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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)**

### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE RENEWAL OF THE MASTER SUPPLY AGREEMENT**

Reference is made to the announcements of the Company dated 22 January 2021 and 5 February 2021 (the “**Announcements**”) in relation to, among others, the continuing connected transactions under the Master Supply Agreement.

#### **2024 MASTER SUPPLY AGREEMENT**

As the Master Supply Agreement will expire on 31 December 2023, Winning Tower (for itself and as trustee for the benefit of its subsidiaries from time to time) had, on 29 December 2023 (after trading hours), entered into the 2024 Master Supply Agreement with Wing’s Management (for itself and as trustee for the benefit of its subsidiaries from time to time), Wing’s Catering WC (for itself and as trustee for the benefit of its subsidiaries from time to time), Wing’s Catering TKT (for itself and as trustee for the benefit of its subsidiaries from time to time) and Ever Wardley (for itself and as trustee for the benefit of its subsidiaries from time to time) for supplying certain frozen raw and processed meat products to Wing’s Group for a term of three years from 1 January 2024 to 31 December 2026 (both days inclusive).

#### **GEM LISTING RULES IMPLICATION**

The Joint Venture is an indirect non wholly-owned subsidiary of the Company and it is owned as to 55% by Winning Tower and as to 45% by Wing Si Worldwide, respectively, hence, Wing Si Worldwide is a substantial shareholder of the Group at subsidiary level and the transactions with Wing’s Group contemplated under the 2024 Master Supply Agreement therefore constitute continuing connected transactions of the Group at the subsidiary level under Chapter 20 of the GEM Listing Rules.

As the aggregate annual transaction amounts in respect of the 2024 Master Supply Agreement for each of the three years ending 31 December 2026 shall be less than HK\$7,500,000, HK\$8,000,000 and HK\$8,500,000 respectively and all the applicable percentage ratios (as defined under Chapter 19 of the GEM Listing Rules) are less than 25% and the annual consideration is less than HK\$10,000,000, the transactions contemplated under the 2024 Master Supply Agreement will be subject to the requirements of reporting, annual review and announcement but are exempt from compliance with the requirements of circular (including independent financial advice) and approval by the independent Shareholders under Chapter 20 of the GEM Listing Rules.

## **INTRODUCTION**

Reference is made to the Announcements, in relation to, among others, the continuing connected transactions under the Master Supply Agreement.

## **2024 MASTER SUPPLY AGREEMENT**

As the Master Supply Agreement will expire on 31 December 2023, Winning Tower (for itself and as trustee for the benefit of its subsidiaries from time to time) had, on 29 December 2023 (after trading hours), entered into the 2024 Master Supply Agreement with Wing's Management (for itself and as trustee for the benefit of its subsidiaries from time to time), Wing's Catering WC (for itself and as trustee for the benefit of its subsidiaries from time to time), Wing's Catering TKT (for itself and as trustee for the benefit of its subsidiaries from time to time) and Ever Wardley (for itself and as trustee for the benefit of its subsidiaries from time to time) for supplying certain frozen raw and processed meat products to Wing's Group for a term of three years from 1 January 2024 to 31 December 2026 (both days inclusive) and details of which are set out below:

### **Date**

29 December 2023 (after trading hours)

### **Parties**

- (1) Winning Tower and its subsidiaries from time to time (as the suppliers);
- (2) Wing's Management, Wing's Catering WC, Wing's Catering TKT and Ever Wardley, and their respective subsidiaries from time to time (as the purchasers)

### **Term**

From 1 January 2024 to 31 December 2026 (both days inclusive)

## **Nature of the transactions**

Winning Tower and its subsidiaries agreed to supply certain frozen raw and processed meat products to certain members of Wing's Group on the basis of individual purchase order placed by each of the relevant members of Wing's Group.

## **Pricing policy**

Pursuant to the 2024 Master Supply Agreement, Winning Tower and its subsidiaries (as the suppliers) and certain members of Wing's Group (as the purchasers) agreed to enter into separate purchase order in respect of each supply of frozen raw and processed meat products to specify the details of each supply including but not limited to the types and/or specifications of the frozen raw and processed meat products, quantity, selling prices, payment terms, date and mode of delivery and other relevant terms in relation to that sales. The terms of such purchase order shall be consistent with the terms under the 2024 Master Supply Agreement and shall comply with the principles of the 2024 Master Supply Agreement.

The selling price of each and every sales shall be separately determined on order-by-order basis by the parties to the 2024 Master Supply Agreement according to the following principles: (i) the selling price shall be determined after arm's length negotiation between the parties to the 2024 Master Supply Agreement and shall be in accordance with normal and reasonable commercial terms; (ii) the selling price shall be at prevailing market price; and (iii) the selling price shall be no less favourable to the Group than the selling prices offered by the Group to its other independent customers.

## **INTERNAL CONTROL MEASURES**

To ensure the selling price of each and every sales is in accordance with the principles set out above, the Group shall, when determining the selling price, make reference to (i) the creditability of Wing's Group; (ii) the expected cost to be incurred by the Group in supplying the frozen raw and processed meat products; (iii) the marginal profit to be made by the Group, which is expected to be comparable to the profit that can be realised by sales to its other independent customers; and (iv) any adjustments, which shall be comparable to that offered by the Group to its independent customers, based on expected quantity, quality, delivery plan, specifications and market competition condition of the frozen raw and processed meat products to be purchased by Wing's Group. Further:

- (i) the relevant personnel of the Group will keep track of the aggregate amount of sales by Winning Tower and its subsidiaries to the relevant members of Wing's Group for the supply of certain frozen raw and processed meat products to the relevant members of Wing's Group under the 2024 Master Supply Agreement for the purpose of ensuring that the annual caps will not be exceeded; and

- (ii) the Company has adopted relevant reporting and record-keeping procedures to allow independent non-executive Directors and auditors of the Company to perform annual review of the sales of certain frozen raw and processed meat products under the 2024 Master Supply Agreement.

## **HISTORICAL FIGURES AND PROPOSED ANNUAL CAPS**

For each of the two years ended 31 December 2022 and the nine months ended 30 September 2023, the Group's total revenue attributable to the sales of the relevant products to the relevant members of Wing's Group in aggregate was approximately HK\$5.4 million, HK\$5.0 million and HK\$4.0 million, respectively, or represents approximately 6.2%, 5.4% and 5.1% of the Group's total revenue respectively.

Based on the aforesaid historical figures, the aggregate annual transaction amounts in respect of the 2024 Master Supply Agreement for each of the three years ending 31 December 2026 shall be less than HK\$7,500,000, HK\$8,000,000 and HK\$8,500,000 respectively.

The basis of the proposed annual cap in respect of the 2024 Master Supply Agreement is determined with the consideration of (i) the historical figures; and (ii) the expected demand of the relevant products by the relevant members of Wing's Group from the Group for each of the three years ending 31 December 2026.

## **REASONS FOR AND THE BENEFITS OF ENTERING INTO THE 2024 MASTER SUPPLY AGREEMENT**

The Group has established business relationships with Wing's Group since 2014.

Taking into account that (i) the sales price to the relevant members of Wing's Group is no less favourable to the Group than the price the Group sells to its other independent customers; (ii) the sales to the relevant members of Wing's Group are on normal commercial terms; and (iii) the established business relationships between the Group and Wing's Group, the Directors (including the independent non-executive Directors) are of the view that (i) the terms of the 2024 Master Supply Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group; and together with the annual cap thereunder, are fair and reasonable; and (ii) it will be in the interests of the Group and the Shareholders as a whole to continue such transactions with the relevant members of Wing's Group.

As such, the Group will continue to supply the relevant products to the relevant members of Wing's Group.

## **INFORMATION OF THE PARTIES**

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

Wing's Group is principally engaged in the catering and food business in Hong Kong, has been operating restaurants in Hong Kong for over ten years, and has been a customer of the Group since 2014.

## **GEM LISTING RULES IMPLICATIONS**

The Joint Venture is an indirect non wholly-owned subsidiary of the Company and it is owned as to 55% by Winning Tower and as to 45% by Wing Si Worldwide, respectively, hence, Wing Si Worldwide is a substantial shareholder of the Group at subsidiary level and the transactions with Wing's Group contemplated under the 2024 Master Supply Agreement therefore constitute continuing connected transactions of the Group at the subsidiary level under Chapter 20 of the GEM Listing Rules.

As the aggregate annual transaction amounts in respect of the 2024 Master Supply Agreement for each of the three years ending 31 December 2026 shall be less than HK\$7,500,000, HK\$8,000,000 and HK\$8,500,000 respectively and all the applicable percentage ratios (as defined under Chapter 19 of the GEM Listing Rules) are less than 25% and the annual consideration is less than HK\$10,000,000, the transactions contemplated under the 2024 Master Supply Agreement will be subject to the requirements of reporting, annual review and announcement but are exempt from compliance with the requirements of circular (including independent financial advice) and approval by the independent Shareholders under Chapter 20 of the GEM Listing Rules.

None of the Directors was required to abstain from voting on the relevant resolutions of the Board approving the transactions contemplated under the 2024 Master Supply Agreement since none of them has any material interest in these transactions.

## **DEFINITIONS**

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“2024 Master Supply Agreement”	the master supply agreement dated 29 December 2023 entered into between Winning Tower (for itself and as trustee for the benefit of its subsidiaries from time to time), Wing's Management (for itself and as trustee for the benefit of its subsidiaries from time to time), Wing's Catering WC (for itself and as trustee for the benefit of its subsidiaries from time to time), Wing's Catering TKT (for itself and as trustee for the benefit of its subsidiaries from time to time) and Ever Wardley (for itself and as trustee for the benefit of its subsidiaries from time to time) for supplying certain frozen raw processed meat products to Wing's Group for the three financial years ending 31 December 2026
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“Board”	the board of Directors
“Company”	Winning Tower Group Holdings Limited (運興泰集團控股有限公司), 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)
“Director(s)”	the director(s) of the Company
“Ever Wardley”	Ever Wardley Limited (永獲利有限公司), a company incorporated in Hong Kong with limited liability on 9 February 2010 and is entirely owned by Mr. Hung
“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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture”	Winning Wings Limited (榮泰餐飲有限公司), a company incorporated in Hong Kong with limited liability on 21 May 2019 and is owned as to 55% by Winning Tower and as to 45% by Wing Si Worldwide, respectively
“Master Supply Agreement”	the master supply agreement dated 22 January 2021 entered into between Winning Tower (for itself and as trustee for the benefit of its subsidiaries from time to time), Wing’s Management (for itself and as trustee for the benefit of its subsidiaries from time to time), Wing’s Catering WC (for itself and as trustee for the benefit of its subsidiaries from time to time), Wing’s Catering TKT (for itself and as trustee for the benefit of its subsidiaries from time to time) and Ever Wardley (for itself and as trustee for the benefit of its subsidiaries from time to time) for supplying certain frozen raw processed meat products to Wing’s Group for the three financial years ending 31 December 2023
“Mr. Hung”	Mr. Hung Hin Wing (孔憲榮), a shareholder of Wing’s Management and the elder brother of Mr. Kung

“Mr. Kung”	Mr. Kung Hin Yui (孔憲銳), a shareholder of Wing’s Management and the younger brother of Mr. Hung
“Ms. Leung”	Ms. Leung May Fong (梁美芳), a shareholder of Wing’s Management
“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
“Wing Si Worldwide”	Wing Si Worldwide Holdings Limited (榮式環球控股有限公司), a company incorporated in Hong Kong with limited liability on 29 August 2014 and is owned by Mr. Hung and Mr. Kung in equal shares
“Wing’s Catering TKT”	Wing’s Catering (Tai Kok Tsui) Limited (榮式餐飲(大角咀)有限公司), a company incorporated in Hong Kong with limited liability on 15 February 2018 and is entirely owned by Mr. Kung
“Wing’s Catering WC”	Wing’s Catering (Wan Chai) Limited (榮式餐飲(灣仔)有限公司), a company incorporated in Hong Kong with limited liability on 23 June 2000 and is owned by Mr. Hung and Wing’s Management in equal shares
“Wing’s Group”	a group principally engaged in the catering and food business in Hong Kong and is owned and controlled by Mr. Hung and his family members (including Mr. Kung), and as of the date of this announcement, comprising of, among others, Wing’s Management, Wing Si Worldwide, Wing’s Catering WC, Wing’s Catering TKT and Ever Wardley, and their respective subsidiaries
“Wing’s Management”	Wing’s Management Holdings Limited (榮式控股有限公司), a company incorporated in Hong Kong with limited liability on 12 March 2009, which is owned as to 62.5% by Mr. Hung, as to 25% by Mr. Kung and as to 12.5% by Ms. Leung
“Winning Tower”	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

“%”

per cent.

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

Hong Kong, 29 December 2023

*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. Wong Wang Leong and Ms. Ou Honglian; and the independent non-executive Directors are Mr. Chau Chun Wai, Mr. Lo Sun Tong and Mr. Lam Lai Kiu Kelvin.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regards 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 Listed Company Information” page of the website of the Stock Exchange at <https://www.hkexnews.hk> 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).*