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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 DISPOSAL OF PROPERTY

PRELIMINARY SALE AND PURCHASE AGREEMENT

On 8 April 2022, the Vendor, a wholly-owned subsidiary of the Company, entered into the PSPA with the Purchaser and the Agent, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Property at the consideration of HK\$19,200,000.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

INTRODUCTION

On 8 April 2022, the Vendor, a wholly-owned subsidiary of the Company, entered into the PSPA with the Purchaser and the Agent, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Property at the consideration of HK\$19,200,000.

PRELIMINARY SALE AND PURCHASE AGREEMENT

The principal terms of the PSPA are set out below:

Date: 8 April 2022

Parties: Vendor: Baronessa Limited, a wholly-owned subsidiary of the Company.

Purchaser: Kindfield Investment Limited, a company wholly-owned by Ms. On Ka Ting. The Purchaser is a property investment company and Ms. On mainly operates an education centre in Hong Kong.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company.

Agent: Centaline Property Agency Limited, a company incorporated in Hong Kong with limited liability and engages in property agency services in Hong Kong.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Agent and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company.

Property: An office unit located in Mid-Levels, Central, Hong Kong, with a gross floor area of approximately 1,431 sq. ft.

The Property is sold subject to existing tenancy.

Consideration: The consideration for the purchase of the Property is HK\$19,200,000 and is payable by the Purchaser in the following manner:

- (i) an initial deposit of HK\$800,000 was paid on signing of the PSPA;
- (ii) a further deposit of HK\$1,120,000 shall be paid on or before 19 April 2022; and
- (iii) the balance of HK\$17,280,000 shall be paid upon completion of the Disposal.

The consideration was determined on the basis of normal commercial terms and after arm's length negotiation between the Vendor and the Purchaser with reference to the valuation of the Property as at 31 December 2021 of HK\$19,600,000 conducted by an independent property valuer and the prevailing market value of comparable properties in nearby locations.

Completion: Completion of the Disposal shall take place on or before 5 July 2022.

FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS

The carrying amount of the Property as at 30 June 2021 and 31 December 2021 was HK\$19,700,000 and HK\$19,600,000, respectively. The Property was acquired by the Vendor in May 2017 at the consideration of HK\$18,800,000. Based on the consideration of HK\$19,200,000 and the associated estimated direct cost and other relevant expenses of approximately HK\$220,000, the Group is expected to record a fair value loss on the disposal of the Property of approximately HK\$720,000 for the year ending 30 June 2022. The exact amount of the fair value gain/loss on the disposal of the Property to be recorded in the consolidated financial statements of the Group for the year ending 30 June 2022 is subject to audit. It will be calculated based on the carrying amount of the Property as at the date of the PSPA of the Disposal, net of any expenses incidental to the Disposal, and therefore may differ from the estimated amount of loss set out above.

The loss of the Vendor (which principal business is holding and leasing of the Property) for each of the year ended 30 June 2020 and 30 June 2021 according to the audited financial statements of the Vendor are set out below:

	For the year ended 30 June	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
(a) Loss before income tax	497	1,600
(b) Loss after income tax	497	1,600

The net proceeds from the Disposal of approximately HK\$18,980,000 are intended to be applied as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company and is the holding company of the Group. The Group is principally engaged in the business of investment, trading and development of properties and securities investment and trading. The Vendor is a wholly-owned subsidiary of the Company and is principally engaged in the business of property investment in Hong Kong.

The Directors undertake strategic review of the Group's assets from time to time with a view to maximising returns to the Shareholders. Having regard to the prevailing market conditions and the performance of the Property, the Directors are of the view that the Disposal represents a good opportunity for the Group to realise its investment in the Property to enable it to deploy its resources in a more efficient manner.

The Directors are of the view that the terms of the Disposal, which have been agreed after arm's length negotiations, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Agent”	Centaline Property Agency Limited, a company incorporated in Hong Kong with limited liability and engages in property agency services in Hong Kong
“Board”	the board of the Directors
“Company”	Winfull Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability which shares are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Disposal”	the disposal of the Property pursuant to the PSPA
“Director(s)”	the director(s) of the Company
“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 People's Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	an office unit located in Mid-Levels, Central, Hong Kong, with a gross floor area of approximately 1,431 sq. ft., owned by the Vendor

“PSPA”	the preliminary sale and purchase agreement, dated 8 April 2022, entered into between the Vendor, the Purchaser and the Agent in relation to the sale and purchase of the Property
“Purchaser”	Kindfield Investment Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by Ms. On Ka Ting
“Shareholder(s)”	shareholder(s) of the Company
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Baronesa Limited, a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 8 April 2022

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 respectively.