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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)

**(1) MAJOR TRANSACTION:
DISPOSAL OF 30% EQUITY INTEREST IN
APEX PLAN LIMITED; AND
(2) RESUMPTION OF TRADING**

THE DISPOSAL

The Board announces that on 1 April 2017, Joy Shing (a wholly-owned subsidiary of the Company) and Apex Step as vendors, and the Purchaser and the Purchaser's sole shareholder and directors as guarantors entered into the Provisional Sale and Purchase Agreement, pursuant to which Joy Shing and Apex Step have agreed to sell and the Purchaser has agreed to purchase the entire issued share capital and all outstanding shareholders' loan of Apex Plan for a cash consideration of HK\$1,300,000,000.

As all the relevant percentages exceed 25% but below 100%, the Disposal constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to, among others, the approval of the Shareholders at the EGM. The voting in relation to the Disposal at the EGM will be conducted by way of a poll and no Shareholder is required to abstain from voting at the EGM.

A circular containing, among other matters, further details of the Disposal and a notice to convene the EGM will be despatched to the Shareholders on or before 31 May 2017.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 3 April 2017 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 5 April 2017.

THE DISPOSAL

The Board announces that on 1 April 2017, Joy Shing (a wholly-owned subsidiary of the Company) and Apex Step as vendors, and the Purchaser and the Purchaser's sole shareholder and directors as guarantors entered into the Provisional Sale and Purchase Agreement, pursuant to which Joy Shing and Apex Step have agreed to sell and the Purchaser has agreed to purchase the entire issued share capital and all outstanding shareholders' loan of Apex Plan for a cash consideration of HK\$1,300,000,000.

PROVISIONAL SALE AND PURCHASE AGREEMENT

The salient terms of the Provisional Sale and Purchase Agreement are as follows:

Date

1 April 2017

Parties

Vendors: (i) Joy Shing, a wholly-owned subsidiary of the Company
(ii) Apex Step

Purchaser: The Purchaser

Purchaser's guarantors: the sole shareholder and the directors of the Purchaser

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an investment holding company incorporated in Hong Kong with limited liabilities and the Purchaser, its ultimate beneficial owner(s) and guarantors are Independent Third Parties. Apex Step as at the date of this announcement is holding of 70% shareholding interest in the Apex Plan and Apex Step and its ultimate beneficial owners are Independent Third Parties.

The Purchaser confirms that the Purchaser, its guarantors and their respective associates (as defined under the Listing Rules) do not hold any Shares or equity interests, whether directly or indirectly, in the share capital of the Company.

Subject Matter

Subject to the terms of Provisional Sale and Purchase Agreement, the Vendors have agreed to sell and the Purchaser has agreed to purchase the entire issued share capital and all the outstanding shareholders' loan of Apex Plan for a cash consideration of HK\$1,300,000,000.

The parties have agreed to enter into a formal sale and purchase agreement on or before 26 May 2017.

Consideration

The Consideration of HK\$1,300,000,000 shall be payable to the Vendors in cash in the following manner:

- (i) as to HK\$60,000,000 upon the signing of the Provisional Sale and Purchase Agreement, which is held in an escrow account of a firm of solicitors in Hong Kong;
- (ii) as to HK\$70,000,000 on or before 1 May 2017;
- (iii) as to HK\$65,000,000 on or before 15 July 2017;
- (iv) as to HK\$65,000,000 on or before 15 August 2017;
- (v) as to HK\$65,000,000 on or before 15 September 2017;
- (vi) as to HK\$65,000,000 on or before 23 October 2017; and
- (vii) as to the remaining HK\$910,000,000 upon Completion.

The Consideration was determined after arm's length negotiations between the Vendors and the Purchaser through estate agent.

Having considered the above and the factors described under the section headed "Reasons for and the benefits of the Disposal" below, the Directors consider that the Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Condition precedent

Completion is conditional on the passing by the Shareholders at a general meeting of the Company to be convened and held of the necessary ordinary resolution(s) to approve the Disposal and the transaction contemplated thereunder.

Completion of the Disposal

Subject to the fulfilment of the condition precedent above, Completion shall take place on or before 28 March 2018.

Guarantee

Pursuant to the terms of the Provisional Sale and Purchase Agreement, each of the Company and Pena Investments shall guarantee the performance, obligations and warranties of Joy Shing and Apex Step, respectively for a period of two years after Completion on several basis in proportion to their respective shareholding in Apex Plan. The Purchaser's guarantors agreed to jointly and severally guarantee the performance of the Purchaser under the Provisional Sale and Purchase Agreement (including but not limited to the payment of the Consideration).

INFORMATION OF THE TARGET GROUP

Apex Plan is an investment company incorporated in the British Virgin Islands. The Target Group comprises the Apex Plan and its subsidiary, Everhost. The sole business of the Target Group is the re-development of the Property through Everhost.

Set out below is the financial information of the Target Group as extracted from the annual report of the Company for the year ended 30 June 2016:

	For the year ended 30 June 2016 (HK'000)	For the year ended 30 June 2015 (HK'000)
Revenue	–	–
Loss before taxation (<i>note</i>)	(7,742)	(1,628)
Loss after taxation	(6,474)	(5,146)

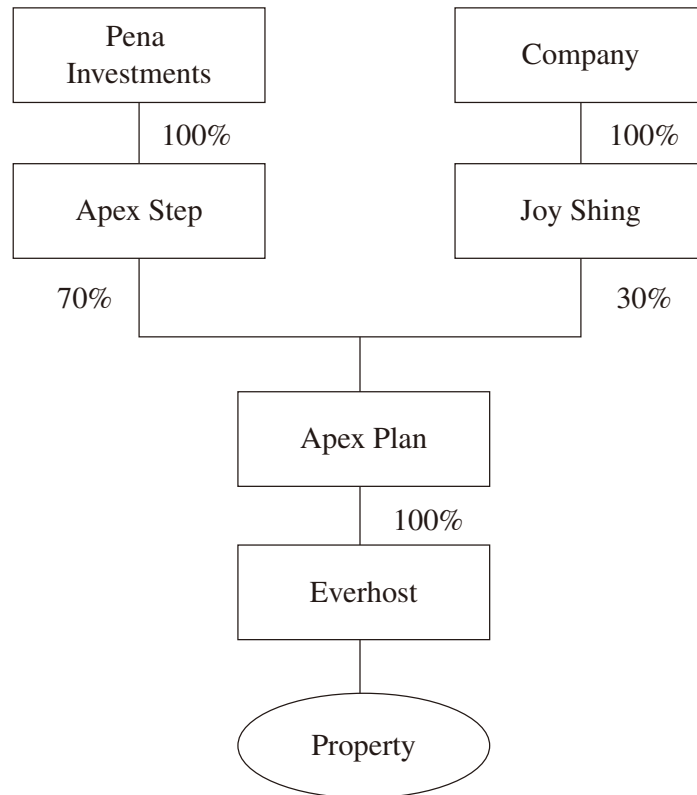
The unaudited net assets value of the Target Group, excluding the outstanding shareholders' loan of Apex Plan of HK\$274,662,000 and the bank loan of HK\$700,000,000, as at 31 December 2016 was approximately HK\$945,935,000.

Note: The loss before taxation is calculated taking into account the recognition of tax credit to the Target Group.

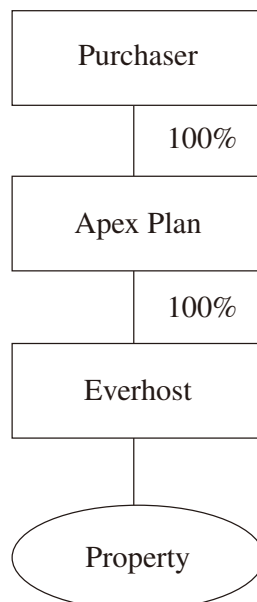
SHAREHOLDING STRUCTURE OF THE TARGET GROUP

The following is the shareholding structure of the Target Group as at the date of this announcement and immediately after Completion:

As at the date of the announcement



Immediately after Completion



REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in property investment and trading, property development and provision of renovation services.

In light of the gain from the Disposal, the Board considers that the Disposal represents a good opportunity for realisation of the Group's investment in the associates. Further, the proceeds from the Disposal can further strengthen the cash position of the Group and will allow the Group to reallocate its resources for its principal activities.

Taking into account the abovementioned factors, the Directors consider that the terms and conditions of the Disposal are fair and reasonable and on normal commercial terms and are in the interests of the Company and Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Target Group will cease to be the associates of the Company and the results, assets and liabilities of the Target Group will no longer be equity accounted for in the books of the Company.

GAIN OR LOSS ATTRIBUTABLE TO THE DISPOSAL

The Disposal is expected to recognise a gain before tax of approximately HK\$89,950,000 to the Group, which is calculated based on the Consideration of HK\$1,300,000,000 less the shareholders' loan due from the Target Group and the outstanding bank loan of the Target Group of approximately HK\$274,662,000 and HK\$700,000,000, respectively, as at 31 December 2016 and other related costs and expenses and taking into account the Company's 30% shareholding interests in Apex Plan. Subject to audit, the actual amount of the gain on the Disposal to be recognised by the Group will depend on the net asset value of the Target Group as at Completion and therefore may be different from the amount mentioned above.

USE OF PROCEEDS

The net proceeds from the Disposal shared by the Group will be approximately HK\$172 million, which will be used for its principal activities for acquisition of properties for investment, trading and development.

IMPLICATIONS UNDER THE LISTING RULES

As all the relevant percentages exceed 25% but below 100%, the Disposal constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules. and is subject to, among others, the approval of the Shareholders at the EGM.

An EGM will be convened and held for the Shareholders to, among other things, consider and, if thought fit, to approve the Disposal and no Shareholder is required to abstain from voting at the EGM.

A circular containing, among other matters, further details of the Disposal and a notice to convene the EGM will be despatched to the Shareholders on or before 31 May 2017 as the Company may require extra time to coordinate with Apex Step to prepare certain information on the Target Group to be disclosed in the circular and pending the signing of the formal sale and purchase agreement.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 3 April 2017 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 5 April 2017.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the same following meanings as set out below:

“Apex Plan”	Apex Plan Limited, a company incorporated in the British Virgin Islands with limited liability and is owned as to 30% by Joy Shing and 70% by Apex Step
“Apex Step”	Apex Step Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Board”	the board of Directors
“Company”	Winfull Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on Stock Exchange under stock code: 183
“Completion”	completion of the Disposal
“Consideration”	HK\$1,300,000,000, being the consideration for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	(i) the sale of the entire issued share capital of Apex Plan; and (ii) the sale of all the outstanding shareholders’ loan of Apex Plan by the Vendors pursuant to the Provisional Sale and Purchase Agreement
“EGM”	the extraordinary general meeting of the Company to be held and convened to consider and approve the Disposal

“Everhost”	Everhost Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Apex Plan
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who, together with his/her ultimate beneficial owner(s), is/are persons independent of the Company and its connected persons (within the meaning of the Listing Rules)
“Joy Shing”	Joy Shing Development Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pena Investments”	Pena Investments Limited, a company incorporated in the British Virgin Islands and is the holding company of Apex Step
“Property”	the property located at Nos.18-32 Junction Road, Kowloon, Hong Kong
“Provisional Sale and Purchase Agreement”	the provisional sale and purchase agreement dated 1 April 2017 and entered into among the Vendors, the Purchaser, and the Purchaser’s guarantors in relation to the Disposal
“Purchaser”	Multi Fun Limited, a company incorporated in Hong Kong, being the purchaser of the Provisional Sale and Purchase Agreement
“Shareholder(s)”	holder(s) of issued Share(s)
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Apex Plan and its subsidiaries, including Everhost
“Vendors”	Joy Shing and Apex Step
%	per cent.

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

Hong Kong, 3 April 2017

As at the date of this announcement, the executive Directors are Mr. Pong Wilson Wai San, Mr. Lee Wing Yin and Mr. Ngan Man Ho, the non-executive Director is Mr. Lai Hin Wing Henry and the independent non-executive Directors are Mr. Koo Fook Sun Louis, Ms. Yeung Wing Yan Wendy and Mr. Lung Hung Cheuk respectively.