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WINFULL GROUP HOLDINGS LIMITED
宏輝集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 183)

MAJOR TRANSACTION SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

SUBSCRIPTION OF HANG SENG WEALTH MANAGEMENT PRODUCT

The Board announces that on 19 April 2024, August Ally, a wholly-owned subsidiary of the Company, subscribed for wealth management product offered by Hang Seng Insurance, namely, the Hang Seng Wealth Management Product, in an aggregate subscription amount of USD9,200,000 (equivalent to approximately HK\$71,760,000).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Subscription exceeds 25% but is less than 100%, the Subscription constitutes a major transaction under the Listing Rules and is subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Under Rule 14.44 of the Listing Rules, Shareholders' approval for the Subscription and the transactions contemplated thereunder may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (1) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Subscription; and (2) written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the Subscription.

The Company has obtained written approval for the Subscription and the transactions contemplated thereunder in accordance with Rule 14.44 of the Listing Rules from Mr. Pong (for himself and on behalf of Virtue Partner), who is the beneficial owner of 46,959,600 Shares and is deemed to be interested in 334,641,966 Shares held by Virtue Partner by virtue of Part XV of the SFO, which in aggregate represents approximately 67.31% of the entire issued share capital of the Company as at the date of this announcement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or any of their respective close associates have any material interest in the Subscription and the transactions contemplated thereunder, and none of them is required to abstain from voting on the Subscription and the transactions contemplated thereunder. Accordingly, no general meeting will be held by the Company for approving the Subscription and the transactions contemplated thereunder as is permitted under Rule 14.44 of the Listing Rules.

GENERAL

In accordance with Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Subscription and the transactions contemplated thereunder; and (ii) other information required to be included in the circular under the requirements of the Listing Rules shall be despatched to the Shareholders within fifteen (15) business days after the publication of this announcement.

SUBSCRIPTION OF HANG SENG WEALTH MANAGEMENT PRODUCT

The Board announces that on 19 April 2024, August Ally subscribed for wealth management product offered by Hang Seng Insurance, namely, the Hang Seng Wealth Management Product.

Principal terms of the Hang Seng Wealth Management Product are set out below:

Date of subscription	19 April 2024
Name of the wealth management product	LegendPower Life Insurance Plan (Single Premium)
Total actual subscription amount	USD9,200,000 (equivalent to approximately HK\$71,760,000)
Total notional subscription amount	USD10,000,000 (equivalent to approximately HK\$78,000,000)
Policy term	Whole of life of the insured

Expected investment return

The Hang Seng Wealth Management Product offers returns consist of guaranteed cash value and non-guaranteed returns. Guaranteed cash value can only be withdrawn upon surrender in full or in part, cancellation, lapse or termination of the policy.

If August Ally surrenders during the first year of Subscription, it will only receive a guaranteed cash and a non-guaranteed dividend (if any), which in aggregate is less than August Ally's actual subscription amount. The Hang Seng Wealth Management Product will start to generate guaranteed positive returns from the 12th year of Subscription. At the end of the 12th year, the guaranteed cash value will be USD10,004,000, which will in turn generate return of USD804,000 (equivalent to approximately HK\$6.27 million). At the end of the 13th year, the guaranteed cash value will be USD10,028,500. At the end of the 14th year, the guaranteed cash value will be USD10,053,600. At the end of the 15th year, the guaranteed cash value will be USD10,079,400.

The non-guaranteed returns (if any) are paid in the form of special dividends to be declared by Hang Seng Insurance at their absolute discretion, which is payable when the policy is in force and upon occurrence of the following (whichever is the earliest):

- (i) the death of the life insured (unless there is a contingent insured who becomes the new life insured); or
- (ii) the cancellation, lapse or termination of the policy; or
- (iii) the surrender of the policy, whether in full or in part; and
- (iv) any payment of mental incapacity benefit under the policy.

After the 5th year of the Subscription, the policyholder shall have the right to exercise the policy value management option to lock-in a portion of the guaranteed cash value and non-guaranteed special dividend (if any) to mitigate the impact of fluctuations in investment market on the Hang Seng Wealth Management Product. Upon exercise of policy value management option, a portion of special dividend (if any) relevant to the portion of the net cash value (if any) to be allocated to the policy value management balance will be declared and such amount (if any) will be allocated to the balance to accumulate with interest.

Upon partial surrender of the policy, a portion of the special dividend (if any) attributable to the reduced portion of the policy amount will be declared and such amount, if any, will be payable as part of the partial surrender payment.

Surrender August Ally may surrender the Hang Seng Wealth Management Product in full or in part at any time.

The Subscription shall be funded by bank financing of the Group. The Subscription shall also be subject to the obtaining of approval from the majority of the Shareholders. The Company has obtained written approval for the Subscription and the transactions contemplated thereunder in accordance with Rule 14.44 of the Listing Rules from Mr. Pong (for himself and on behalf of Virtue Partner), who is interested in an aggregate of approximately 67.31% of the entire issued share capital of the Company as at the date of this announcement.

REASONS FOR AND BENEFITS OF SUBSCRIBING FOR THE HANG SENG WEALTH MANAGEMENT PRODUCT

In order to enhance the capital efficiency as well as the return from capital operation, the Group reasonably utilises the bank financing available for the purpose of cash management to subscribe for the Hang Seng Wealth Management Product to earn additional income without affecting its normal operations. The Hang Seng Wealth Management Product offers a better potential return to the Group when compared to the deposit interest rates generally offered by commercial banks. The Company would closely and effectively monitor and manage the Hang Seng Wealth Management Product on an ongoing basis.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Hang Seng Wealth Management Product are determined on normal commercial terms after arm's length negotiation between the Group and Hang Seng Insurance, and are fair and reasonable, and that the entering into of the said transactions is in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

The Group

The Company is principally engaged in the investment, trading and development of properties and securities investment and trading. August Ally is a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of the Company and is engaged in the investment and treasury function of the Group.

Hang Seng Insurance

Hang Seng Insurance is a private company incorporated in Hong Kong limited by shares which principally engaged in provision of insurance services and is a wholly-owned subsidiary of Hang Seng Bank.

To the best of their knowledge, information and belief and having made all reasonable enquiries, the Directors confirm that Hang Seng Insurance and its ultimate beneficial owners are third parties independent of the Group and its connected persons (as defined under the Listing Rules).

LISTING RULES IMPLICATIONS

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Under Rule 14.44 of the Listing Rules, Shareholders' approval for the Subscription and the transactions contemplated thereunder may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (1) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Subscription; and (2) written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the Subscription.

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To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or any of their respective close associates have any material interest in the Subscription and the transactions contemplated thereunder, and none of them is required to abstain from voting on the Subscription and the transactions contemplated thereunder. Accordingly, no general meeting will be held by the Company for approving the Subscription and the transactions contemplated thereunder as is permitted under Rule 14.44 of the Listing Rules.

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DEFINITIONS

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

“August Ally”	August Ally Limited, being a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Company”	Winfull Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 183)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hang Seng Bank”	Hang Seng Bank Limited, a company the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 11)
“Hang Seng Insurance”	Hang Seng Insurance Company Limited, a company incorporated in Hong Kong with limited liability
“Hang Seng Wealth Management Product”	the wealth management product offered by Hang Seng Insurance, namely LegendPower Life Insurance Plan (Single Premium)
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Pong”	Mr. Pong Wilson Wai Sun, the chairman of the Board and an executive Director
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Hang Seng Wealth Management Product in an aggregate amount of USD9,200,000 (equivalent to approximately HK\$71,760,000)
“USD”	US dollars, the lawful currency of the United States of America
“Virtue Partner”	Virtue Partner Group Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Pong
“%”	per cent

In this announcement, amounts in USD are translated into HK\$ on the basis of USD1.00 = HK\$7.8. The conversion rate is for illustration purposes only and should not be taken as a representation that USD could actually be converted into HK\$ at such rate or at all.

By order of the Board
Winfull Group Holdings Limited
Pong Wilson Wai San
Chairman

Hong Kong, 19 April 2024

As at the date of this announcement, the Company’s executive directors are Mr. Pong Wilson Wai San and Mr. Lee Wing Yin, the Company’s non-executive director is Mr. Lai Hin Wing, Henry and the Company’s independent non-executive directors are Mr. Koo Fook Sun, Louis, Ms. Yeung Wing Yan, Wendy and Mr. Liu Tsee Ming respectively.