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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: INVESTMENT IN A COMPANY

The Board announces that on 13 March 2019 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) entered into the Agreement with the Vendors, pursuant to which the Purchaser shall acquire the Sale Shares and the Sale Loan from the Vendors for a total consideration of HK\$67,999,960.

As the relevant percentages exceed 5% but all below 25%, the Agreement and the transactions contemplated thereunder constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

The Board announces that on 13 March 2019 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) entered into the Agreement with the Vendors, pursuant to which the Purchaser shall acquire the Sale Shares and the Sale Loan from the Vendors for a total cash consideration of HK\$67,999,960.

THE AGREEMENT

The salient terms of the Agreement are as follows:

Date

13 March 2019 (after trading hours)

Parties

The Vendors – The Vendor A
– The Vendor B

The Purchaser

The Vendor A is an individual and a merchant. He holds 49% equity interests in an insignificant subsidiary (as defined under Rule 14A.09 of the Listing Rules) of the Group. A company, which is beneficially wholly owned by the Vendor A, was also a consultant to the Group for the period from 1 January 2018 to 31 December 2018. The Vendor B is the spouse of the Vendor A.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for the Vendor A's interests in the insignificant subsidiary of the Group, the Vendors are Independent Third Parties.

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holdings. The Purchaser is a wholly owned subsidiary of the Company.

Asset to be acquired

Pursuant to the Agreement, the Purchaser has agreed to purchase and the Vendors have agreed to sell the Sale Shares and the Sale Loan subject to the terms and conditions of the Agreement.

The Sale Shares represent 20% of the issued share capital of the Target Company. The Sale Loan represents 20% of all obligations, liabilities and debts owing or incurred by the Target Company to the Vendors and his/her associates on or at any time prior to and as at the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion.

The Target Company had on 21 January 2019 entered into a provisional agreement for sale and purchase (the "PASP") with an Independent Third Party, pursuant to which that Independent Third Party shall sell the entire issued share capital of Mensan together with all shareholder's debt to the Target Company in accordance with the terms thereof. Mensan is the registered and beneficial owner of the Property.

The Property is a house located in Kowloon Tong with site area and gross floor area of approximately 10,900 sq. ft. and 4,900 sq. ft., respectively.

Conditions

Completion shall be conditional upon and subject to:

- (a) the Purchaser being satisfied with the results of the due diligence review to be conducted on the Target Group;
- (b) the warranties given by the Vendors under the Agreement remaining true, accurate and complete in all material respects;
- (c) all necessary consents and approvals required to be obtained on the part of the Target Company, the Purchaser and the Vendors in respect of the Agreement and the transactions contemplated thereby having been obtained; and
- (d) completion of the PASP (or the corresponding formal agreement, if any) in accordance with the terms thereof.

If the conditions set out above have not been satisfied (or as the case may be, waived by the Purchaser) on or before 30 August 2019, or such later date as the Vendors and the Purchaser may agree, the Agreement shall cease and determine save for any antecedent breaches.

Completion

Completion of the sale and purchase of the Sale Shares and the Sale Loan is expected to take place the same date as completion of the PASP (or the corresponding formal agreement) and on or before 30 August 2019, subject to the fulfillment of the conditions precedent.

Upon Completion, the Company will classify its interests in the Target Company as unlisted equity investment at fair value through other comprehensive income in non-current asset in its financial statements.

Consideration

The consideration payable by the Purchaser to the Vendors for the Sale Shares and the Sale Loan shall be HK\$67,999,960, which shall be settled in the following manner:

- (a) as to HK\$6,799,996 shall be satisfied by the Purchaser within two Business Day of the Agreement by way of cheque(s) drawn in accordance with the instruction of the Vendors;
- (b) as to HK\$6,799,996 shall be satisfied by the Purchaser on or before 26 March 2019 by way of cheque(s) drawn in favour of the solicitors acting for the Vendors under the PASP at the direction of the Vendors;

- (c) as to HK\$6,799,996 shall be satisfied by the Purchaser on or before 25 June 2019 by way of cheque(s) drawn in favour of the solicitors acting for the Vendors under the PASP at the direction of the Vendors; and
- (d) as to the remaining balance of HK\$47,599,972 shall be satisfied by the Purchaser at least two days before completion of the PASP (or the corresponding formal agreement, if any) by way of cheques drawn in favour of the solicitors acting for the Vendors, which shall utilize the sum towards the settlement of purchase price under the PASP (or the corresponding formal agreement, if any).

All payments made and to be made by the Purchaser pursuant to the Agreement prior to Completion shall be regarded as deposit (the “**Deposit**”). In the event that Completion does not take place in accordance with the Agreement on or before 30 August 2019 (or such later date as the Purchaser may agree in writing), the Vendors shall refund the Deposit together with any other amount paid by the Purchaser to the Vendors under the Agreement in full without any deduction to the Purchaser.

The consideration was determined after arm’s length negotiations with reference to, among others, the value of the Property in the PASP and the financial position of the Target Company.

The Directors consider that the consideration and the terms and conditions of the Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group is principally engaged in property investment and trading, property development and investment and trading in securities.

While the Group is engaged in property investment and trading and property development business in Hong Kong, the entire investment sum for the Property would be substantial to the Group. In order to manage the risk exposure of the Group, the Group considers investment in the Target Company represents a better alternative instead of making direct investment in the Property alone. The investment in the Target Company will broaden the investment portfolio of the Group. With future appreciation in property value, it is expected that the investment in the Target Company will bring return to the Company and its Shareholders.

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

IMPLICATIONS UNDER THE LISTING RULES

As the relevant percentages exceed 5% but all below 25%, the Agreement and the transactions contemplated thereunder 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:

“Agreement”	the conditional sale and purchase agreement dated 13 March 2019 and entered among the Vendors and the Purchaser in relation to the sale and purchase of the Sale Shares and the Sale Loan
“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 sale and purchase of the Sale Shares and the Sale Loan as contemplated under the Agreement
“Director(s)”	the director(s) of the Company
“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 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)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mensan”	Mensan Limited, a company incorporated in Hong Kong with limited liability and the registered and beneficial owner of the Property
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Property”	the property located in No. 14 Essex Crescent, Kowloon Tong
“Purchaser”	World Fair Global Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company

“Sale Loan”	in relation to each Vendor, 20% of all obligations, liabilities and debts owing or incurred by the Target Company to such Vendor and his/her associates on or at any time prior to and as at the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion
“Sale Shares”	20 issued shares of the Target Company, representing 20% of the issued share capital of the Target Company
“Shareholder(s)”	holder(s) of issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Universal Honor Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	together the Target Company and its subsidiary(ies)
“Vendor A”	Au Wing Wah
“Vendor B”	Kong Pik Fan
“Vendors”	together the Vendor A and the Vendor B
“%”	per cent.

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

Hong Kong, 13 March 2019

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. Lung Hung Cheuk.