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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)

**MAJOR AND CONNECTED TRANSACTION:
ACQUISITION OF THE ENTIRE EQUITY INTERESTS IN
FLEXWOOD LIMITED
AND
APPLICATION FOR WHITEWASH WAIVER**

ACQUISITION AGREEMENT

The Board announces that on 14 March 2017 (after trading hours of the Stock Exchange), the Group entered into the Acquisition Agreement with the Vendor in relation to the acquisition of the Sale Share and the Sale Loan by the Purchaser for an aggregate consideration of HK\$450,600,000, which will be satisfied by the allotment and issue of 2,409,625,668 Consideration Shares to the Vendor (or his nominee), credited as fully paid, at the Issue Price. The Acquisition is subject to the satisfaction of the conditions as set out in the paragraph headed “Conditions” below.

As all the relevant percentages exceed 25% but below 100%, the Acquisition constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules. As the Vendor is a controlling Shareholder of the Company and thus a connected person to the Company within the meaning of the Listing Rules, the Acquisition also constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and is subject to, among others, the approval of the Independent Shareholders at the EGM.

WHITEWASH WAIVER

As at the date of this announcement, the Vendor is beneficially interested in 7,328,000 Shares, representing approximately 0.23% of the existing issued share capital of the Company.

Virtue Partner, which is beneficially wholly-owned by the Vendor, holds 936,794,000 Shares as at the date of this announcement. Therefore, the Vendor, Virtue Partner and parties acting in concert with them are holding 944,122,000 Shares in aggregate, representing approximately 30.08% of the existing issued share capital of the Company as at the date of this announcement.

Upon Completion, 2,409,625,668 Consideration Shares will be allotted and issued to the Vendor (or his nominee) and the interests of the Vendor, Virtue Partner and parties acting in concert with them in the voting rights of the Company will increase from approximately 30.08% to approximately 60.44% (assuming that there is no change in the issued share capital of the Company up to the Completion). Accordingly, the Vendor would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by him pursuant to Rule 26.1 of the Takeovers Code, unless the Whitewash Waiver is obtained from the Executive.

An application to the Executive for the Whitewash Waiver in respect of the allotment and issue of the Consideration Shares will be made by the Vendor. The Acquisition Agreement and the transactions contemplated thereunder and the Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval by the Independent Shareholders at the EGM by way of poll. The Vendor, Virtue Partner and parties acting in concert with any of them, and their respective associates, Mr. Ngan Man Ho and any other Shareholders who are involved or interested in the Acquisition Agreement and/or the Whitewash Waiver shall abstain from voting at the EGM in respect of the resolution(s) approving the Acquisition Agreement and the transactions contemplated thereunder and the Whitewash Waiver. The Acquisition Agreement and the transactions contemplated thereunder will not proceed if the Whitewash Waiver is not granted by the Executive or the Acquisition Agreement and the transactions contemplated thereunder and the Whitewash Waiver are not approved by the Independent Shareholders at the EGM.

GENERAL

The Whitewash Independent Board Committee comprising the non-executive Director and all the independent non-executive Directors in compliance with Rule 2.8 of the Takeovers Code has been formed to advise the Independent Shareholders on the terms of the Acquisition Agreement and the transactions contemplated thereunder and the Whitewash Waiver and as to voting, and the Connected Transaction Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Acquisition Agreement and the transactions contemplated thereunder. None of the members of the Connected Transaction Independent Board Committee nor the Whitewash Independent Board Committee has any interest or involvement in the transactions contemplated under the Acquisition Agreement or the Whitewash Waiver. Veda Capital Limited has been appointed as the independent financial adviser with the approval of the Connected Transaction Independent Board Committee and the Whitewash Independent Board Committee to advise the Connected Transaction Independent Board Committee and the Whitewash Independent Board Committee and the Independent Shareholders in respect of the Acquisition Agreement and the transactions contemplated thereunder as well as the Whitewash Waiver and as to voting.

The EGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things: (i) the Acquisition Agreements and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares; and (ii) the Whitewash Waiver. The voting in relation to the Acquisition Agreement and the Whitewash Waiver at the EGM will be conducted by way of a poll whereby the Vendor, Virtue Partner and parties acting in concert with them and their respective associates, Mr. Ngan Man Ho and other Shareholders who are interested or involved in the Acquisition Agreement and/or the Whitewash Waiver shall abstain from voting on the relevant resolutions to be proposed at the EGM to approve the Acquisition Agreement and the Whitewash Waiver.

A circular containing, among other things, details of the Acquisition, valuation report on the Property and the Whitewash Waiver, together with the recommendation of the Connected Transaction Independent Board Committee and the Whitewash Independent Board Committee to the Independent Shareholders, the letter of advice from the independent financial adviser to the Connected Transaction Independent Board Committee and the Whitewash Independent Board Committee and the Independent Shareholders in relation to the Acquisition Agreement and the Whitewash Waiver, and a notice of the EGM is expected to be despatched by the Company to the Shareholders within 21 days from the date of this announcement in compliance with Rule 8.2 of the Takeovers Code.

The Acquisition Agreement and the transactions contemplated thereunder are subject to the satisfaction (or, if applicable, waiver) of a number of conditions as set out in this announcement and, accordingly, the Acquisition may or may not proceed. The issue of this announcement does not in any way imply that the Acquisition Agreement will be implemented or completed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

The Board announces that on 14 March 2017 (after trading hours of the Stock Exchange), the Group entered into the Acquisition Agreement with the Vendor in relation to the acquisition of the Sale Share and the Sale Loan by the Purchaser for an aggregate consideration of HK\$450,600,000, which will be satisfied by the issue and allotment of 2,409,625,668 Consideration Shares to the Vendor at the Issue Price.

ACQUISITION AGREEMENT

Date: 14 March 2017

Parties: (1) The Vendor as vendor
(2) The Purchaser as purchaser
(3) The Company as issuer

The Purchaser is an investment holding company and a wholly owned subsidiary of the Company incorporated in the British Virgin Islands.

Asset to be acquired:

Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell (i) the Sale Share, representing 100% of the entire issued share capital of the Target Company; and (ii) the Sale Loan, representing all the obligations, liabilities and debts owed or incurred by the Target Company to the Vendor and its associates on or at any time prior to Completion. Up to 28 February 2017, the Sale Loan amounted to about HK\$29,224,195.

The Target Company is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in property investment. The only significant asset of the Target Company is the Property.

Consideration:

The total consideration for the Acquisition is HK\$450,600,000, which shall be satisfied by the Company allotting and issuing 2,409,625,668 Consideration Shares at the Issue Price, credited as fully paid, to the Vendor (or his nominee) upon Completion.

The consideration was determined after arm's length negotiations between the parties to the Acquisition Agreement with reference to, among others, (i) the transacted prices of comparable commercial building in the vicinity of the Property; (ii) the net assets of the Target Company; and (iii) the outstanding Bank Loan of the Target Company upon Completion shall not exceed HK\$56,400,000. The Directors (excluding the non-executive Director and the independent non-executive Directors who will give their opinion in the circular after reviewing the advice from the independent financial adviser) consider the consideration of the Acquisition to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Independent Shareholders as a whole.

The Consideration Shares

The Issue Price represents:

- (a) a premium of about 1.63% over the closing price of HK\$0.184 per Share as quoted on the Stock Exchange on 14 March 2017, being the last trading day of the date of the Acquisition Agreement; and
- (b) a premium of about 0.53% over the average of the closing prices of HK\$0.186 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 14 March 2017, being the last trading day of the date of the Acquisition Agreement.

The Issue Price was arrived at after arm's length negotiation between the Company and the Vendor by reference to the recent trading price of the Share. The Directors (excluding the non-executive Director and the independent non-executive Directors who will give their opinion in the circular after reviewing the advice from the independent financial adviser) consider that the Issue Price is fair and reasonable and in the interests of the Shareholders as a whole.

The Consideration Shares will be allotted and issued under the specific mandate to be sought at the EGM. An application will be made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

The 2,409,625,668 Consideration Shares to be allotted and issued will represent approximately 76.78% of the existing issued share capital of the Company and approximately 43.43% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The Consideration Shares, when allotted and issued, will rank pari passu in all respects with each other and with the Shares in issue on the date of allotment and issue of the Consideration Shares.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon Completion (subject to Completion of the Acquisition and assuming that there is no other change in the shareholding structure of the Company before the allotment and issue of the Consideration Shares) are set out below:

Shareholders	As at the date of this announcement		Immediately upon Completion	
	<i>Number of issued Shares</i>	<i>Approximate Percentage</i>	<i>Number of issued Shares</i>	<i>Approximate Percentage</i>
<i>The Vendor and his concert parties</i>				
The Vendor (Note)	7,328,000	0.23%	2,416,953,668	43.56%
Virtue Partner (Note)	936,794,000	29.85%	936,794,000	16.88%
Sub-total	944,122,000	30.08%	3,353,747,668	60.44%
Mr. Ngan Man Ho (an executive Director)	248,000	0.01%	248,000	0.01%
Public Shareholders	2,194,130,000	69.91%	2,194,130,000	39.55%
Total:	3,138,500,000	100.00%	5,548,125,668	100.00%

Note:

Virtue Partner is a company incorporated in the British Virgin Islands with limited liability and is wholly beneficially owned by the Vendor.

Conditions

The Acquisition is conditional upon the satisfaction of the following:

- (a) the Purchaser being satisfied with the results of the due diligence review in particular the review of the assets, liabilities, operations and affairs of the Target Company as the Purchaser may reasonably consider appropriate;
- (b) the Purchaser being satisfied that there are no title defects to the Property (save for the existing mortgage if the mortgage consent under sub-paragraph (d) below can be obtained);
- (c) production of written evidence by the Vendor to the satisfaction of the Purchaser that all debts and liabilities of the Target Company (other than (1) the Sale Loan, (2) the Bank Loan which shall not exceed HK\$56,400,000 and (3) other normal accruals in the ordinary course of business of the Target Company not exceeding HK\$200,000 (excluding tax provision) and acceptable by the Purchaser) having been discharged, released, waived or extinguished;
- (d) all necessary bank and/or mortgagee consents and approvals required to be obtained on the part of the Purchaser, the Vendor and the Target Company in respect of the Acquisition Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (e) the passing by the Independent Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules and the Takeovers Code at a general meeting of the Company to be convened and held of the necessary ordinary resolution(s) to approve the Acquisition Agreement and the transactions contemplated thereby, and all other consents and acts required to be obtained by the Purchaser under the Listing Rules and/or other applicable laws and regulations having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange and/or the SFC;
- (f) the warranties provided by the Vendors under the Acquisition Agreement remaining true, accurate and complete in all material respects;
- (g) the obtaining of a valuation report (in form and substance satisfactory to the Purchaser) from a firm of independent professional valuer appointed by the Purchaser showing the valuation of the Property to be not less than HK\$500,000,000;
- (h) the despatch of the circular by the Company in respect of the Acquisition as required under the Listing Rules and the Takeovers Code;
- (i) the Purchaser being satisfied that there has not been any material adverse change in respect of the Target Company since the date of the Acquisition Agreement; and
- (j) the granting of the Whitewash Waiver by the Executive.

The Purchaser may at any time at its absolute and sole discretion waive in writing the conditions (a), (b), (d), (f) and/or (i) set out above. The other conditions set out above are incapable of being waived. The Purchaser has no intention to waive any conditions but in the event that the required mortgagee bank consent in respect of the transaction contemplated under the Acquisition Agreement cannot be obtained, the Company will settle the Bank Loan upon Completion and arrange re-financing of the Property with the same mortgagee bank after Completion. If the conditions set out above have not been satisfied (or waived, as the case may be) on or before 30 June 2017, or such later date as the Vendor and the Purchaser may agree in writing, the Acquisition Agreement shall cease and terminate and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies thereafter.

Completion

Completion is expected to take place on the third Business Day after the fulfilment (or waiver) of the conditions (or such later date as the parties to the Acquisition Agreement may agree) mentioned above.

Upon Completion, the Target Company will become an indirect wholly owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the books of the Group.

INFORMATION ON THE TARGET COMPANY AND THE PROPERTY

The Target Company is a company incorporated in British Virgin Islands with limited liability and is principally engaged in property investment. Immediately prior to the entering into of the Acquisition Agreement, the Target Company is held as to 100% by the Vendor. After Completion of the Acquisition, the Purchaser shall be interested in the entire issued share capital of the Target Company.

The Target Company is currently holding the Property located at the 6th Floor of No. 9 Queen's Road Central, Hong Kong. The Property is a commercial property with saleable area of approximately 11,371 sq. ft. located in Central, Hong Kong. The Property is currently used for commercial purpose and has been rented to various tenants including but not limited to the Group. Based on the land search record, the Property was acquired by the Target Company in 2009 with a consideration of HK\$123,680,000.

Set below is the financial information of the Target Company:

	For the year ended 31 March 2015	For the year ended 31 March 2016
	<i>HK\$</i> (Audited)	<i>HK\$</i> (Audited)
Revenue	10,808,808	10,914,431
Profit before taxation	6,522,085	5,316,104
Profit after taxation	5,692,147	4,658,262
Net asset value	28,329,432	32,987,694

The valuation report of the Property and the accountant's report of the Target Company shall be included in the circular to be despatched to the Shareholders in respect of the Acquisition.

REASONS FOR THE ACQUISITION

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

The Directors are optimistic about the prospect of the Hong Kong commercial office market. The Directors considered that the Acquisition represents an investment opportunity in Hong Kong commercial office market and the tenancy agreements entered into by the Target Company will provide stable income for the Group while at the same time the Group will have the benefits from the long term appreciation of the price in commercial office in Hong Kong.

It is noted that under the Acquisition Agreement, the Group need not to pay the consideration sum in cash at Completion and this will allow the Group to retain its cash reserves for its future business development. The Directors are also in the process of evaluating the existing properties held by the Group and may make adjustment to the portfolio in response to the changes in the property market in Hong Kong.

In view of the rental income from the Property with the possibility of future long term appreciation in value of the Property, the Directors believe that it is an appropriate time to invest in the Property, and the Directors (excluding the non-executive Director and the independent non-executive Directors who will give their opinion in the circular after reviewing the advice from the independent financial adviser) consider that the terms and conditions of the Acquisition Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATION

As all the relevant percentages exceed 25% but below 100%, the Acquisition constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules. As the Vendor is a controlling Shareholder of the Company and thus a connected person to the Company within the meaning of the Listing Rules, the Acquisition also constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and is subject to, among others, the approval of the Independent Shareholders at the EGM.

An EGM will be convened and held for the Shareholders to, among other things, consider and, if thought fit, to approve the Acquisition Agreement and the transactions contemplated thereunder including the Acquisition.

INTENTIONS OF THE VENDOR REGARDING THE GROUP

As at the date of this announcement, the Vendor intends to continue the existing business of the Group and save for the Acquisition, does not intend to introduce any major changes to the existing operation and business of the Company or dispose of any of the assets of the Group other than in the ordinary course of business.

INFORMATION REQUIRED UNDER THE TAKEOVERS CODE

Each of the Vendor, Virtue Partner and the parties acting in concert with them has confirmed that neither the Vendor, Virtue Partner nor any persons acting in concert with any of them:

- (a) has acquired or entered into any agreement or arrangement to acquire any voting rights in the Company within the six months prior to the date of this announcement;
- (b) save for the share options granted to the Vendor by the Company entitling him to subscribe for a total of 60,000,000 Shares, owns any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of Shares nor has entered into any outstanding derivative in respect of securities in the Company;
- (c) has any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) with any other persons in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or of the Vendor and which might be material to the transactions contemplated under the Acquisition Agreement and/or the Whitewash Waiver;
- (d) has received any irrevocable commitment from any Independent Shareholders as to whether they will vote for or against the resolution approving the transactions contemplated under the Acquisition Agreement and/or the Whitewash Waiver;
- (e) has any agreements or arrangements to which it is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the transactions contemplated under the Acquisition Agreement or the Whitewash Waiver (including any such agreements or arrangements that would result in any break fees being payable); and
- (f) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

THE INDEPENDENT BOARD COMMITTEES AND THE EGM

The Whitewash Independent Board Committee comprising the non-executive Director and all the independent non-executive Directors in compliance with Rule 2.8 of the Takeovers Code has been formed to advise the Independent Shareholders on the terms of the Acquisition Agreement and the transactions contemplated thereunder and the Whitewash Waiver and as to voting, and the Connected Transaction Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Acquisition Agreement and the transactions contemplated thereunder. None of the members of the Connected Transaction Independent Board Committee and the Whitewash Independent Board Committee has any interest or involvement in the transactions contemplated under the Acquisition Agreement or the Whitewash Waiver. Veda Capital Limited has been appointed as the independent financial adviser with the approval of the Connected Transaction Independent Board Committee and the Whitewash Independent Board Committee to advise the Connected Transaction Independent Board Committee and the Whitewash Independent Board Committee and the Independent Shareholders in respect of the Acquisition Agreement and the transactions contemplated thereunder as well as the Whitewash Waiver and as to voting.

The EGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things: (i) the Acquisition Agreements and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares; and (ii) the Whitewash Waiver. The voting in relation to the Acquisition Agreement and the Whitewash Waiver at the EGM will be conducted by way of a poll whereby the Vendor, Virtue Partner and parties acting in concert with them and their respective associates, Mr. Ngan Man Ho and other Shareholders who are interested or involved in the Acquisition Agreement and/or the Whitewash Waiver shall abstain from voting on the relevant resolutions to be proposed at the EGM to approve the Acquisition Agreement and the Whitewash Waiver.

WHITEWASH WAIVER

As at the date of this announcement, the Vendor is beneficially interested in 7,328,000 Shares, representing approximately 0.23% of the existing issued share capital of the Company.

Virtue Partner which is beneficially wholly-owned by the Vendor, holds 936,794,000 Shares as at the date of this announcement. Therefore, the Vendor, Virtue Partner and parties acting in concert with them are holding 944,122,000 Shares in aggregate, representing approximately 30.08% of the existing issued share capital of the Company as at the date of this announcement.

Upon Completion, 2,409,625,668 Consideration Shares will be allotted and issued to the Vendor (or his nominee) and the interests of the Vendor, Virtue Partner and parties acting in concert with them in the voting rights of the Company will increase from approximately 30.08% to approximately 60.44% (assuming that there is no change in the issued share capital of the Company up to the Completion). Accordingly, the Vendor would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by him pursuant to Rule 26.1 of the Takeovers Code, unless the Whitewash Waiver is obtained from the Executive.

An application to the Executive for the Whitewash Waiver in respect of the issue and allotment of the Consideration Shares will be made on behalf of the Vendor and parties acting in concert with him. The Acquisition Agreement and the transactions contemplated thereunder and the Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval by the Independent Shareholders at the EGM by way of poll. The Vendor, Virtue Partner and parties acting in concert with any of them, and their respective associates, Mr. Ngan Man Ho and any other Shareholders who are involved or interested in the Acquisition Agreement and/or the Whitewash Waiver shall abstain from voting at the EGM in respect of the resolution(s) approving the Acquisition Agreement and the transactions contemplated thereunder and the Whitewash Waiver. The Acquisition Agreement and the transactions contemplated thereunder will not proceed if the Whitewash Waiver is not granted by the Executive or the Acquisition Agreement and the transactions contemplated thereunder and the Whitewash Waiver are not approved by the Independent Shareholders at the EGM.

As at the date of this announcement, the Company does not believe that the Acquisition gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular to be issued in relation to the Acquisition Agreement and the Whitewash Waiver. The Company notes that the Executive may not grant the Whitewash Waiver if the Acquisition does not comply with other applicable rules and regulations.

GENERAL

A circular containing, among other things, details of the Acquisition, valuation report on the Property and the Whitewash Waiver, together with the recommendation of the Connected Transaction Independent Board Committee and the Whitewash Independent Board Committee to the Independent Shareholders, the letter of advice from the independent financial adviser to the Connected Transaction Independent Board Committee and the Whitewash Independent Board Committee and the Independent Shareholders in relation to the Acquisition Agreement and the Whitewash Waiver, and a notice of the EGM is expected to be despatched by the Company to the Shareholders within 21 days from the date of this announcement in compliance with Rule 8.2 of the Takeovers Code.

The Acquisition Agreement and the transactions contemplated thereunder are subject to the satisfaction (or, if applicable, waiver) of a number of conditions as set out in this announcement and, accordingly, the Acquisition may or may not proceed. The issue of this announcement does not in any way imply that the Acquisition Agreement will be implemented or completed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Acquisition”	the proposed acquisition by the Purchaser of the Sale Share and the Sale Loan subject to and upon the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 14 March 2017 and entered into among the Vendor, the Company and the Purchaser in relation to the Acquisition
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associate”	has the meaning ascribed to this term under the Listing Rules
“Bank Loan”	the outstanding bank loan owed by the Target Company to bank, which shall not exceed HK\$56,400,000 upon Completion
“Board”	the board of Directors from time to time
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“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
“Completion”	completion of the Acquisition in accordance with the Acquisition Agreement
“Connected Transaction Independent Board Committee”	an independent committee of the Board established which comprises all the independent non-executive Directors to advise the Independent Shareholders on the fairness and reasonableness of terms of the Acquisition Agreement, and to advise the Independent Shareholders how to vote at the EGM
“Consideration Shares”	2,409,625,668 new Shares to be allotted and issued to the Vendor (or his nominee) at the Issue Price upon Completion
“Directors”	directors of the Company

“EGM”	the extraordinary general meeting of the Company to be held and convened to consider and approve the Acquisition Agreement and the transactions contemplated thereunder including but not limited to the allotment and issue of the Consideration Shares and the Whitewash Waiver
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than (i) the Vendor, Virtue Partner together with parties acting in concert with any of them and their respective associates; (ii) Mr. Ngan Man Ho; and (iii) those who are involved in or interested in the Acquisition Agreement or the Whitewash Waiver; and (iv) those whose are required to abstain from voting in the EGM to consider and approve the Acquisition under the Listing Rules and the Takeovers Code
“Issue Price”	HK\$0.187 per Consideration Share
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 commercial property located at 6/F., No. 9 Queen’s Road Central, Hong Kong
“Purchaser”	Alpha Easy Limited, purchaser to the Acquisition Agreement, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“Sale Loan”	all obligations, liabilities and debts owing or incurred by the Target Company to the Vendor and its associates on or at any time prior to Completion whether actual, contingent or deferred and irrespective of whether the same is due and payable on Completion
“Sale Share”	1 share in the issued share capital of the Target Company, representing the entire issued share capital of the Target Company

“SFC”	Securities and Futures Commission
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Company”	Flexwood Limited, a company incorporated in the British Virgin Islands with limited liability, being the registered holder of the Property
“Vendor”	Mr. Pong Wilson Wai San, the Chairman of the Board and an executive Director
“Virtue Partner”	Virtue Partner Group Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly beneficially owned by the Vendor
“Whitewash Independent Board Committee”	an independent committee of the Board established which comprises all the non-executive Directors and independent non-executive Directors in compliance with Rule 2.8 of the Takeovers Code, who has no direct or indirect interest in the Acquisition Agreement or the Whitewash Waiver to advise the Independent Shareholders on the fairness and reasonableness of terms of the Acquisition Agreement and the Whitewash Waiver, and to advise the Independent Shareholders how to vote at the EGM
“Whitewash Waiver”	a waiver from the obligation of the Vendor to make a mandatory general offer to the Shareholders in respect of the Shares and securities issued by the Company not already owned or agreed to be acquired by the Vendor and the parties acting in concert with him as a result of the allotment and issue of the Consideration Shares in accordance with Note 1 on dispensations from Rule 26 of the Takeovers Code
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America

“sq.ft.” square feet

“%” per cent.

By order of the Board
Winfull Group Holdings Limited
Mr. Lee Wing Yin
Executive Director

Hong Kong, 14 March 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to the Vendor, Virtue Partner and the Target Company) and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Vendor, Virtue Partner and the Target Company) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The Vendor accepts full responsibility for the accuracy of the information relating to the Vendor, Virtue Partner and the Target Company contained in this announcement and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.