

**WINTO GROUP (HOLDINGS) LTD:
THAT WHICH IS NOT PUBLISHED MAY BE
MORE INTERESTING THAN THAT WHICH IS**

Winto Group (Holdings) Ltd ([I]) (Code: 8238, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) was, clearly, forced by financial circumstances to agree to pay an interest rate of 12 percent per annum in order to obtain loans of \$HK20 million by the sales of Convertible Bonds to two Subscribers.

The Bond Subscribers were:

- Grand Powerful Group Ltd (), a company, domiciled in the British Virgin Islands, being beneficially owned by Mr Cheng Ming Kit (), a permanent resident of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC); and,
- Mr Charles Wong Man Hin (), the Managing Director of VC Brokerage Ltd (), a subsidiary of Value Convergence Holdings Ltd () (Code: 821, Main Board, The Stock Exchange of Hongkong Ltd).

The date of the Bond Subscription Agreements was September 10, 2013.

That was at the time that most banks, operating in the HKSAR, were charging between three percent and five percent per annum for small loans, for which a \$HK20-million loan would qualify.

An annual interest rate of 12 percent, therefore, would have been considered extremely high at that time in 2013 – and even to this day, it is, still, extremely high.

Winto Group is the latest company to go public on The GEM, the secondary equity market of the HKSAR.

The Company published its Placing Prospectus on January 30, 2015, and, on the cover of this Prospectus, one learns that VC Capital Ltd () is a Joint Sponsor of this cash-raising exercise, and its subsidiary, VC Brokerage Ltd, is the Sole Bookrunner and Joint Lead Manager.

The Bonds are convertible into New Shares of Winto Group up to March, this year, when the Maturity Date will expire.

The Placing

Winto Group is Placing 180 million, one-cent Shares at the Indicative Placing Price Per Share, ranging from a low of 35 cents to a high of 42 cents.

Of the total number of Shares to be Placed, 60 million Shares are those, beneficially owned by Mr Timmy Kwan Shun Keung () and Ms Yip Tsz Lam (), the two Controlling Shareholders of Winto Group. Ms Yip Tsz Lam is the wife of Mr Timmy Kwan Shun Keung.

Mr and Mrs Timmy Kwan Shun Keung are the Founders of Winto Group.

Page 181 of the Placing Prospectus states that, at the midpoint of the Indicative Offer Price Per Share, being 38.50 cents, the Company is expecting to net about \$HK30.10 million.

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