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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)

DISCLOSEABLE TRANSACTION: SUBSCRIPTION OF FUND AND CO-INVESTMENT IN PROPERTY

THE SUBSCRIPTION AND CO-INVESTMENT

The Board announces that (1) on 21 December 2017 (after trading hours), the Subscriber (a wholly-owned subsidiary of the Company) and Phoenix Fund VI (B) entered into the Fund Subscription Agreement, pursuant to which the Subscriber shall subscribe for a limited partnership interest in Phoenix Fund VI (B) with capital commitment of US\$5,000,000; and (2) on 21 December 2017 (after trading hours), the Co-Investor (a wholly-owned subsidiary of the Company) entered into the Co-Investment Agreement, pursuant to which the Co-Investor shall subscribe for a participation in Key Reward with capital commitment of US\$5,000,000, subject to final allocation.

As the relevant percentages in aggregation with the Previous Co-Investment exceed 5% but all below 25%, the Subscription and the Co-Investment constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

THE PREVIOUS CO-INVESTMENT

On 3 October 2017, Ample Cove (a wholly-owned subsidiary of the Company) entered into the Previous Co-Investment Documents pursuant to which Ample Cove shall co-invest with other co-investors (together with Ample Cove as the “**Previous Co-Investors**”) in a special purpose vehicle with sole purpose for investing in a Shanghai commercial property, Tower 2 of Shanghai Financial Street Center, Jing’an Central Business District, Shanghai, the PRC (the “**T2 Property**”) with capital commitment of US\$4.5 million on the part of Ample Cove.

The total equity investment for the T2 Property investment is approximately US\$103 million and the sharing between Phoenix Fund V and the Previous Co-Investors are approximately US\$56 million (55%) and US\$47 million (45%) respectively.

To the best of the Directors' knowledge, information and belief, the Previous Co-Investors and Phoenix Fund V are Independent Third Parties. The terms and conditions of the Previous Co-Investment were arrived at after arm's length negotiations between the parties with reference to the market price of the T2 Property and the investment prospect thereof.

As all the relevant percentages of the Previous Co-Investment are below 5%, the Previous Co-Investment does not constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules.

It is the intention of the Company to hold the Previous Co-Investment for long-term investment purpose.

THE SUBSCRIPTION AND CO-INVESTMENT

The Board announces that (1) on 21 December 2017 (after trading hours), the Subscriber (a wholly-owned subsidiary of the Company) and Phoenix Fund VI (B) entered into the Fund Subscription Agreement, pursuant to which the Subscriber shall subscribe for a limited partnership interest in Phoenix Fund VI (B) with capital commitment of US\$5,000,000; and (2) on 21 December 2017 (after trading hours), the Co-Investor (a wholly-owned subsidiary of the Company) entered into the Co-Investment Agreement, pursuant to which the Co-Investor shall subscribe for a participation in Key Reward with capital commitment of US\$5,000,000, subject to final allocation.

THE FUND SUBSCRIPTION AGREEMENT

The salient terms of the Fund Subscription Agreement are as follows:

Date

21 December 2017

Parties

Subscriber: the Subscriber, a wholly owned subsidiary of the Company

Fund: Phoenix Fund VI (B)

General Partner: Phoenix Asia VI Limited (the "**General Partner**")

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Phoenix Fund VI (B) is a real estate investment fund in the form of limited liability partnership and its ultimate beneficial owner(s) are Independent Third Parties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Phoenix Asia VI Limited is an exempted company incorporated under the laws of the Cayman Islands with limited liabilities and the general partner of Phoenix Fund VI (B).

Subject Matter

Subject to the terms and conditions of the Fund Subscription Agreement, the Subscriber shall subscribe for a limited partnership interest in Phoenix Fund VI (B) with capital commitment of US\$5,000,000.

The investment objective of Phoenix Fund VI (B) is to seek to achieve a targeted gross portfolio-level internal rate of return of 20% or more with a focus on investments in real estate and real estate-related assets in Asia Pacific. The investments to be made by Phoenix Fund VI may take the form of: direct investments into physical assets; investments in debt or equity in a corporation, partnership, trust (including real estate investment trusts), limited liability company or other entities or equity-related or linked investments or any other asset or group of assets, whether listed or not and including privately structured investments or non-performing loans. Phoenix Fund VI may also invest into real estate projects together with other real estate operators, and invest in real estate development projects as developer or financial investor.

Consideration

The capital commitment of US\$5,000,000 shall be payable to Phoenix Fund VI (B) during the investment period. The capital commitment is determined after arm's length negotiations with referencing to the anticipated capital requirements of Phoenix Fund VI (B) and the possible investment return and financial resources of each party.

Having considered the above and the factors described under the section headed "Reasons for and the benefits of the Subscription and the Co-Investment" below, the Directors consider that the capital commitment under the Fund Subscription Agreement is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Group intends to finance the capital commitment by its internal resources.

Condition

The subscription in Phoenix Fund VI (B) shall be subject to the admission of the Subscriber as a limited partner to Phoenix Fund VI (B).

The General Partner reserves the right, in its sole and absolute discretion, to (i) admit or not admit the Subscriber as a limited partner on the date of closing ("**Closing**") and (ii) reduce the amount of the capital commitment for which the Subscriber has applied to at any time prior to the Closing.

Closing

The Subscriber shall enter into an amended and restated limited partnership agreement of Phoenix Fund VI (B) as part of Closing.

THE CO-INVESTMENT AGREEMENT

The salient terms of the Co-Investment Agreement are as follows:

Date

21 December 2017

Parties

the Co-Investor, a wholly owned subsidiary of the Company

Key Reward

Phoenix Property Investors Limited (the “**Investment Manager**”)

Key Reward is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Key Reward and its ultimate beneficial owner(s) are Independent Third Parties.

The Investment Manager is an exempted company incorporated in the Cayman Islands with limited liability and is principally engaged in investment management. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Investment Manager and its ultimate beneficial owner(s) are Independent Third Parties.

Subject Matter

Subject to the terms and conditions of the Co-Investment Agreement, the Co-Investor shall subscribe for a participation in Key Reward with capital commitment of US\$5,000,000, subject to final allocation.

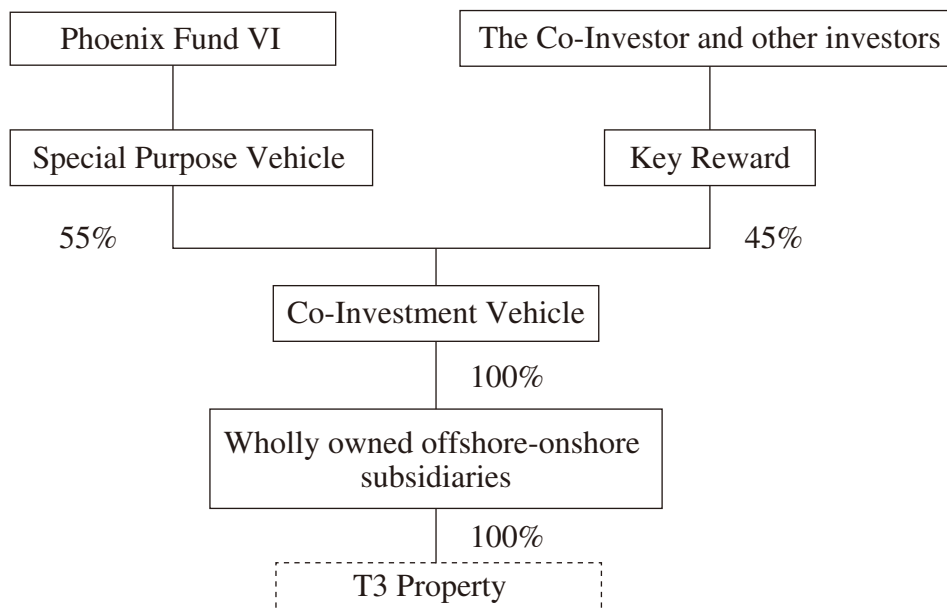
The objective of Key Reward is to give third party investors the opportunity to co-invest with Phoenix Fund VI in Tower 3 of Shanghai Financial Street Center, Jing’an Central Business District, Shanghai, the PRC (the “**T3 Property**”).

The total equity investment for the T3 Property investment is approximately US\$128 million and the sharing between Phoenix Fund VI and Key Reward are approximately US\$70 million (55%) and US\$58 million (45%) respectively. Phoenix Fund VI and Key Reward will form a co-investment vehicle (the “**Co-Investment Vehicle**”) to acquire and hold the investment in the T3 Property through an offshore-onshore holding structure. The Co-Investment Vehicle will be beneficially owned by Phoenix Fund VI and Key Reward as to 55% and 45% respectively.

Subject to the prevailing market conditions, it is expected that the holding period of the investment in the T3 Property shall be approximately 4.5 years (and not more than 6 years) from its acquisition date (the “**Term**”). Key Reward will not make any investment other than investment in the T3 Property via subscription of shares of the Co-Investment Vehicle.

Key Reward will be terminated and its affairs would be wound up following final distribution of amounts in connection with the sale or other disposal of the investment in T3 Property upon the expiration of its Term.

Set out below is the proposed structure for the investment in the T3 Property:



Consideration

The capital commitment of US\$5,000,000 shall be payable by the Co-Investor in US\$ to Key Reward in accordance with the terms and conditions of the Co-Investment Agreement. Key Reward will have an investment period from the commencement date (i.e. the date on which Key Reward has obtained initial deposit and is expected to be on or about 8 January 2018) until the date that is 16 months after the commencement date (or such longer period as may be extended by the Investment Manager). The capital commitment is determined after arm’s length negotiations with referencing to the anticipated acquisition costs of the T3 Property and the possible investment return and financial resources of each party.

Having considered the above and the factors described under the section headed “Reasons for and the benefits of the Subscription and the Co-Investment” below, the Directors consider that the capital commitment under the Co-Investment Agreement is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Investment Manager will be entitled, among others, to receive a management fee commencing from the commencement date and throughout the Term in the sum equivalent to 1% per annum of the participations of the shareholders of Key Reward.

The Group intends to finance the capital commitment by its internal resources.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND THE CO-INVESTMENT

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

To complement the risk and increase the yield of the investment portfolio of the Group, the Board decides to diversify and expand its existing investment into different real estate markets. The target markets of Phoenix Fund VI and the two coinvestment opportunities are focused on Asia Pacific and Shanghai, China. In light of the growing potential of those markets, the Board is of the view that such diversification will be beneficial to the long term development of the Group. In addition, those fund and co-investments are managed by Phoenix Property Investors Limited, which are our business partner in one of our property development projects in Hong Kong (as disclosed in the annual report of the Company for the year ended 30 June 2017, the Group was in cooperation with Phoenix in investing a property redevelopment project at Nos. 18–32 Junction Road, Kowloon, Hong Kong (the “**Junction Road Property Project**”) and the Group has entered into sale and purchase agreement to dispose of its interests in the Junction Road Property Project as disclosed in the circular of the Company dated 9 June 2017) and they also have an extensive knowledge, experience and expertise in the property development business in Asia Pacific and China markets. Further, the Group would also be able to benefit financially from those investments with Phoenix Property Investors

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

IMPLICATIONS UNDER THE LISTING RULES

As the relevant percentages in aggregation with the Previous Co-Investment exceed 5% but all below 25%, the Subscription and the Co-Investment constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Ample Cove”	Ample Cove Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Board”	the board of Directors
“Co-Investment”	the co-investment in Key Reward and the T3 Property as contemplated under the Co-Investment Agreement

“Co-Investment Agreement”	the subscription agreement dated 21 December 2017 and entered among the Co-Investor, Key Reward and the Investment Manager in relation to the Co-Investment
“Co-Investor”	Winter Cherishing Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“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
“Director(s)”	the director(s) of the Company
“Fund Subscription Agreement”	the fund subscription agreement dated 21 December 2017 and entered into among the Subscriber, Phoenix Fund VI (B) and the General Partner in relation to the Subscription
“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 PRC
“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)
“Key Reward”	Key Reward Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Phoenix Fund V”	Phoenix Asia Real Estate Investments V(A), L.P. and Phoenix Asia Real Estate Investments V(B), L.P.
“Phoenix Fund VI”	together Phoenix Asia Real Estate Investments VI (A), L.P. and Phoenix Fund VI(B)
“Phoenix Fund VI (B)”	Phoenix Asia Real Estate Investments VI(B), L.P., a Cayman Islands exempted limited partnership
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region and Taiwan

“Previous Co-Investment”	the previous co-investment by Ample Cove in the T2 Property as contemplated under the Previous Co-Investment Documents
“Previous Co-Investment Documents”	the documents dated 3 October 2017 and entered into by Ample Cove in relation to the Previous Co-Investment
“Shareholder(s)”	holder(s) of issued share(s) of the Company
“Subscriber” or “August Ally”	August Ally Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“Subscription”	the subscription in Phoenix Fund VI (B) by the Group as contemplated under the Fund Subscription Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
%	per cent.

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

Hong Kong, 21 December 2017

As at the date of this announcement, the Company’s executive directors are Mr. Pong Wilson Wai San, Mr. Lee Wing Yin and Mr. Ngan Man Ho, 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. Lung Hung Cheuk respectively.