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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)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE PROPERTY**

#### **THE PROVISIONAL AGREEMENT**

The Board announces that on 2 August 2017 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into the Provisional Agreement with the Vendor, an Independent Third Party, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Property at a consideration of HK\$14,280,000. The Consideration was determined after arm's length negotiation between the parties to the Provisional Agreement and was based on normal commercial terms.

#### **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) calculated in respect of the Acquisition under the Provisional Agreement are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

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Set out below are the principal terms of the Provisional Agreement:

**Date**

2 August 2017 (after trading hours)

**Parties**

- (1) Vendor: Catherine International Company Limited, an Independent Third Party
- (2) Purchaser: Winning Tower Group Limited, an indirect wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

**Property to be acquired**

Pursuant to the Provisional Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Property at Unit 805 on 8/F., Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong with a total gross floor area of approximately 4,703 sq. ft.. The Property is currently owned by the Vendor and will be sold with vacant possession.

**Consideration**

Pursuant to the Provisional Agreement, the Consideration for the sale and purchase of the Property shall be HK\$14,280,000 payable in cash by the Purchasers to the Vendor in the following manners:

- (i) HK\$714,000 upon signing of the Provisional Agreement as an initial deposit;
- (ii) HK\$714,000 as a further deposit upon signing of the formal sale and purchase agreement on or before 15 August 2017; and
- (iii) the balance of the Consideration of HK\$12,852,000 to be paid on or before 27 September 2017 as at Completion.

The Consideration for the Acquisition was determined after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms and by reference to the prevailing market value of similar properties in the nearby areas.

**Encumbrances**

The Property is to be sold to the Purchaser free from encumbrances save and except the building order no. UBZ/U24-18/0112/09 dated 15 February 2011.

## **Formal agreement**

The Vendor and the Purchaser shall negotiate in good faith and enter into the formal agreement reflecting the terms and conditions of the Provisional Agreement; and prior to entering into the formal agreement, the Provisional Agreement remains valid and in full force and effect.

## **Vacant possession**

Upon completion, the Vendor shall deliver vacant possession of the Property to the Purchaser.

## **SOURCES OF FINANCING**

According to the Prospectus, the Group intends to apply part of the net proceeds of the Share Offer for funding the acquisition of a new factory premises as the Group's new cold storage warehouses. Therefore, the net proceeds from the Share Offer, bank mortgage, bank borrowing and/or the Group's internal resources will be the sources of financing for the Consideration.

## **INFORMATION ON THE ASSETS TO BE ACQUIRED**

The Property is situated at Unit 805 on 8/F., Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong with a total gross floor area of approximately 4,703 sq. ft..

## **INFORMATION ON THE VENDOR**

The Vendor is a company incorporated in Hong Kong with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Vendor is an Independent Third Party.

## **INFORMATION ABOUT THE GROUP AND THE PURCHASER**

The Group is a food supplier focusing on processed raw and cooked food products in Hong Kong. The Purchaser is an indirect wholly-owned subsidiary of the Company and its principal activity is investment holding.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

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

Pursuant to the section headed "Future Plans and Use of Proceeds" of the Prospectus, the Directors, among others, consider that it is reasonable to double the Group's cold storage/processing capacity, prefer the new factory premises to be located close to the existing processing facility for operation efficiency, hygiene and food safety reasons, and plan to use approximately HK\$22.0 million for acquiring a new factory premises as the Group's new cold storage warehouses. For further details, please refer to the section headed "Future Plans and Use of Proceeds" of the Prospectus.

Among the aforesaid approximately HK\$22.0 million, it is expected that approximately HK\$14.0 million will be used for acquiring a new factory premises situated at Unit 1101 on 11/F., Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong. For details of such acquisition, please refer to the announcement of the Company dated 20 July 2017. Therefore, it is expected that the Consideration will be financed as to (i) approximately HK\$8 million by way of the net proceeds from the Share Offer; and (ii) approximately HK\$6.3 million by way of a bank mortgage, bank borrowing and/or the Group's internal resources.

The Directors have used their best endeavours to identify suitable factory premises in Kwai Chung and considered a number of available factory premises. The gross floor area of the Property of approximately 4,703 sq. ft. is able to fulfill (as a whole or in part) the Company's original plan. Having considered the prevailing market condition, availability of factory premises, the Group's future plans and available financial resources, the Directors are of the view that the new factory premises will be beneficial to the Group's business development and the consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As one or more of the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) calculated in respect of the Acquisition under the Provisional Agreement are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

## **GENERAL**

**As the Acquisition is subject to the terms and conditions as stipulated in the Provisional Agreement, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the Provisional Agreement
“Board”	the board of Directors
“Company”	Winning Tower Group Holdings Limited (stock code: 8362), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM
“Completion”	completion of the Acquisition
“connected person”	has the meaning ascribed to it under the GEM Listing Rules

“Consideration”	the total consideration in the amount of HK\$14,280,000 for the Acquisition
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	independent third party who is not connected person of the Company and is independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Property”	the property situated at Unit 805 on 8/F., Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong with a total gross floor area of approximately 4,703 sq. ft.
“Prospectus”	the prospectus of the Company dated 19 June 2017 in relation to the listing of the Shares on GEM on 30 June 2017
“Provisional Agreement”	the provisional agreement for sale and purchase dated 2 August 2017 entered into between the Vendor and the Purchaser in respect of the Acquisition
“Purchaser”	Winning Tower Group Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Offer”	the offer of the Shares for subscription and purchase pursuant to the Prospectus
“Shareholder(s)”	holder(s) of the Share(s)
“sq. ft.”	square foot (feet)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor” Catherine International Company Limited, an Independent Third Party

“%” per cent

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

Hong Kong, 2 August 2017

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

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company at [www.wtgl.hk](http://www.wtgl.hk).*