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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 TRANSACTION – DISPOSAL OF 51% EQUITY INTEREST IN PLAN LINK LIMITED

THE DISPOSAL

The Board announces that, on 1 June 2017, World Fair (a wholly-owned subsidiary of the Company) and Profit Vision as vendors, the Purchaser as purchaser, the Vendors' Guarantors as the Vendors' guarantors and the Purchaser's Guarantor as the Purchaser's guarantor entered into the Provisional Agreement for Sale and Purchase, pursuant to which World Fair and Profit Vision have agreed to sell and the Purchaser has agreed to purchase the entire issued share capital and all outstanding shareholders' loan of Plan Link for a cash Consideration of HK\$610,000,000.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the relevant percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 25% but are below 75%, the Disposal constitutes a major transaction of the Company and is subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Mr. Pong, an executive Director and a controlling Shareholder, is interested in, by himself and through Virtue Partner Group Limited (a company wholly-owned by Mr. Pong), an aggregate of 3,353,747,668 Shares, representing approximately 60.45% of the entire issued share capital of the Company as at the date of this announcement. Since (i) no Shareholder has material interest in the Disposal and therefore none of the Shareholders is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal; and (ii) the Company has obtained a written approval dated 31 May 2017 from Mr. Pong and Virtue Partner Group Limited for the approval of the Disposal, no general meeting of the Company is required to be convened for the approval of the Provisional Agreement for Sale and Purchase and the Disposal pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other matters, further details about the Disposal and the prospective formal sale and purchase agreement to be entered into, will be despatched to the Shareholders. As the formal sale and purchase agreement is to be entered into latest by 28 June 2017, the Company will apply for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules from the Stock Exchange, so that the despatch date of the circular can be postponed to a date more than 15 business days after publication of this announcement, which is expected to be on or before 4 July 2017.

Shareholders and potential investors of the Company should note that the Disposal may or may not proceed as they are subject to a number of Conditions, 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 DISPOSAL

The Board announces that, on 1 June 2017, World Fair (a wholly-owned subsidiary of the Company) and Profit Vision as vendors, the Purchaser as purchaser, the Vendors' Guarantors as the Vendors' guarantors and the Purchaser's Guarantor as the Purchaser's guarantor entered into the Provisional Agreement for Sale and Purchase, pursuant to which World Fair and Profit Vision have agreed to sell and the Purchaser has agreed to purchase the entire issued share capital and all outstanding shareholders' loan of Plan Link for a cash Consideration of HK\$610,000,000.

PROVISIONAL AGREEMENT FOR SALE AND PURCHASE

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

Date

1 June 2017

Parties

Vendors: (i) World Fair, a wholly-owned subsidiary of the Company

(ii) Profit Vision

Purchaser: Smart World Development Holdings Limited

Vendors' (i) The Company

Guarantors

(ii) One of the directors of Profit Vision

Purchaser's Country Garden Holdings Company Limited
Guarantor

Subject Matter

Subject to the terms of the Provisional Agreement for Sale and Purchase, the Vendors have agreed to sell and the Purchaser has agreed to purchase the entire issued share capital and all outstanding shareholders' loan of Plan Link for a cash Consideration of HK\$610,000,000.

The Parties have agreed to enter into a formal sale and purchase agreement on or before 28 June 2017.

Consideration

The Consideration of HK\$610,000,000 shall be payable by way of cashier order or solicitors' cheque in the following manner:

- (i) An initial deposit of HK\$5,000,000 to be paid to the Vendors' Solicitors as stakeholders upon the signing of the Provisional Agreement for Sale and Purchase;
- (ii) A balance of initial deposit of HK\$56,000,000 to be paid to the Vendors' Solicitors as stakeholders on or before the fifth day after the date of the Provisional Agreement for Sale and Purchase;
- (iii) A further deposit and part payment of the Consideration of HK\$61,000,000 to be paid to the Vendors' Solicitors as stakeholders on or before 28 June 2017; and
- (iv) the remaining balance of the Consideration of HK\$488,000,000 to be paid to the Vendors or such person(s) as the Vendors may direct in writing upon Completion.

Payments that are received and held by the Vendors' Solicitors under (i), (ii) and (iii) above will be released to the Vendors on 28 June 2017 or upon the Purchaser having completed or being deemed to have completed its due diligence review on the Target Group and the Vendors having proved and shown that High Bond possesses good title to the Properties free from encumbrances pursuant to the terms of the Provisional Agreement for Sale and Purchase, whichever is earlier.

The Consideration was determined after arm's length negotiations between the Vendors 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 Properties, the net assets value of the Target Group and the gain from the Disposal as detailed in the paragraph headed "Financial Effects of the Disposal" below.

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

Conditions Precedent

Completion is conditional upon the following Conditions:

- (i) the Vendors having proved and shown, in accordance with section 13 of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong) that High Bond possesses good title to the Properties free from encumbrances;
- (ii) the absence of any breach of any representations and warranties given by the Vendors contained in the Provisional Agreement for Sale and Purchase and/or to be contained in the formal sale and purchase agreement;
- (iii) the Certificate on Completion of Demolition Works (Form BA14A) in respect of the Properties being duly submitted to the Building Authority of the Hong Kong government; and
- (iv) the Purchaser having completed its due diligence review on the Target Group and such due diligence review does not reveal any issues which have material adverse effect on the business, operation or financial position of the Target Group which leads to the Target Group suffering losses or incurring expenses in aggregate equal to or greater than HK\$5,000,000.

The Purchaser may waive any of the Conditions. If any of the Conditions is not fulfilled (or otherwise waived by the Purchaser in accordance with the Provisional Agreement for Sale and Purchase, as the case may be) on or before the Completion Date or such other date as the Parties may agree in writing, all rights and obligations of the Parties shall automatically lapse and be of no further force and effect and no party shall have any liability under the Provisional Agreement for Sale and Purchase, save for the refund by the Vendors to the Purchaser of all deposits paid by the Purchaser.

Completion

If all the Conditions are fulfilled (or otherwise waived by the Purchaser in accordance with the Provisional Agreement for Sale and Purchase, as the case may be) on or before the Completion Date, Completion shall take place on the Completion Date or such other date and time as may be agreed among the Parties in writing.

Guarantees

Pursuant to the terms of the Provisional Agreement for Sale and Purchase, each of the Company and one of the directors of Profit Vision shall guarantee the performance of the obligations of World Fair and Profit Vision, respectively for a period of twenty-four months after Completion on several basis in proportion to their respective shareholdings in Plan Link. The Purchaser's Guarantor agreed to guarantee the performance of the obligations of the Purchaser under the Provisional Agreement for Sale and Purchase for a period of twenty-four months after Completion.

INFORMATION OF THE TARGET GROUP

Plan Link is a company incorporated in the British Virgin Islands with limited liability. The principal business activity of Plan Link is investment holding. The Target Group comprises Plan Link and its subsidiaries, including High Bond, Macro Win and Wofeng. The sole business of the Target Group is the re-development of the Properties through High Bond. Macro Win and Wofeng are dormant companies as at the date of this announcement.

Set out below is the unaudited financial information of the Target Group as extracted from the annual reports of the Company for the years ended 30 June 2015 and 2016 respectively:

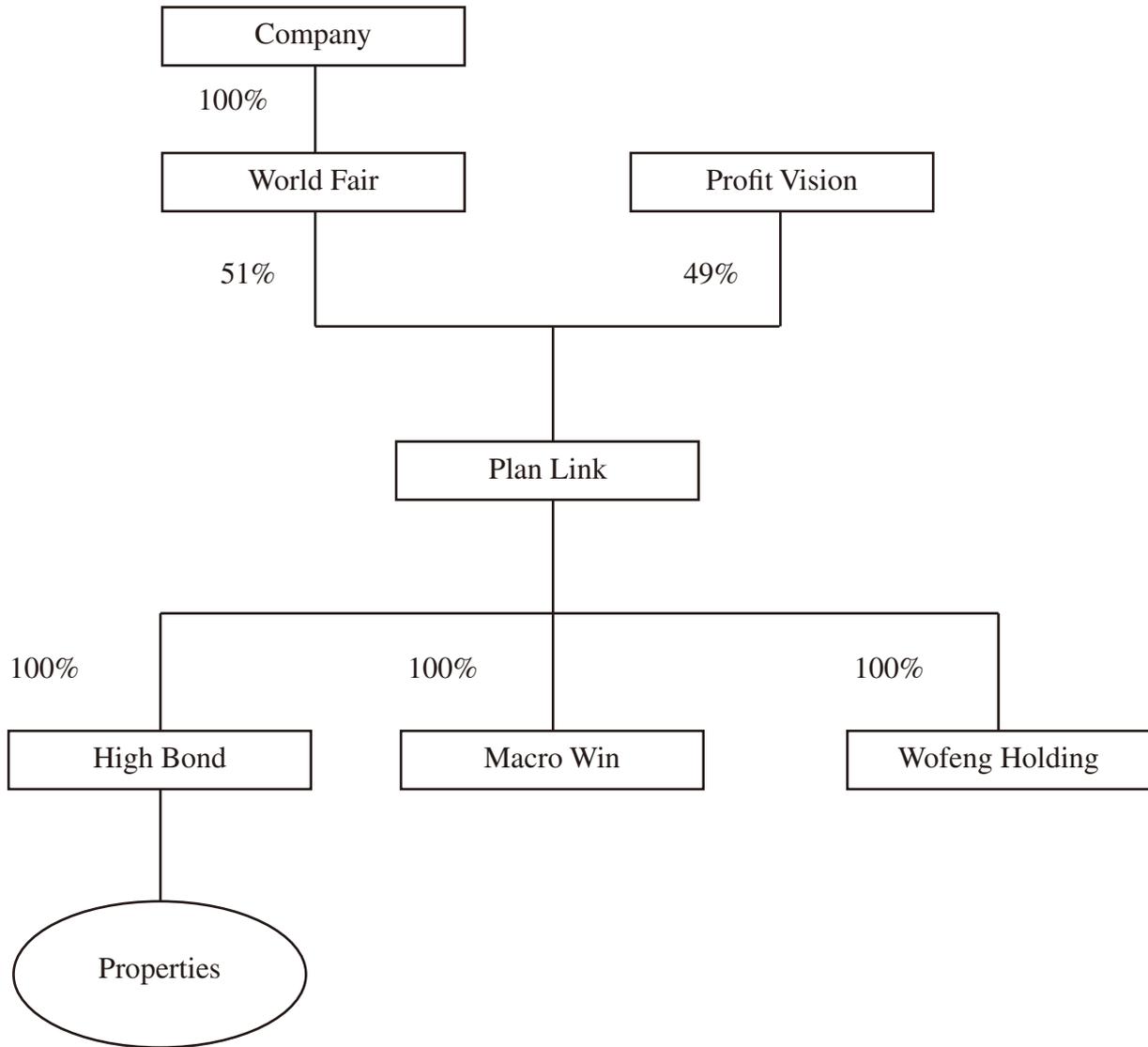
	For the year ended 30 June 2016	For the year ended 30 June 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Revenue	–	–
Net loss before taxation	(598)	(594)
Net loss after taxation	(598)	(594)
Net liabilities	(1,844)	(1,247)

The unaudited total asset value of the Target Group for the year ended 31 December 2016 is approximately HK\$445,128,000.

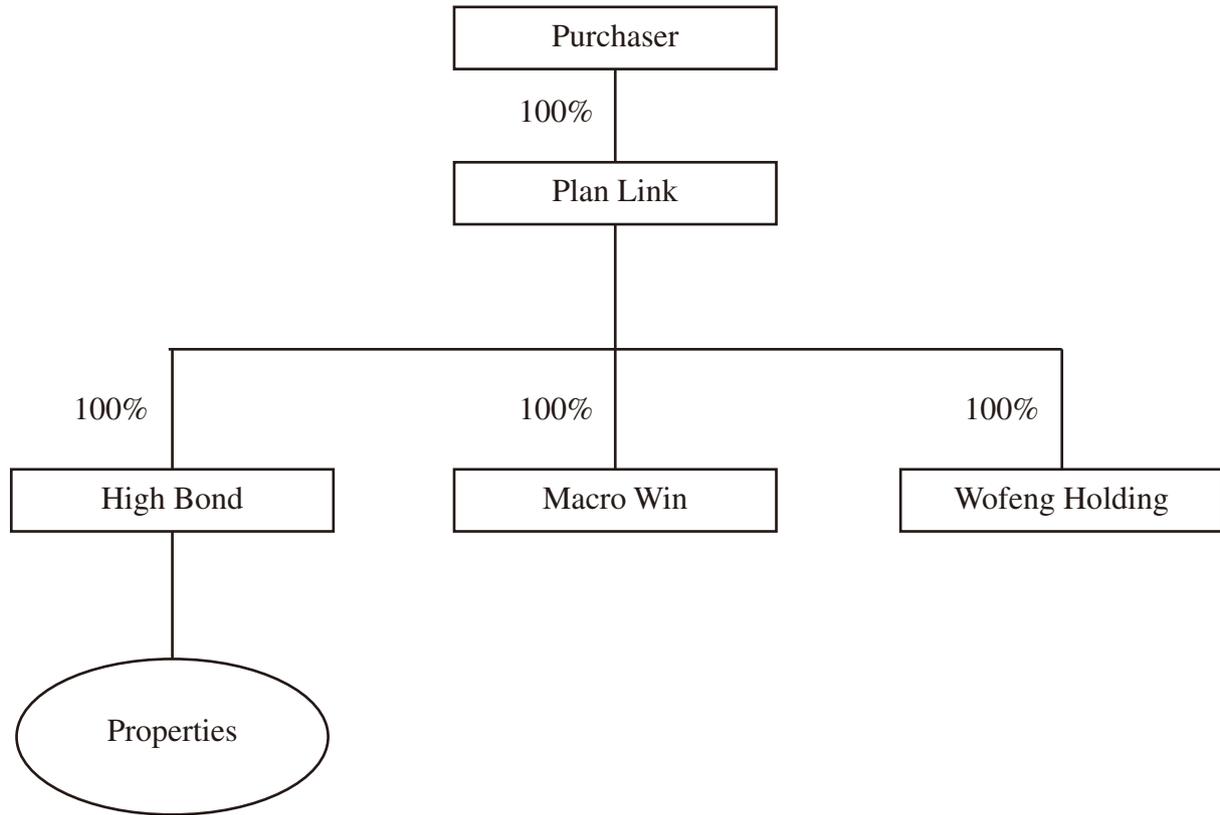
SHAREHOLDING STRUCTURE OF THE TARGET GROUP

The following are the shareholding structures of the Target Group as at the date of this announcement and immediately after Completion respectively:

As at the date of this announcement



Immediately after Completion



INFORMATION OF PROFIT VISION, THE PURCHASER AND THE PURCHASER'S GUARANTOR

Profit Vision

Profit Vision is a company incorporated in Hong Kong with limited liability and is holding 49% shareholding interest in Plan Link. The principal business activity of Profit Vision is investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Profit Vision and its directors are Independent Third Parties.

The Purchaser

The Purchaser is a company incorporated in the British Virgin Islands with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a wholly-owned subsidiary of the Purchaser's Guarantor and its principal business activity is investment holding.

The Purchaser's Guarantor

The Purchaser's Guarantor is a company incorporated in the Cayman Islands with limited liability. The shares of the Purchaser's Guarantor are listed on the main board of the Stock Exchange. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the principal business activity of the Purchaser's Guarantor is investment holding, with its major subsidiaries primarily engaged in property development in the People's Republic of China.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser, the Purchaser's Guarantor and their respective connected persons are third parties independent of the Company and its connected persons.

FINANCIAL EFFECTS OF THE DISPOSAL

Following Completion, Plan Link will cease to be a subsidiary of the Company and the financial results of Plan Link will cease to be consolidated into those of the Company.

The Disposal is expected to recognise a gain before tax of approximately HK\$68,400,000 to the Group, which is calculated based on the Consideration of HK\$610,000,000 less (i) net asset value of the Target Group as at 30 June 2016 and (ii) all the outstanding shareholders' loan of Plan Link, taking into account the Company's 51% shareholding interests in Plan Link, and then less other related costs and expenses of the Group. Subject to audit, the actual amount of the gain on the Disposal to be recognised by the Group will depend on the net asset value of the Target Group as at Completion and therefore may be different from the amount mentioned above.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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

In light of the gain from the Disposal, the Board considers that the Disposal represents a good opportunity for realisation of the Group's properties under development. Further, the proceeds from the Disposal can further strengthen the cash position of the Group and will allow the Group to reallocate its resources for its principal activities.

Taking into account the abovementioned factors, the Directors consider that the terms and conditions of the Disposal 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 Disposal shared by the Group will be approximately HK\$295,200,000, which will be used for its principal activities for acquisition of properties for investment, trading and development.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the relevant percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 25% but are below 75%, the Disposal constitutes a major transaction of the Company and is subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Mr. Pong, an executive Director and a controlling Shareholder, is interested in, by himself and through Virtue Partner Group Limited (a company wholly-owned by Mr. Pong), an aggregate of 3,353,747,668 Shares, representing approximately 60.45% of the entire issued share capital of the Company as at the date of this announcement. Since (i) no Shareholder has material interest in the Disposal and therefore none of the Shareholders is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal; and (ii) the Company has obtained a written approval dated 31 May 2017 from Mr. Pong and Virtue Partner Group Limited for the approval of the Disposal, no general meeting of the Company is required to be convened for the approval of the Provisional Agreement for Sale and Purchase and the Disposal pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other matters, further details about the Disposal and the prospective formal sale and purchase agreement to be entered into, will be despatched to the Shareholders. As the formal sale and purchase agreement is to be entered into latest by 28 June 2017, the Company will apply for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules from the Stock Exchange, so that the despatch date of the circular can be postponed to a date more than 15 business days after publication of this announcement, which is expected to be on or before 4 July 2017.

GENERAL

Shareholders and potential investors of the Company should note that the Disposal may or may not proceed as they are subject to a number of Conditions, 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
“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)
“Completion”	completion of the Disposal
“Completion Date”	21 September 2017
“Condition(s)”	the condition(s) precedent to Completion, as more particularly set out under the section headed “Provisional Agreement for Sale and Purchase – Conditions Precedent” to this announcement
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consideration”	HK\$610,000,000, being the consideration for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	(i) the sale of the entire issued share capital of Plan Link; and (ii) the sale of all the outstanding shareholders’ loan of Plan Link by the Vendors pursuant to the Provisional Agreement for Sale and Purchase
“Group”	the Company and its subsidiaries
“High Bond”	High Bond Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of Plan Link and the sole legal and beneficial owner of the Properties
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“Independent Third Party(ies)”	party(ies) who, together with his/her/its 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

“Macro Win”	Macro Win Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Plan Link
“Mr. Pong”	Mr. Pong Wilson Wai San, an executive Director and one of the controlling Shareholders (as defined in the Listing Rules)
“Party(ies)”	the party(ies) to the Provisional Agreement for Sale and Purchase
“Plan Link”	Plan Link Limited, a company incorporated in the British Virgin Islands with limited liability and is owned as to 51% by World Fair and 49% by Profit Vision
“Profit Vision”	Profit Vision Investments Limited, a company incorporated in Hong Kong with limited liability
“Properties”	New Kowloon Inland Lot No.3715, Section A of New Kowloon Inland Lot No.3715, Section E of New Kowloon Inland Lot No.3715, Section F of New Kowloon Inland Lot No.3715, New Kowloon Inland Lot No.3956, New Kowloon Inland Lot No.3957 and New Kowloon Inland Lot No.3958
“Provisional Agreement for Sale and Purchase”	the provisional agreement for sale and purchase dated 1 June 2017 entered into among the Vendors, the Purchaser, the Vendors’ Guarantors and the Purchasers’ Guarantor in relation to the Disposal
“Purchaser”	Smart World Development Holdings Limited, a company incorporated in the British Virgin Islands, being the purchaser under the Provisional Agreement for Sale and Purchase and a wholly-owned subsidiary of the Purchaser’s Guarantor
“Purchaser’s Guarantor”	Country Garden Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 2007), and being the holding company of the Purchaser
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Plan Link and its subsidiaries, including High Bond, Macro Win and Wofeng Holding

“Vendors”	World Fair and Profit Vision
“Vendors’ Guarantors”	the Company and one of the directors of Profit Vision
“Vendors’ Solicitors”	a firm of solicitors in Hong Kong
“Wofeng Holding”	Wofeng Holding Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Plan Link
“World Fair”	World Fair Global Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
%	per cent.

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

Hong Kong, 1 June 2017

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