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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 ENTIRE ISSUED SHARE CAPITAL IN CENTRAL FLY LIMITED**

### **THE DISPOSAL**

The Board announces that on 13 June 2017, the Vendor (a wholly-owned subsidiary of the Company) as vendor, the Purchaser as purchaser and the Company as the Vendor's guarantor entered into the Provisional Agreement for Sale and Purchase, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the entire issued share capital and all debts owing to the Vendor by Central Fly for a Consideration of HK\$206,000,000.

### **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 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 12 June 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 of 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 3 July 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 17 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 13 June 2017, the Vendor (a wholly-owned subsidiary of the Company) as vendor, the Purchaser as purchaser and the Company as the Vendor's guarantor entered into the Provisional Agreement for Sale and Purchase, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the entire issued share capital and all debts owing to the Vendor by Central Fly for a Consideration of HK\$206,000,000.

## **PROVISIONAL AGREEMENT FOR SALE AND PURCHASE**

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

### **Date**

13 June 2017

### **Parties**

Vendor: the Vendor

Purchaser: the Purchaser

Vendor's guarantor the Company

### **Subject Matter**

Subject to the terms of the Provisional Agreement for Sale and Purchase, the Vendor has agreed to sell and the Purchaser has agreed to purchase the entire issued share capital and all debts owing to the Vendor in Central Fly for a Consideration of HK\$206,000,000.

The Parties have agreed to enter into a formal sale and purchase agreement on 3 July 2017, and in the event that the Vendor and the Purchaser fail to reach agreement on the terms of the formal agreement for sale and purchase on or before the said date, the Provisional Agreement for Sale and Purchase shall remain valid and of full force and effect and the parties to the same shall comply with their respective obligations thereunder.

## **Consideration**

The Consideration of HK\$206,000,000 shall be payable by the Purchaser in the following manner:

- (i) HK\$10,000,000 as initial deposit to be paid in cash to the Vendor's Solicitors as stakeholder upon signing of the Provisional Agreement for Sale and Purchase;
- (ii) HK\$10,600,000 as further deposit to be paid by way of cashier order or solicitor's cheque to the Vendor's Solicitors as stakeholder at or before 5:00 pm on 3 July 2017; and
- (iii) the remaining balance of the Consideration of HK\$185,400,000 to be paid by way of cashier order or solicitor's cheque to the Vendor and/or such person(s) as the Vendor's Solicitors may direct in writing at or before 5:00 pm on 10 October 2017 or at such other date and time as the Parties may agree in writing.

Deposits paid under (i) and (ii) above shall be released by the Vendor's Solicitors to the Vendor upon the Purchaser having completed, or is deemed to have completed, its due diligence review on Central Fly and the Vendor having proved and shown that Central Fly possesses good title to the Property free from encumbrances pursuant to the terms of the Provisional Agreement for Sale and Purchase.

The Consideration was determined after arm's length negotiations between the Vendor 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 Property and the net assets value of Central Fly.

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 Purchaser having completed its due diligence review on Central Fly and such due diligence review does not show any material irregularity on the affairs of Central Fly; and
- (ii) Central Fly or the Vendor having proved and shown, in accordance with section 13 and section 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong), that Central Fly possesses good title to the Property free from encumbrances.

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 10 October 2017 or such other date and time as the Parties may agree in writing, the Purchaser shall be entitled to cancel the Disposal and the Vendor or the Vendor's Solicitors shall refund all deposits to the Purchaser forthwith without interest or compensation.

## **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 10 October 2017, Completion shall take place on 10 October 2017 or such other date and time as the Parties may agree in writing.

## **Guarantee**

Pursuant to the terms of the Provisional Agreement for Sale and Purchase, the Company shall guarantee and procure due performance and observance of all obligations of the Vendor under the Provisional Agreement for Sale and Purchase.

## **INFORMATION OF CENTRAL FLY**

Central Fly is a company incorporated in the BVI with limited liability. The principal business activity of Central Fly is property investment.

Set out below is the financial information of Central Fly as extracted from audited financial statements for the years ended 30 June 2015 and 2016 respectively:

	<b>For the year ended 30 June 2016</b>	<b>For the year ended 30 June 2015</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Revenue	5,808	5,862
Net (loss)/profit before taxation	(10,215)	4,969
Net (loss)/profit after taxation	(414)	40
Net assets	24,389	35,017

The unaudited total asset value of Central Fly for the year ended 31 December 2016 is approximately HK\$228,642,000.

## **INFORMATION OF THE PURCHASER**

### **The Purchaser**

The Purchaser is an individual, and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a third party independent of the Company and its connected persons.

## **FINANCIAL EFFECTS OF THE DISPOSAL**

Upon Completion, Central Fly will cease to be a subsidiary of the Company and the financial results of Central Fly will cease to be consolidated into those of the Company.

The Disposal is expected to recognise a gain before tax of approximately HK\$6,500,000 to the Group, which is calculated based on (i) the Consideration less the net asset value of Central Fly as at 30 June 2016 and all the outstanding shareholders' loan of Central Fly, the amount resulting from which is subject to certain material subsequent movements to date and (ii) less the 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 Central Fly 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 investment properties. Further, the proceeds from the Disposal can further strengthen the cash position of the Group and will allow the Group to reallocation 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 to be received by the Group will be approximately HK\$203,300,000, which will be used for its principal business activities of 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 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.

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## **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
“BVI”	the British Virgin Islands
“Central Fly”	Central Fly Limited, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of the Company and the sole legal and beneficial owner of the Property
“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

“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\$206,000,000, being the consideration for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of (i) the entire issued share capital of Central Fly and (ii) all debts owing to the Vendor by Central Fly, pursuant to the Provisional Agreement for Sale and Purchase
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Pong”	Mr. Pong Wilson Wai San, an executive Director and one of the controlling Shareholders (as defined under the Listing Rules)
“Party(ies)”	the party(ies) to the Provisional Agreement for Sale and Purchase
“Property”	Shop Nos. 23A & 23B on G/F, Flat No. 23 on G/F, Portion No. 4 on G/F and No. 23 on Mezzanine Floor of Wing Lee Building, Nos. 27, 29, 31, 31A, 31B & 31C Kimberley Road, Kowloon, Hong Kong
“Provisional Agreement for Sale and Purchase”	the provisional agreement for sale and purchase in relation to the Disposal dated 13 June 2017 entered into among the Vendor, the Purchaser and the Company
“Purchaser”	the purchaser under the Provisional Agreement for Sale and Purchase
“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
“Vendor”	Alpha Easy Limited, a company incorporated in the BVI with limited liability, being the vendor under the Provisional Agreement for Sale and Purchase and a wholly-owned subsidiary of the Company
“Vendor’s Solicitors”	a firm of solicitors in Hong Kong
“%”	per cent.

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

Hong Kong, 13 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.*