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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)

CONTINUING CONNECTED TRANSACTION RENEWAL OF TENANCY AGREEMENT

The Board announces that the Company has entered into a tenancy agreement with Flexwood as landlord in respect of the renewal of tenancy of the office premises owned by Flexwood for a term of two years commencing from 15 October 2016.

The transaction contemplated under the Tenancy Agreement constitutes a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios is less than 25% and the annual consideration is less than HK\$10,000,000, the transaction contemplated under the Tenancy Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the independent Shareholders' approval requirements.

TENANCY AGREEMENT

The Board announces that the Company has entered into a tenancy agreement with Flexwood as landlord in respect of the renewal of tenancy of the office premises owned by Flexwood for a term of two years commencing from 15 October 2016.

The particulars of the Tenancy Agreement are set out below:

Date of Tenancy Agreement

30 September 2016

Parties

- (i) the Company as tenant; and
- (ii) Flexwood as landlord

Flexwood is a property holding company and is wholly and beneficially owned by Mr. Pong, who is an executive Director and a controlling Shareholder. Flexwood is an associate of Mr. Pong and is accordingly a connected person to the Company as defined under the Listing Rules.

Premises

Unit A on the 6th Floor, 9 Queen's Road Central, Hong Kong

Gross Floor Area

2,142 sq. ft.

Term

Two (2) years commencing from 15 October 2016

Rent and Annual Cap

The monthly rent shall be HK\$140,000. Based on the monthly rental payment under the Tenancy Agreement, the maximum aggregate annual cap for the transaction contemplated under the Tenancy Agreement for each of the two coming years of the terms of the Tenancy Agreement will be HK\$1,680,000.

The monthly rent is determined after arm's length negotiations with reference to the monthly rental of other similar premises in the Hong Kong market and the professional valuation report issued by Ascent Partners Valuation Service Limited dated 29 September 2016.

REASONS FOR THE TRANSACTION

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

The Company has been renting the Office Premises since 15 October 2009, the details were disclosed in the announcements of the Company dated 14 October 2010, 28 September 2012 and 23 September 2014, respectively.

The Directors consider that it is in the commercial interests of the Company if the Company continues to rent the Office Premises as its office as it is not easy to identify other appropriate premises and the Company will bear unnecessary relocation costs and expenses if the Company has to move to other premises.

The terms of the Tenancy Agreement were arrived at after arm's length negotiations between the Company and Flexwood with reference to the market terms of similar office properties in Hong Kong and the professional valuation report issued by Ascent Partners Valuation Service Limited dated 29 September 2016.

The Directors, including the independent non-executive Directors, consider that the transaction contemplated under the Tenancy Agreement is in the ordinary and usual course of business of the Company and the terms of the Tenancy Agreement are based on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Pong, being an executive Director who has a material interest in the transaction contemplated under the Tenancy Agreement, has abstained from voting on the relevant board resolutions approving the same.

LISTING RULES IMPLICATIONS

Flexwood is a property holding company wholly and beneficially owned by Mr. Pong, who is an executive Director and a controlling Shareholder. Mr. Pong, together with corporations controlled by him, also holds an aggregate of 1,004,122,000 Shares (representing approximately 31.99% of the issued share capital of the Company) of which 936,794,000 Shares are beneficially owned by Virtue Partner Group Limited, a company wholly owned by Mr. Pong and 67,328,000 Shares are personally owned by Mr. Pong, of which 60,000,000 Shares represent the share options granted to him by the Company. Accordingly, Flexwood is a connected person to the Company as defined under the Listing Rules.

The transaction contemplated under the Tenancy Agreement constitute a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios is less than 25% and the annual consideration is less than HK\$10,000,000, the transaction contemplated under the Tenancy Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the independent Shareholders' approval requirements.

DEFINITIONS

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

“associate”	has the meanings as defined in the Listing Rules
“Board”	the board of Directors
“Company”	Winfull Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Directors”	directors of the Company
“Flexwood”	Flexwood Limited, a company incorporated in British Virgin Islands and is wholly and beneficially owned by Mr. Pong
“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
“Mr. Pong”	Mr. Pong Wilson Wai San, an executive Director and a controlling Shareholder
“Office Premises”	the premises located at Unit A on the 6th Floor, 9 Queen’s Road Central, Hong Kong
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq. ft.”	Square feet

“Tenancy Agreement”

the tenancy agreement dated 30 September 2016 entered into between the Company as tenant and Flexwood as landlord

“%”

per cent.

By order of the board of directors of
WINFULL GROUP HOLDINGS LIMITED
Lee Wing Yin
Executive Director

Hong Kong, 30 September 2016

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.