owned properties of the Group) to Iao Ip property may immediately enable the Group to diversify and mitigate its risk on the potential fall in property price under the fluctuating property market condition and the current dispute of the political environment.

LETTER FROM INNOVAX CAPITAL

In addition, the Directors also consider that the net proceeds to be generated from the Disposal may enable the Company to enhance their working capital position for their business operation and development. With reference to the Letter from the Board, the purchase cost of the Group would be significantly affected by outbreak of swine flu in China if the Group keeps maintaining the reliance on the local suppliers. As such the Directors intend to diversify the risk by increasing the purchase from overseas suppliers although most of them require higher upfront deposit of the purchase cost as compared with that of purchasing from local suppliers.

As confirmed by the Directors, there are often time lags between making payments to our suppliers and receiving payments from our customers, resulting in cash flow mismatches. Having reviewed the financial information of the Group, for FY2018, the average trade receivables turnover days were approximately 51 days, and the average trade payable turnover days were approximately 26 days. In case if the Group gradually increases the purchase from overseas suppliers which require higher upfront deposit, the Group may need higher working capital for their ordinary operation. Furthermore, the Group has jointly set up a company with a food and beverage operator for their joint participation in the restaurant business operation in Hong Kong. As confirmed by the Directors, the capital investment for the first restaurant was HK\$5 million. The Directors expect to incur similar amount of the capital investment for the establishment of new restaurants. As such, the Directors consider that the net proceeds from the Disposal may also enable the Company to strengthen its financial position.

Furthermore, as mentioned in the Letter from the Board, the Directors intend to use the proceeds to repay the two outstanding mortgage loans of Unit 808, 8/F and Unit 1103, 11/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong in aggregate at approximately HK\$8.8 million as at 30 June 2019 within around one month from the Completion Date. The Directors consider to repay further amount of the remaining three outstanding loans with the proceeds in 2020 depending on the financial situation of the Group.

In light of the above factors, we concur with the Directors that although the Disposal is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

Principal terms of the Property Disposal Agreements

Please refer to the section headed “Major terms of the Property Disposal Agreements” in the Letter from the Board for further details of the principal terms of each of the Property Disposal Agreements and transactions contemplated thereunder.

Our work done to access the fairness of the consideration (the “Consideration”) under the Property Disposal Agreements

Background information

According to the valuation report on the Properties prepared by AVISTA Valuation Advisory Limited (“Avista” or the “Valuer”), an independent valuer, as set out in Appendix II to the Circular, the market value of the Properties as at 30 June 2019 was approximately HK\$43.6 million. The following is the valuation of each of the Properties.

LETTER FROM INNOVAX CAPITAL

Address	Usage	Approximate saleable area	Market value in existing state as at 30 June 2019
Unit 803, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong (“ Unit 803 ”)	Workshop, warehouse and ancillary office	5,511 sq. ft.	HK\$26,500,000
Unit 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong (“ Unit 808 ”)	Workshop and warehouse	3,563 sq. ft.	HK\$17,100,000
Grand total:			<u>HK\$43,600,000</u>

Our independent work done

Other than relying on the valuation report, we have conducted additional due diligence work done in different channels in order to opine on the fairness and reasonableness of the terms of the transaction. We made reference to all transactions of the building where the Properties are located from January 2018 to June 2019 (the “**Review Period**”) as demonstrated from the website of Midland at <https://www.midlandici.com.hk> and Centaline Property Agency Limited at <http://oir.centanet.com> (together, the “**Websites**”), being the independent and leading property agencies in Hong Kong. We have successfully identified three completed transactions and one available market asking (the “**Review Transactions**”) from the Websites during the Review Period, which are the same as the transactions being selected by the Valuer for the Comparables of the valuation for the same period. The gross floor area of the Review Transactions are ranging from approximately 4,703 sq. ft. to 7,220 sq. ft., and the gross floor area unit rate of the Review Transactions are ranging from HK\$3,435 per sq. ft. to HK\$4,000 per sq. ft., which are in line with that of the Comparables selected by the Valuer. Other than the Websites, we have also accessed to an independent property information websites, namely “地產資訊網” (www.property.hk). We could also identify the same transactions with same terms. Based on the above, we are of the view that the terms of the transaction are fair and reasonable.

Our work done on the Valuer

We have conducted a telephone interview with the Valuer regarding its experience in valuing similar industrial buildings and its independence. Based on our interview with the Valuer, we understand that the Valuer is an established independent property valuer with a large number of completed assignments acting for listed companies with property interests in, among others, Hong Kong. We also understand that the valuers-in-charge of the Valuer’s valuation team have over 10 years’ experience in the valuation of properties.

LETTER FROM INNOVAX CAPITAL

We have also reviewed the terms of engagement letter of the Valuer and noted that the purpose of which is to prepare a valuation report on the Properties and provide the Company with the market values of the Properties. The engagement letter also contains standard valuation scopes that are typical of property valuation carried out by the Valuer. There is no limitation of the scope of work which might have an adverse impact on the degree of assurance given by the Valuer in the valuation report on the Properties. We also understand from the Valuer that it carried out on-site inspections and made relevant enquiries and obtained further information for the purpose of the valuation of the Properties as at 30 June 2019.

In valuing the property interests, the Valuer has complied with all the requirements contained in Chapter 8 of the GEM Listing Rules, HKIS Valuation Standards 2017 published by The Hong Kong Institute of Surveyors and the International Valuation Standards published from time to time by the International Valuation Standards Council.

Based on the above works performed, we consider that the Valuer is qualified and possesses sufficient relevant experience in performing the valuation of the Properties.

Valuation methodology and assumptions

We have reviewed the valuation report on the Properties and discussed with the Valuer regarding the methodology, basis and assumptions adopted in arriving at the valuation of the Properties as at 30 June 2019.

As stated in the valuation report on the Properties, the market approach was adopted by the Valuer for the valuation of the Properties by making reference to comparable sales transaction as available in the market. This approach is universally considered as an accepted valuation approach for valuing these types of industrial properties for self-use purpose with readily available market price information and the approach is consistent with normal market practice in arriving at the valuation of the Properties. We noted that all the comparable properties are of similar size, character and location.

Set out below are our works performed in assessing the fairness, reasonableness and completeness of the methodologies, basis and assumptions adopted in the valuations by the Valuer:

- We have reviewed valuation report on the Properties and discussed with the Valuer in relation to the methodologies adopted for and the basis and assumption used in arriving the market value of the Properties. In the course of our discussion with the Valuer, we noted that the Valuer used the market approach by reference to comparable sales transaction as available in the relevant market as well as taking into account some of the available market asking for the valuation of the Properties. The market approach adopted included the market parameters, is straight forward and widely acceptable, and therefore is considered as the most appropriate methodology for the valuation of the Properties. According to the Valuer, (i) income approach was considered but not adopted since the Properties are owner-occupied and not subjected to tenancy and (ii) residual method and cost approach were not considered due to the availability of market comparable;

LETTER FROM INNOVAX CAPITAL

- In the course of our discussion with the Valuer, we were provided four comparable properties (“**Comparables**”) located in the same building of the Properties and have similar scale, size and character of the Properties. The table below summarizes the values of the Comparables:

	Date of transaction	Approximate gross floor area	Approximate gross floor area unit rate	Approximate saleable area	Approximate saleable area unit rate
Comparable A	March 2018	7,220 sq. ft.	HK\$3,435/sq. ft.	5,511 sq. ft.	HK\$4,500/sq. ft.
Comparable B	July 2018	4,808 sq. ft.	HK\$3,494/sq. ft.	3,671 sq. ft.	HK\$4,576/sq. ft.
Comparable C	August 2018	7,162 sq. ft.	HK\$3,700/sq. ft.	5,511 sq. ft.	HK\$4,809/sq. ft.
Comparable D [#]	Asking	4,703 sq. ft.	HK\$4,000/sq. ft.	3,574 sq. ft.	HK\$5,263/sq. ft.

[#] Such comparable has not been completed as at the date of valuation.

Note: Table above represents the full list of all transaction records in the Review Period, and none of any Comparable in the Review Period was excluded.

As referred to the table above, the approximate saleable area unit rate is ranging from HK\$4,500 per sq. ft. to HK\$5,300 per sq. ft. on saleable area basis. Taking into account of relevant adjustments where appropriate in respect of time, floor and available market asking, the Valuer determined the estimated saleable area unit rate of HK\$4,809 per sq. ft. and HK\$4,799 per sq. ft., respectively, for the Properties which are within the range of Comparables’ saleable area unit rate. Therefore, the valuation of HK\$43.6 million (i.e. Unit 803: HK\$26.5 million and Unit 808: HK\$17.1 million) was calculated based on the saleable areas of the Properties (i.e. 5,511 sq. ft. and 3,563 sq. ft.) and the aforementioned saleable area unit rate. Please refer to the details of the valuation of the Properties in the paragraph headed “Background information”.

- We were advised by the Valuer that the sampling selection basis include (i) same building; (ii) usage as industrial use; (iii) size between 3,000 sq. ft. and 6,000 sq. ft. on saleable area basis; and (iv) date of transactions during the Review Period. As confirmed by the Valuer, the consideration of property transaction in Hong Kong are commonly reference to the latest completed transaction price and available market asking in the past 12 months. Given only two transactions were completed in the past 12 months, for the sake of prudence, the Valuer considered to extend the review period up to 18 months; hence, Comparable A which was made in March 2018 was selected as one of Comparables to assess the fairness of the consideration of Properties. As such, the Review Period is considered to be sufficient, fair and representative. In addition, according to the Valuer, since (i) no completed transaction of the building where the Properties are located was made since September 2018, and (ii) the Comparable D was the only available market asking, the saleable area unit rate of Comparable D reflected the latest market price which was critical market parameter to determine the saleable area unit of the Properties. Therefore, the samples selected were considered as fair, representative and

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exhaustive. It is also noted that the Valuer has relied upon a paid database which users could access to details of the property transactions in Hong Kong as the source of sales evidence information on the Comparables.

Based on the above works performed, we are of the opinion that the methodologies, basis and assumptions adopted by the Valuer are in line with market practice and reasonable in establishing the market values of the Properties.

Details of the assumptions made by the Valuer for the valuation report on the Properties are set out in the Appendix II to the Circular. We have discussed with the management and the Valuer, and reviewed the key assumptions made and nothing has come to our attention that would lead us to doubt the fairness and reasonableness of the principal bases and assumptions adopted in the valuing the Properties.

Financial effect of the Disposal

As noted from the Board Letter, upon Completion, the Properties will be directly held by Iao Ip Property and will not be recognised in the Group's consolidated financial statements.

Effect of net assets value, gearing and liquidity

Upon Completion, the net assets of the Group is expected to increase by approximately HK\$2.3 million due to the net gain from the Disposal. The current assets of the Group are expected to increase by approximately HK\$45.5 million (being the consideration of the Disposal), and the total non-current assets of the Group is expected to decrease by approximately HK\$43.2 million (being the unaudited net book value as at 31 May 2019 of the Properties) given the Properties will be no longer held by the Group. Nevertheless, the actual impact of the Disposal to be recognised by the Group will be subject to the then financial position of the Group upon Completion.

As at 31 December 2018, the gearing ratio of the Group was approximately 19.1%, which is calculated based on the Group's total interest-bearing debt of approximately HK\$27.4 million divided by the Group's total equity of approximately HK\$143.1 million. As mentioned in the Letter from the Board, the Directors consider to use the proceeds to repay certain parts of the existing banking facilities. Therefore, the gearing ratio of the Group would decrease.

As at 31 December 2018, the net current assets and current ratio of the Group were approximately HK\$37.8 million and 3.85 times, respectively. Upon Completion, it is expected that the net current assets of the Group would increase to HK\$83.3 million and the current ratio of the Group would increase to 7.28 times. Therefore, the liquidity of the Group would be enhanced for the operation.

Effect on earnings

As stated in the Letter from the Board in the Circular, the Group is expected to realise a gain of approximately HK\$2.3 million upon Completion, which is calculated based on the consideration of the Properties less the unaudited net book value of the Properties as at 31 May

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2019. The actual gain to be recorded by the Company can only be ascertained when the consolidated net book values of the Properties and the incidental transaction cost are determined upon Completion.

It should be noted that the aforesaid figures are subject to final audit, and the aforesaid analyses and calculations are for illustrative purposes only and does not purport to represent how the financial position of the Group will be upon Completion.

In view of the foregoing, in particular, the Disposal which will have positive impact on the Group's earnings, net assets value, gearing and liquidity, we concur with the view of the Directors that the Disposal will not have material adverse impact to the Group.

As mentioned above, the Directors consider that Hong Kong property market is becoming unstable and surrounded with uncertainties. Given the consideration of HK\$45.5 million, with a premium of 4.4% to the market value of HK\$43.6 million, and the Disposal may enable the Group to immediately diversify and mitigate its risk on the potential fall in property prices, we are of the view that the consideration of HK\$45.5 million is fair and reasonable, and the Disposal are in the interests of the Group and the Shareholders as a whole.

RECOMMENDATION

Having considered the above principal factors and reasons, we concur with the Directors' view that the Property Disposal Agreements are fair and reasonable so far as the Independent Shareholders are concerned, are on normal commercial terms and are in the interests of the Company and the Independent Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to, and also recommend the Independent Shareholders to, vote in favour of the relevant resolutions in relation to the Property Disposal Agreements at the EGM.

Yours faithfully,
For and on behalf of
Innovax Capital Limited
Fung Sik Lun
Director

Mr. Fung Sik Lun has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under SFO since 2013. He has been participated in the provision of independent financial advisory services for various listed companies in Hong Kong.

1. FINANCIAL SUMMARY

Financial information of the Group for the years ended 31 December 2017 and 31 December 2018 are disclosed on page 40 of the annual report 2017 of the Group published on 29 March 2018 and page 41 of the annual report 2018 of the Group published on 29 March 2019, respectively, which were published on both the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.wtgl.hk).

2. STATEMENT OF INDEBTEDNESS

As at 30 June 2019, being the latest practicable date for the purpose of this indebtedness statement, the Group had outstanding bank borrowings of HK\$26,198,000 and lease liabilities of HK\$1,706,000.

The Group's bank borrowings were secured by the Group's land and buildings with an aggregate carrying value of HK\$59,800,000.

As at the close of business on 30 June 2019, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, saved as disclosed and apart from intra-group liabilities and normal trade and other payables, the Group did not have any outstanding indebtedness in respect of any mortgages, charges or debentures, loan capital, overdrafts, loans debt securities or other similar indebtedness, or hire purchase commitments, guarantees or material contingent liabilities as at 30 June 2019.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018 (being the date to which the latest published audited financial statements of the Group were made up) up to and including the Latest Practicable Date.

For prudence sake, please note that pursuant to the Company's profit warning announcement dated 2 August 2019 and the interim results announcement dated 6 August 2019, the Company recorded a net loss of HK\$2.3 million for the six months ended 30 June 2019. Nevertheless, the Board considers that taking into consideration that:

- (i) the swine flu effect as stated in the interim results announcement dated 6 August 2019 is short term; and
- (ii) the sufficiency of the Group's capital,

the loss making of the Group for the six months ended 30 June 2019 is temporary and there is no material adverse change to the Company.

4. SUFFICIENCY OF WORKING CAPITAL

After taking into account the financial resources available including liquid funds, internally generated funds and available banking facilities, the Directors are of the opinion that the Group, in the absence of unforeseen circumstances, will have sufficient working capital for at least 12 months from the date of this circular.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

As disclosed in the Annual Report 2018 of the Group published on 29 March 2019 for the year ended 31 December 2018, the Group's revenue was approximately HK\$136 million, representing an increase of approximately 2.3% from 2017. The Group's cost of inventories consumed and profit before tax from operations was approximately HK\$88.5 million and HK\$5.3 million respectively, while the cost of inventories consumed and loss before tax in last year's corresponding period was approximately HK\$89.0 million and approximately HK\$5.5 million respectively. The net profit for the period of approximately HK\$3.6 million versus a net loss of approximately HK\$7.8 million of last year's corresponding period.

The Group is closely assessing and monitoring the influences on the outbreak of swine flu in the PRC and the increasing uncertainty arising from international trade disputes. Meanwhile, the Group is pursuing business opportunities to diversify its business and continuously exploring investment opportunities to broaden the Group's revenue stream and enhance its profitability. The Group will, from time to time, assess the performance and prospects of each of its existing business and may consider adjusting its business portfolio including but not limited to further investment and/or realisations, when opportunity arises to strive for the best interest of the Group and the Shareholders.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from AVISTA Valuation Advisory Limited, an independent valuer, in connection with its valuation of the property interests as at 30 June 2019.



23rd Floor, Siu On Centre, No. 188 Lockhart Road,
Wan Chai, Hong Kong

TEL : (852) 3702 7338 FAX : (852) 3914 6388

info@avaval.com

www.avaval.com

5 July 2019

The Board of Directors
Winning Tower Group Holdings Limited
Unit 803 on 8th Floor,
Riley House, No. 88 Lei Muk Road,
Kwai Chung, New Territories
Hong Kong

Dear Sirs/Madams,

INTRODUCTION

In accordance with your instructions to value the 2 units (the “**Properties**”) held by the Winning Tower Group Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) located at Riley House, No.88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong. We confirm that we have conducted inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties as at 30 June 2019 (the “**Valuation Date**”).

PREMISES OF VALUE

Our valuation of the property interests represents the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion”.

BASIS OF VALUATION

In valuing the property interests, we have complied with all the requirements set out in Chapter 8 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), the HKIS Valuation Standards (2017 Edition) published by the Hong Kong Institute of Surveyors and the International Valuation Standards published from time to time by the International Valuation Standards Council (together referred to as the “**Standards**”).

VALUATION METHODOLOGY

In the course of our valuation, unless otherwise stated, we have valued the properties in their designated uses with the understanding that the properties will be used as such (hereafter referred to as “**continued uses**”).

In valuing the property interest, we have adopted market approach in our valuation by making reference to comparable market transactions, as well as taking into account some of the available market asking in our valuation. This approach rests on the wide acceptance of such approach as the best indicator, and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors. Since the properties are owner-occupied and not subjected to tenancy, income approach was considered but not adopted. Due to availability of market comparable, residual method and cost approach were not considered in the valuation.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the property interests on the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests (please see note no.3 in the valuation certificates).

For the property which is held under long term land use rights, we have assumed that transferable land use rights in respect of the property interests at nominal land use fees has been granted and that any premium payable has already been fully settled. Unless stated as otherwise, we have assumed that the respective title owner of the property has an enforceable title of the property interests and have free and uninterrupted rights to occupy, use, sell, lease, charge, mortgage or otherwise dispose of the property without the need of seeking further approval from and paying additional premium to the Government for the unexpired land use term as granted. Unless noted in the report, vacant possession is assumed for the property concerned.

Moreover, we have assumed that the design and construction of the property is/will be in compliance with the local planning regulations and requirements and had been/would have been duly examined and approved by the relevant authorities.

Continued uses assumes the property will be used for the purposes for which the property is designed and built, or to which they are currently adapted. The valuation on the property in continued uses does not represent the amount that might be realised from piecemeal disposition of the property in the open market.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed. Moreover, it is assumed that all required licences, consents or other legislative or administrative authority from any local, provincial or national government or private entity or organisation either have been or can be obtained or renewed for any use which the report covers.

It is also assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined and considered in the valuation report. In addition, it is assumed that the utilisation of the land and improvements are within the boundaries of the property described and that no encroachment or trespass exists, unless noted in the report.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

We have further assumed that the property was not transferred or involved in any contentious or non-contentious dispute as at the valuation date. We have also assumed that there was not any material change of the property in between dates of our inspection and the valuation date.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company or the legal or other professional advisers on such matters as statutory notices, planning approval, zoning, easements, tenure, completion date of building, development proposal, identification of property, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate is based on information contained in the documents provided to us and are therefore approximations and for reference only. We have not searched original plans, developer brochures and the like to verify them.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

DOCUMENT AND TITLE INVESTIGATION

In preparing our valuation, we have carried out land searches at the Land Registry of Hong Kong. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us. We are not aware of any title defects, easements or right of way affecting the property and our valuation assume that none exists, except only where otherwise stated.

SITE INVESTIGATION

We have inspected the exterior and, where possible, the accessible portions of the interior of the property being appraised. The inspection was carried out by Ms. Sarah Lee (Manager of AVISTA Valuation Advisory Limited), on the date of 5 July 2019. However, we have not been commissioned to carry out structural survey nor to arrange for an inspection of the services. We are, therefore, not able to report whether the property is free of rot, infestation or any other structural defects. We formulate our view as to the overall conditions of the property taking into account the general appearance, the apparent standard and age of fixtures and fittings and the existence of utility services. Hence it must be stressed that we have had regard to you with a view as to whether the buildings are free from defects or as to the possibility of latent defects which might affect our valuation. In the course of our inspection, we did not note any serious defects. No tests were carried out on any of the services. We have assumed that utility services, such as electricity, telephone, water, etc., are available and free from defect.

We have not arranged for any investigation to be carried out to determine whether or not high alumina cement concrete or calcium chloride additive or pulverized fly ash, or any other deleterious material has been used in the construction of the property. We are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation, we have assumed that deleterious material has not been used in the construction of the property.

We have not been commissioned to carry out detailed site measurements to verify the correctness of the land or building areas in respect of the property but have assumed that the areas provided to us are correct. Based on our experience of valuation of similar property, we consider the assumptions so made to be reasonable.

Moreover, we have not carried out any site investigation to determine the suitability of the ground conditions or the services for any property development erected or to be erected thereon. Nor did we undertake archaeological, ecological or environmental surveys for the property interests. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. Should it be discovered that contamination, subsidence or other latent defects exists in the property or on adjoining or neighbouring land or that the property had been or are being put to contaminated use, we reserve right to revise our opinion of value.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in Hong Kong Dollar (HKD).

Yours faithfully,
For and on behalf of
AVISTA Valuation Advisory Limited
Sr Oswald W Y Au
MHKIS(GP) AAPI MSc(RE)
Registered Professional Surveyor (GP)
Director

Note: Mr. Oswald W Y Au holds a Master's Degree of Science in Real Estate from the University of Hong Kong. He is also a member of Hong Kong Institute of Surveyors (General Practice) and Associate Member of Australian Property Institute. In addition, he is a Registered Professional Surveyor (General Practice) registered with Surveyors Registration Board. He has over 10 years of property valuation experience in Hong Kong, the PRC, the U.S., Canada, East and Southeast Asia including Singapore, Japan and Korea.

SUMMARY OF VALUES

Property interests held and occupied by the Group in Hong Kong

No.	Property	Market value in existing state as at 30 June 2019 (HKD)
1.	Unit 803 on 8th Floor, Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	26,500,000
2.	Unit 808 on 8th Floor, Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	17,100,000
Grand Total:		<hr/> <u>43,600,000</u>

VALUATION CERTIFICATE

Property interests held and occupied by the Group in Hong Kong

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2019 HKD
1.	Unit 803 on 8th Floor, Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong 5249/944862 nd shares of Lot No. 937 in D.D. 450	<p>The property comprises a workshop on the 8th floor of a 25-storey industrial building completed in about 1992.</p> <p>The property has a gross floor area of approximately 7,275 sq.ft. (675.86 sq.m.) and a saleable area of approximately 5,511sq.ft. (511.98 sq.m.).</p> <p>The property is subject to New Grant No. 4185 for a term of 99 years commencing from 1 July 1898.</p> <p>Under the New Territories Lease (Extension) Ordinance 1988 (Cap 150), the lease had already been extended to 30 June 2047 at a Government rent of 3 per cent per annum of the rateable value of the property for the time being.</p>	The property was occupied by the Group for workshop, warehouse and ancillary office purposes.	26,500,000

Notes:

- The registered owner of the property is Winning Tower Group Limited, an indirect wholly-owned subsidiary of the Company, registered via Memorial No. 15091501740024 dated 21 August 2015 for a consideration of HKD18,200,000.
- As advised by the Company, the property has entered into a property disposal agreement between the Company and Iao Ip Property Investment Company Limited — a connected party of the Company. Iao Ip Property Investment Company Limited is owned as to 20% by Mr. Yu and as to 80% in aggregate by three associates of Mr. Yu. Mr. Yu is a non-executive Director and one of the controlling shareholders of the Company.
- As advised by the Company, the property is planned to be subjected to a leasing agreement for a term of 3 years commencing from the completion date of the property disposal agreement at the monthly rent of HKD87,300 inclusive of property tax, management fee, Government Rent & Rates, with an option to renew for 3 years at the then market rent.
- The property lies within an area zones “Other Specified Uses (Business)” under Draft Kwai Chung Outline Zoning Plan No. S/KC/29.

5. In our valuation, we have made reference to the transaction records of some comparable to the property based on similar locality and similar usage. We have adopted the range of unit rate between HKD3,400–HKD4,000 per sq.ft. on gross floor area basis. The unit rates assumed by us are consistent with the said transaction record. Due adjustments to the unit rates of those transaction record have been made to reflect factors including but not limited to time, location and size in arriving at the key assumptions.

6. We have made reference to the transaction records of some comparable to the property based on similar locality and similar usage. We are of the opinion that the range of unit rent between HKD11.7–HKD12.6 per sq.ft. on gross floor area basis. The unit rent is consistent with the said transaction record. Due adjustments to the unit rent of those transaction record have been made to reflect factors including but not limited to time, location and size in arriving at the key assumptions.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2019 HKD
2.	Unit 808 on 8th Floor, Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong 3644/944862 nd shares of Lot No. 937 in D.D. 450	<p>The property comprises a workshop on the 8th floor of a 25-storey industrial building completed in about 1992.</p> <p>The property has a gross floor area of approximately 4,703 sq.ft. (436.92 sq.m.) and a saleable area of approximately 3,563sq.ft. (331.01 sq.m.).</p> <p>The property is subject to New Grant No. 4185 for a term of 99 years commencing from 1 July 1898.</p> <p>Under the New Territories Lease (Extension) Ordinance 1988 (Cap 150), the lease had already been extended to 30 June 2047 at a Government rent of 3 per cent per annum of the rateable value of the property for the time being.</p>	The property was occupied by the Group for workshop and warehouse purposes.	17,100,000

Notes:

- The registered owner of the property is Winning Tower Group Limited, an indirect wholly-owned subsidiary of the Company, registered via Memorial No. 15091501740051 dated 21 August 2015 for a consideration of HKD11,800,000.
- As advised by the Company, the property has entered into a property disposal agreement between the Company and Iao Ip Property Investment Company Limited — a connected party of the Company. Iao Ip Property Investment Company Limited is owned as to 20% by Mr. Yu and as to 80% in aggregate by three associates of Mr. Yu. Mr. Yu is a non-executive Director and one of the controlling shareholders of the Company.
- As advised by the Company, the property is planned to be subjected to a leasing agreement for a term of 3 years commencing from the completion date of the property disposal agreement at the monthly rent of HKD56,436 inclusive of property tax, management fee, Government Rent & Rates, with an option to renew for 3 years at the then market rent.
- The property lies within an area zones “Other Specified Uses (Business)” under Draft Kwai Chung Outline Zoning Plan No. S/KC/29.
- In our valuation, we have made reference to the transaction records of some comparable to the property based on similar locality and similar usage. We have adopted the range of unit rate between HKD3,400–HKD4,000 per sq.ft. on gross floor area basis. The unit rates assumed by us are consistent with the said transaction record. Due adjustments to the unit rates of those transaction record have been made to reflect factors including but not limited to time, location and size in arriving at the key assumptions.
- We have made reference to the transaction records of some comparable to the property based on similar locality and similar usage. We are of the opinion that the range of unit rent between HKD11.7–HKD12.6 per sq.ft. on gross floor area basis. The unit rent is consistent with the said transaction record. Due adjustments to the unit rent of those transaction record have been made to reflect factors including but not limited to time, location and size in arriving at the key assumptions.

1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company comprised 10,000,000,000 ordinary Shares, which is in turn in HK\$100,000,000, while the issued share capital of the Company comprises 1,400,000,000 ordinary Shares, which is in HK\$14,000,000.

As at the Latest Practicable Date, the Company had no outstanding options, warrants, derivatives or convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into new Shares as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executive in shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, will be as follows:

(i) Long position in the Shares

Name of Director	Capacity/Nature	Number of Shares held	Approximate percentage of interest
N/A	N/A	N/A	N/A

(ii) Long position in the ordinary shares of associated corporations

Name of Director	Name of associated corporation	Capacity/Nature	Number of shares held	Approximate percentage of interest
Mr. Lai King Wah	Keyview Ventures Limited	Beneficial owner	6,975	24.53%
Mr. Yu Ting Hei	Keyview Ventures Limited	Beneficial owner	5,407	19.02%
Mr. Ho Timothy Kin Wah	Keyview Ventures Limited	Beneficial owner	815	2.87%
Mr. Lai Ho Yin Eldon	Keyview Ventures Limited	Beneficial owner	307	1.08%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were 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 they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

(b) Interests of substantial and other Shareholders in the Shares and underlying Shares

As at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company) had interests or short positions in Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name	Capacity/Nature	Number of Shares held	Approximate percentage of interest
Keyview Ventures Limited ^(Note)	Beneficial owner	1,050,000,000	75%

Note: Keyview Ventures Limited is owned as to approximately 24.53% by Mr. Lai King Wah, as to approximately 24.53% by Top Ocean Investment Limited, as to approximately 23.22% by Ms. Ou Honglian, as to approximately 19.02% by Mr. Yu, as to approximately 4.75% by Ms. Li Sheung Oi, as to approximately 2.87% by Mr. Ho Timothy Kin Wah and as to approximately 1.08% by Mr. Lai Ho Yin Eldon.

Save as disclosed above, and as at the Latest Practicable Date, the Directors were not aware of any persons (other than the Directors and chief executive of the Company) who had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

3. COMPETING INTEREST

So far as the Directors are aware, none of the Directors, controlling shareholders of the Company nor their respective close associates had interest in any business which compete or is likely to compete, either directly or indirectly, with the business of the Group as at the Latest Practicable Date.

As at the Latest Practicable Date, besides the Group's business, the following Directors and their respective close associates had engaged in the food business as follows:

Name of Directors	Name of company	Relationship	Business nature
Mr. Yu	Yau Heng Frozen Meat & Food Company Limited	Yau Heng Frozen Meat & Food Company Limited is owned as to 20% by Mr. Yu, 60% by Ms. Jeong Sok Ieng (the mother of Mr. Yu) and 20% by Mr. U Kam Loi (the father of Mr. Yu)	Supply of frozen raw meat in Macau and Hong Kong
Mr. Chow Kuen Chung	Superstar Group Industries Limited	Mr. Chow Kuen Chung is a director, and a shareholder holding approximately 2.6% shareholding, of Superstar Group Industries Limited	Restaurant business in Hong Kong

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with the Company, or any of its subsidiaries or associated companies which was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN CONTRACTS OR ASSETS

As at the Latest Practicable Date, save for the Property Disposal Agreements, the Leasing Agreements, the Warehouse Tenancy Agreement, the master supply agreement for Winning Futures Limited (previously known as Winning Tower (Macau) Limited) and Yau Heng Frozen Meat & Food Company Limited and the master purchase agreement of Yau Heng Frozen Meat & Food Company Limited (for details, please refer to the paragraph headed "Directors' Report — Continuing Connected Transaction" of the annual report of the Company for the year ended 31 December 2018 and the prospectus of the Company dated 19 June 2017):

- (i) there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group; and
- (ii) none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2018 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

6. LITIGATION

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against any member of the Group that would have a material adverse effect on the results of operations or financial conditions of the Group.

For prudence sake, please note as at the Latest Practicable Date, there was an on-going claim in Hong Kong arising from an accident. The accident happened in September 2017 and the injured person, who was an employee of the Group at the time of the accident, suffered injury on his left forearm. The quantum of the claim is yet to be finalised.

7. QUALIFICATION AND CONSENTS OF EXPERT

- (a) The following sets out the qualifications of the experts who have given their opinions or advice or statements as contained in this circular:

Name	Qualification
Innovax Capital Limited	A corporation licenced to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
AVISTA Valuation Advisory Limited	Chartered professional surveyors and valuer

- (b) As at the Latest Practicable Date, each of the above experts had no shareholding in the Company or any other member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any other member of the Group.
- (c) As at the Latest Practicable Date, each of the above experts had no direct or indirect interests in any assets which has been acquired or disposed of by or leased to any member of the Group since 31 March 2019 (the date to which the latest published audited consolidated financial statements of the Group were made up) or proposed to be so acquired, disposed of or leased to any member of the Group.
- (d) As at the Latest Practicable Date, each of the above experts had given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of their reports or letters or their name and logo in the form and context in which they respectively appear.

8. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts in the ordinary course of business) have been entered into by the Company or any of its subsidiaries within two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the Property Disposal Agreements.

9. AUDIT COMMITTEE

The Company has established an audit committee on 5 June 2017 with written terms of reference in compliance with the GEM Listing Rules. The audit committee consists of three independent non-executive Directors, namely Mr. Lo Sun Tong (chairperson), Mr. Chau Chun Wai and Mr. Lam Lai Kiu Kelvin.

The primary duties of the audit committee are (but without limitation) to assist the Board in providing an independent view of the effectiveness of the Company's financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

Biographical information of each member of the audit committee is set out below:

Mr. CHAU Chun Wai (周振威), aged 67, was appointed independent non-executive Director, chairman of remuneration committee, member of audit committee and nomination committee on 5 June 2017. He became an associate member of the Hong Kong Institute of Personnel Management and an associate member of the Institute of Training and Development in May 1991 and March 1993 respectively.

Mr. Chau has more than 38 years of experience in the catering services industry. He worked for Cathay Pacific Airways Limited as a traffic officer from May 1973 to March 1976, Swire Air Caterers Limited from March 1976 to July 1995 with his last position as a deputy general manager, operations, Cathay Pacific Catering Services (H.K.) Limited from August 1995 to June 2002 with his last position as a general manager, John Swire & Sons (H.K.) Limited (secondment to Cathay Pacific Catering Services (H.K.) Limited) from July 2002 to June 2010 with his last position as a chief executive officer, and John Swire & Sons (H.K.) Limited (secondment to Hong Kong Airport Services Limited) as a managing director from July 2010 until his retirement in January 2014.

Mr. Chau obtained a diploma of management for executive development from The Chinese University of Hong Kong in September 1987 and a foundation diploma in management from The University of Hong Kong in June 1995. He is responsible for supervising and providing independent judgment to the Board, the remuneration committee, audit committee and nomination committee.

Mr. LO Sun Tong (盧樂棠), aged 67, was appointed as independent non-executive Director, chairman of audit committee, member of the remuneration committee and nomination committee on 5 June 2017. He became a fellow of The Association of Certified Accountants in May 1982, and a fellow of the Hong Kong Society of Accountants in October 1985. He is also a practising certified public accountant of the Hong Kong Institute of Certified Public Accountants.

Mr. Lo has more than 45 years of experience in the accounting and finance industry. He worked for KPMG from September 1972 to July 1978 with his last position as a senior assistant, John Swire & Sons (H.K.) Limited from July 1978 to April 1979 with his last position as an assistant to group accountant, Swire Pacific Limited from May 1979 to December 1985 with his last position as an accountant, Hana Technologies Limited (previously known as Swire Technologies Limited) from April 1986 to May 1999, and ASAT Limited as vice president and general manager from May 1999 to March 2002. From March 2002 up to now he has been serving as a partner of John Lo & Co.

Mr. LAM Lai Kiu Kelvin (林禮喬), aged 60, was appointed as independent non-executive Director and member of audit committee on 5 June 2017. He was admitted to practise law as a solicitor in Hong Kong in December 1999.

Mr. Lam has over 12 years of experience as a partner in a solicitor firm. He joined William K. W. Leung & Co. as an assistant solicitor in February 2000. From June 2002 to October 2002, he worked as an assistant solicitor at Jack Fong & Co. He became a consultant of Yu & Associates, Solicitors in October 2002 and subsequently a partner of it in November 2006. He obtained a bachelor's degree in law from the University of London by distance learning in August 1996 and a postgraduate certificate in laws from The University of Hong Kong in June 1997.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:30 a.m. to 5:30 p.m. on any Business Days from the date of this circular up to and including 14 days (except public holidays) at the Company's principal place of business in Hong Kong situated at Unit 803, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong:

- (a) the memorandum and articles of association of the Company;
- (b) the Property Disposal Agreements;
- (c) the Leasing Agreements;
- (d) the Warehouse Tenancy Agreement;
- (e) the annual reports of the Company for each of the two years ended 31 December 2017 and 2018;
- (f) the written consents referred to in the section headed "7. Qualification and consents of expert" in this appendix;
- (g) the letter from the Board, the text of which is set out from pages 5 to 16 of this circular;
- (h) the letter from the Independent Board Committee, the text of which is set out on pages 17 to 18 of this circular;
- (i) the letter from Independent Financial Adviser, the text of which is set out on pages 19 to 31 of this circular;
- (j) the valuation report issued by the property valuer, the text of which is set out in Appendix II to this circular; and
- (k) this circular.

11. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Tsang Hing Bun, who is a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The compliance officer of the Company is Mr. Ho Timothy Kin Wah, who is also an executive Director.
- (c) The registered office of the Company is situated at Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (d) The head office and principal place of business of the Company in Hong Kong is at Unit 803, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong.
- (e) The principal share registrar of the Company is Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (f) The branch share registrar of the Company in Hong Kong is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (g) The English text of this circular shall prevail over its Chinese text.

NOTICE OF EGM

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of Winning Tower Group Holdings Limited (the “**Company**”) will be held at Units 329–330, 3/F, Hankow Centre, 5–15 Hankow Road, Tsim Sha Tsui, Kowloon, Hong Kong on Monday, 9 September 2019 at 3:00 p.m. for the purpose of considering and, if thought fit, with or without amendments, passing the following resolutions each as an ordinary resolution:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the two sale and purchase agreements both dated 2 July 2019 (the “**Property Disposal Agreements**”) entered into between (i) Winning Tower Group Limited as vendor and (ii) Iao Ip Property Investment Company Limited as purchaser (a copy of which marked “A” has been produced to the Meeting and signed by the chairman of the Meeting for the purpose of identification) in relation to, among other matters, the proposed sale of the two properties located at Units 803 and 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong (the “**Properties**”), the two draft leasing agreements in finalised form to be signed on the respective completion of the Property Disposal Agreements (the “**Leasing Agreements**”) to be entered into between (i) Winning Tower Group Limited as tenant and (ii) Iao Ip Property Investment Company Limited as landlord (a copy of which marked “B” has been produced to the Meeting and signed by the chairman of the Meeting for the purpose of identification) in relation to, among other matters, the proposed leasing of the Properties, and all transactions contemplated thereunder, details of which are described in the circular of the Company dated 23 August 2019 (a copy of which marked “C” has been produced to the Meeting and signed by the chairman of the Meeting for the purpose of identification) be and are hereby approved, ratified and confirmed;
- (b) the directors of the Company (the “**Directors**”) be and they are hereby authorised, for and on behalf of the Company, to do all such acts and things, to take all such steps and to sign or otherwise execute all such agreements, documents, deeds or instruments as they may in their absolute discretion consider necessary, desirable or expedient in connection with or to implement and/or to give effect to the Property Disposal Agreements, Leasing Agreements and the transactions contemplated thereunder and all matters incidental thereto; and

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- (c) the Directors be and they are hereby authorised to agree to such variation, amendment, modification and/or waiver of any matters relating to or in connection with the Property Disposal Agreements, Leasing Agreements and the transactions contemplated thereunder as are, in their opinion in the interests of the Company and its shareholders as a whole in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and other applicable law, rules and regulations.”

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

Hong Kong, 23 August 2019

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or (if he is a holder of two or more shares) more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding of the Meeting or any adjournment thereof (as the case may be).
3. A form of proxy for use at the Meeting is enclosed. Completion and return of the form of proxy will not preclude you from attending and voting at the Meeting or any adjournment thereof.
4. Where there are joint registered holders of any share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint registered holders are present at the Meeting personally or by proxy, that one of the registered holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
5. In order to determine the entitlement of the shareholders of the Company to attend and vote at the Meeting, the register of members of the Company will be closed from Wednesday, 4 September 2019 to Monday, 9 September 2019 (both days inclusive) during which period no transfer of shares of the Company will be registered. All properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 3 September 2019.
6. Voting on the above resolutions will be taken by poll.
7. If a tropical cyclone warning signal no. 8 or above is in force in Hong Kong at any time after 7:30 a.m. on the date of the Meeting, the Meeting will be automatically postponed to a later date. The Company will post an announcement on its corporate website (www.wtgl.hk) and the HKEXnews website (www.hkexnews.hk) to notify its shareholders of the date, time and location of the rescheduled meeting.
8. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

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9. As at the date of this notice, (a) the executive Directors are Mr. Lai King Wah, Mr. Lai Ho Yin Eldon and Mr. Ho Timothy Kin Wah; (b) the non-executive Directors are Mr. Yu Ting Hei, Mr. Chow Kuen Chung and Ms. Ho Lai Sze Jacqueline; and (c) the independent non-executive Directors are Mr. Chau Chun Wai, Mr. Lo Sun Tong and Mr. Lam Lai Kiu Kelvin.