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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 –
DISPOSALS OF ENTIRE ISSUED SHARE CAPITAL IN ENVIRO
GLOBAL LIMITED AND ENTIRE ISSUED SHARE CAPITAL
IN SONIC RETURNS LIMITED**

THE DISPOSALS

The Board announces that on 13 July 2018, the Vendor (a wholly-owned subsidiary of the Company) as vendor, the Purchaser as purchaser and the Company as the Vendor's guarantor entered into the EG Provisional Agreement for Sale and Purchase and the SR Provisional Agreement for Sale and Purchase, pursuant to which (i) the Vendor has agreed to sell and the Purchaser has agreed to purchase the entire issued share capital in and all debts owing to the Vendor by Enviro Global for a consideration of HK\$19,070,500 and (ii) the Vendor has agreed to sell and the Purchaser has agreed to purchase the entire issued share capital in and all debts owing to the Vendor by Sonic Returns for a consideration of HK\$33,669,000, respectively.

IMPLICATIONS UNDER THE LISTING RULES

As the EG Disposal and the SR Disposal are (i) inter-conditional, (ii) expected to be completed within a 12-month period, and (iii) entered into by the Company with the same party, the EG Disposal and the SR Disposal shall be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

While each of the EG Disposal and the SR Disposal, when calculated individually, did not constitute a notifiable transaction under Chapter 14 of the Listing Rules, the EG Disposal and the SR Disposal, when aggregated as a whole, constituted a discloseable transaction for the Company, as one or more of the relevant percentage ratios (as defined in the Listing Rules) in respect of the Disposals exceed 5% but is below 25%, and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that the EG Disposal and the SR Disposal may or may not proceed as they are subject to the EG Conditions and the SR Conditions respectively, which may or may not be fulfilled. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

THE DISPOSALS

The Board announces that on 13 July 2018, the Vendor (a wholly-owned subsidiary of the Company) as vendor, the Purchaser as purchaser and the Company as the Vendor's guarantor entered into the EG Provisional Agreement for Sale and Purchase and the SR Provisional Agreement for Sale and Purchase, pursuant to which (i) the Vendor has agreed to sell and the Purchaser has agreed to purchase the entire issued share capital in and all debts owing to the Vendor by Enviro Global for a consideration of HK\$19,070,500 and (ii) the Vendor has agreed to sell and the Purchaser has agreed to purchase the entire issued share capital in and all debts owing to the Vendor by Sonic Returns for a consideration of HK\$33,669,000, respectively.

EG PROVISIONAL AGREEMENT FOR SALE AND PURCHASE

The material terms of the EG Provisional Agreement for Sale and Purchase are summarized below:

Date

13 July 2018

Parties

Vendor: the Vendor

Purchaser: the Purchaser

Vendor's guarantor: the Company

Subject Matter

Subject to the terms of the EG Provisional Agreement for Sale and Purchase, the Vendor has agreed to sell and the Purchaser has agreed to purchase the entire issued share capital in and all debts owing to the Vendor by Enviro Global for a consideration of HK\$19,070,500.

The Parties have agreed to use their reasonable endeavours to enter into a formal sale and purchase agreement on or before 15 August 2018, and in the event that the Vendor and the Purchaser fail to reach agreement on the terms of the formal agreement for sale and purchase on or before the said date, the EG Provisional Agreement for Sale and Purchase shall remain valid and of full force and effect and the parties to the same shall comply with their respective obligations thereunder.

Consideration

The consideration of HK\$19,070,500 shall be payable by the Purchaser in the following manner:

- (i) HK\$1,000,000 as initial deposit to be paid to the Vendor's Solicitors as stakeholder upon signing of the EG Provisional Agreement for Sale and Purchase;
- (ii) HK\$907,050 as further deposit to be paid to the Vendor's Solicitors as stakeholder on or before 15 August 2018; and
- (iii) the remaining balance of the consideration of HK\$17,163,450 to be paid to the Vendor before 2:00 pm on the Completion Date or at such other date and time as the Parties may agree in writing.

Deposits paid under (i) and (ii) above shall be released by the Vendor's Solicitors to the Vendor, upon the Purchaser having confirmed that he is satisfied with the results of the due diligence review on Enviro Global and the mortgagee bank of the EG Property having confirmed that the balance of the consideration under (iii) above is sufficient to discharge the existing mortgage of the EG Property.

The consideration for the EG Disposal was determined after arm's length negotiations between the Vendor and the Purchaser through an estate agent taking into account, among other things, the recent market conditions of the property market in Hong Kong, the market value of the EG Property and the net assets value of Enviro Global.

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

Conditions

Completion of the EG Disposal is conditional upon the following EG Conditions:

- (i) the Purchaser having completed its due diligence review on the business, financial, legal and other aspects of Enviro Global and the results thereof does not show any material irregularity on the affairs of Enviro Global; and
- (ii) the Vendor having procured Enviro Global to give and prove a good title to the EG Property in accordance with section 13 and section 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong).

If any of the EG Conditions is not fulfilled or waived by the Purchaser on or before the Completion Date, the Purchaser shall be entitled to cancel the EG Disposal whereupon all deposits paid by the Purchaser shall be returned by the Vendor or the Vendor's Solicitors to the Purchaser.

Completion of the EG Disposal is conditional upon the completion of the SR Disposal, and if the Purchaser fails to complete the SR Disposal, s/he is deemed to have failed to complete the EG Disposal.

Completion

If all the EG Conditions are fulfilled (or otherwise waived by the Purchaser in accordance with the EG Provisional Agreement for Sale and Purchase) on or before the Completion Date, completion for the EG Disposal shall take place on the Completion Date or such other date and time as the Parties may agree in writing. Completion of the EG Disposal will take place simultaneously with the completion of the SR Disposal.

Guarantee

Pursuant to the terms of the EG Provisional Agreement for Sale and Purchase, the Company shall unconditionally and irrevocably guarantee due performance and observance of all obligations of the Vendor under the EG Provisional Agreement for Sale and Purchase. Further, the Company undertakes and agrees to indemnify the Purchaser and Enviro Global and keep the Purchaser and Enviro Global fully indemnified against all losses, costs, expenses and damages which may be sustained by the Purchaser and/or Enviro Global by reason of or in connection with any failure of the Vendor to perform any of its obligations under the EG Provisional Agreement for Sale and Purchase or breach of any warranties.

SR PROVISIONAL AGREEMENT FOR SALE AND PURCHASE

The material terms of the SR Provisional Agreement for Sale and Purchase are summarized below:

Date

13 July 2018

Parties

Vendor: the Vendor

Purchaser: the Purchaser

Vendor's guarantor: the Company

Subject Matter

Subject to the terms of the SR Provisional Agreement for Sale and Purchase, the Vendor has agreed to sell and the Purchaser has agreed to purchase the entire issued share capital in and all debts owing to the Vendor by Sonic Returns for a consideration of HK\$33,669,000.

The Parties have agreed to use their reasonable endeavours to enter into a formal sale and purchase agreement on or before 15 August 2018, and in the event that the Vendor and the Purchaser fail to reach agreement on the terms of the formal agreement for sale and purchase on or before the said date, the SR Provisional Agreement for Sale and Purchase shall remain valid and of full force and effect and the parties to the same shall comply with their respective obligations thereunder.

Consideration

The consideration of HK\$33,669,000 shall be payable by the Purchaser in the following manner:

- (i) HK\$1,300,000 as initial deposit to be paid to the Vendor's Solicitors as stakeholder upon signing of the SR Provisional Agreement for Sale and Purchase;
- (ii) HK\$2,066,900 as further deposit to be paid to the Vendor's Solicitors as stakeholder on or before 15 August 2018; and
- (iii) the remaining balance of the consideration of HK\$30,302,100 to be paid to the Vendor before 2:00pm on the Completion Date or at such other date and time as the Parties may agree in writing.

Deposits paid under (i) and (ii) above shall be released by the Vendor's Solicitors to the Vendor, upon the Purchaser having confirmed that he is satisfied with the results of the due diligence review on Sonic Returns and the mortgagee bank of the SR Property having confirmed that the balance of the consideration under (iii) above is sufficient to discharge the existing mortgage of the EG Property.

The consideration for the SR Disposal was determined after arm's length negotiations between the Vendor and the Purchaser through an estate agent taking into account, among other things, the recent market conditions of the property market in Hong Kong, the market value of the SR Property and the net assets value of Sonic Returns.

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

Conditions

Completion of the SR Disposal is conditional upon the following SR Conditions:

- (i) the Purchaser having completed its due diligence review on the business, financial, legal and other aspects of Sonic Returns and the results thereof does not show any material irregularity on the affairs of Sonic Returns; and
- (ii) the Vendor having procured Sonic Returns to give and prove a good title to the SR Property in accordance with section 13 and section 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong).

If any of the SR Conditions is not fulfilled or waived by the Purchaser on or before the Completion Date, the Purchaser shall be entitled to cancel the SR Disposal whereupon all deposits paid by the Purchaser shall be returned by the Vendor or the Vendor's Solicitors to the Purchaser.

Completion of the SR Disposal is conditional upon the completion of the EG Disposal, and if the Purchaser fails to complete the EG Disposal, s/he is deemed to have failed to complete the SR Disposal.

Completion

If all the SR Conditions are fulfilled (or otherwise waived by the Purchaser in accordance with the SR Provisional Agreement for Sale and Purchase) on or before the Completion Date, completion for the SR Disposal shall take place on the Completion Date or such other date and time as the Parties may agree in writing. Completion of the SR Disposal will take place simultaneously with the completion of the EG Disposal.

Guarantee

Pursuant to the terms of the SR Provisional Agreement for Sale and Purchase, the Company shall unconditionally and irrevocably guarantee and procure due performance and observance of all obligations of the Vendor under the SR Provisional Agreement for Sale and Purchase. Further, the Company undertakes and agrees to indemnify the Purchaser and Sonic Returns and keep the Purchaser and Sonic Returns fully indemnified against all losses, costs, expenses and damages which may be sustained by the Purchaser and/or Sonic Returns by reason of or in connection with any failure of the Vendor to perform any of its obligations under the SR Provisional Agreement for Sale and Purchase or breach of any warranties.

INFORMATION OF ENVIRO GLOBAL AND SONIC RETURNS

Enviro Global

Enviro Global is a company incorporated in the BVI with limited liability on 8 March 2017. The principal business activity of Enviro Global is property investment.

Set out below is the unaudited financial information of Enviro Global for the period from its incorporation date of 8 March 2017 up to 30 June 2017:

	For the period from 8 March 2017 up to 30 June 2017 <i>HK\$'000</i> (unaudited)
Revenue	29.5
Net (loss) profit before taxation	319.0
Net (loss) profit after taxation	319.0
Net assets	<u>319.0</u>

The unaudited total asset value of Enviro Global as at 31 December 2017 is approximately HK\$14,985,000.

Sonic Returns

Sonic Returns is a company incorporated in the BVI with limited liability on 8 March 2017. The principal business activity of Sonic Returns is property investment.

Set out below is the unaudited financial information of Sonic Returns for the period from its incorporation date of 8 March 2017 up to 30 June 2017:

	For the period from 8 March 2017 up to 30 June 2017 <i>HK\$'000</i> (unaudited)
Revenue	52.1
Net (loss) profit before taxation	171.6
Net (loss) profit after taxation	171.6
Net assets	<u>171.6</u>

The unaudited total asset value of Sonic Returns as at 31 December 2017 is approximately HK\$26,211,000.

INFORMATION OF THE PURCHASER

The Purchaser is an individual, and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a third party independent of the Company and its connected persons.

FINANCIAL EFFECTS OF THE DISPOSALS

EG Disposal

Upon completion of the EG Disposal, Enviro Global will cease to be a subsidiary of the Company and the financial results of Enviro Global will cease to be consolidated into those of the Company.

The EG Disposal is expected to recognise a gain before tax of approximately HK\$4.4 million to the Group, which is calculated based on the consideration less (i) the net asset value of Enviro Global as at 30 June 2017 and all debts owing to the Vendor by Enviro Global and (ii) the related costs and expenses of the Group for this transaction. Subject to audit, the actual amount of the gain on the EG Disposal to be recognised by the Group will depend on the net asset value of Enviro Global as at completion of the EG Disposal and therefore may be different from the amount mentioned above.

SR Disposal

Upon completion of the SR Disposal, Sonic Returns will cease to be a subsidiary of the Company and the financial results of Sonic Returns will cease to be consolidated into those of the Company.

The SR Disposal is expected to recognise a gain before tax of approximately HK\$8.0 million to the Group, which is calculated based on the consideration less (i) the net asset value of Sonic Returns as at 30 June 2017 and all debts owing to the Vendor by Sonic Returns and (ii) the related costs and expenses of the Group for this transaction. Subject to audit, the actual amount of the gain on the SR Disposal to be recognised by the Group will depend on the net asset value of Sonic Returns as at completion of the SR Disposal and therefore may be different from the amount mentioned above.

REASONS FOR AND BENEFITS OF THE DISPOSALS

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

The Directors are optimistic about the prospect of the Hong Kong office market. The Directors consider that, in light of the gain from the Disposals, the Disposals represent good opportunities for realisation of the Group's investment property which are commercial offices. Further, the proceeds from the Disposals can further strengthen the cash position of the Group and will allow the Group to reallocation its resources for its principal activities.

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

USE OF PROCEEDS

The net proceeds from the Disposals shared by the Group will be approximately HK\$52.2 million which will be used for its principal business activities of acquisition of properties for investment, trading and development.

IMPLICATIONS UNDER THE LISTING RULES

As the EG Disposal and the SR Disposal are (i) inter-conditional, (ii) expected to be completed within a 12-month period, and (iii) entered into by the Company with the same party, the EG Disposal and the SR Disposal shall be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

While each of the EG Disposal and the SR Disposal, when calculated individually, did not constitute a notifiable transaction under Chapter 14 of the Listing Rules, the EG Disposal and the SR Disposal, when aggregated as a whole, constituted a discloseable transaction for the Company, as one or more of the relevant percentage ratios (as defined in the Listing Rules) in respect of the Disposals exceed 5% but is below 25%, and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

Shareholders and potential investors of the Company should note that the EG Disposal and the SR Disposal may or may not proceed as they are subject to the EG Conditions and the SR Conditions respectively, which may or may not be fulfilled. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Completion Date”	19 October 2018
“Company”	Winfull Group Holdings Limited, a 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)

“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposals”	the EG Disposal and the SR Disposal
“EG Condition(s)”	the condition(s) precedent to completion of the EG Disposal, as more particularly set out under the section headed “EG Provisional Agreement for Sale and Purchase – Conditions” to this announcement
“EG Disposal”	the sale of (i) the entire issued share capital of Enviro Global and (ii) all debts owing to the Vendor by Enviro Global, pursuant to the EG Provisional Agreement for Sale and Purchase
“EG Property”	an office premises at Office No. 2 on 29th Floor, Universal Trade Centre, No. 3 Arbuthnot Road, Hong Kong
“EG Provisional Agreement for Sale and Purchase”	the provisional agreement for sale and purchase in relation to the EG Disposal dated 13 July 2018 entered into among the Vendor, the Purchaser and the Company
“Enviro Global”	Enviro Global Limited, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of the Company and the sole legal and beneficial owner of the EG Property
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Party(ies)”	the party(ies) to the Provisional Agreement for Sale and Purchase
“Purchaser”	Ms. Hon Ching Lan, being the purchaser under each of the EG Provisional Agreement for Sale and Purchase and the SR Provisional Agreement for Sale and Purchase
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)

“Sonic Returns”	Sonic Returns Limited, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of the Company and the sole legal and beneficial owner of the SR Property
“SR Condition(s)”	the condition(s) precedent to completion of the SR Disposal, as more particularly set out under the section headed “SR Provisional Agreement for Sale and Purchase – Conditions” to this announcement
“SR Disposal”	the sale of (i) the entire issued share capital of Sonic Returns and (ii) all debts owing to the Vendor by Sonic Returns, pursuant to the SR Provisional Agreement for Sale and Purchase
“SR Property”	an office premises at Office No. 1 on 29th Floor, Universal Trade Centre, No. 3 Arbuthnot Road, Hong Kong
“SR Provisional Agreement for Sale and Purchase”	the provisional agreement for sale and purchase in relation to the SR Disposal dated 13 July 2018 entered into among the Vendor, the Purchaser and the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Alpha Easy Limited, a company incorporated in the BVI with limited liability, being the vendor under the Provisional Agreement for Sale and Purchase and a wholly-owned subsidiary of the Company
“Vendor’s Solicitors”	a firm of solicitors in Hong Kong
%	per cent.

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

Hong Kong, 13 July 2018

As at the date of this announcement, the executive Directors are Mr. Pong Wilson Wai San (Chairman), 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.