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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: SUBSCRIPTION OF PARTICIPATION IN TKO FUND**

The Board announces that on 5 October 2018, the Subscriber (a wholly-owned subsidiary of the Company) entered into the Subscription Agreement, pursuant to which the Subscriber shall subscribe for a participation in TKO Fund with capital commitment of HK\$30 million.

As the relevant percentages in aggregation with the Previous Subscription and Co-Investment exceed 5% but all below 25%, the Subscription Agreement and the transactions contemplated thereunder constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

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## THE SUBSCRIPTION AGREEMENT

The salient terms of the Subscription Agreement are as follows:

### Date

5 October 2018

### Parties

The Subscriber, a wholly owned subsidiary of the Company

TKO Fund

PPI Separate Account TKO Limited (the “**Investment Manager**”)

TKO Fund is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, TKO Fund and its ultimate beneficial owner(s) are Independent Third Parties.

The Investment Manager is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment management. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Investment Manager and its ultimate beneficial owner(s) are Independent Third Parties.

The Investment Manager and Phoenix Property Investors Limited (“**Phoenix**”) belong to the same group and have common beneficial owners. Please refer to the announcement of the Company dated 21 December 2017 and 15 January 2018 for further details of the Previous Subscription and Co-Investment.

### Subject Matter

Subject to the terms of the Subscription Agreement, the Subscriber shall subscribe for a participation in TKO Fund with capital commitment of HK\$30 million. The Group will account for its investment in TKO Fund as “Available-for-sale financial assets” under the classification of non-current assets.

The objective of TKO Fund is to co-invest with an institutional investor (the “**Institutional Investor**”) in three properties in Tseung Kwan O (the “**Properties**”), which include total gross floor area of retail spaces of approximately 300,000 sq. ft. and car parking spaces.

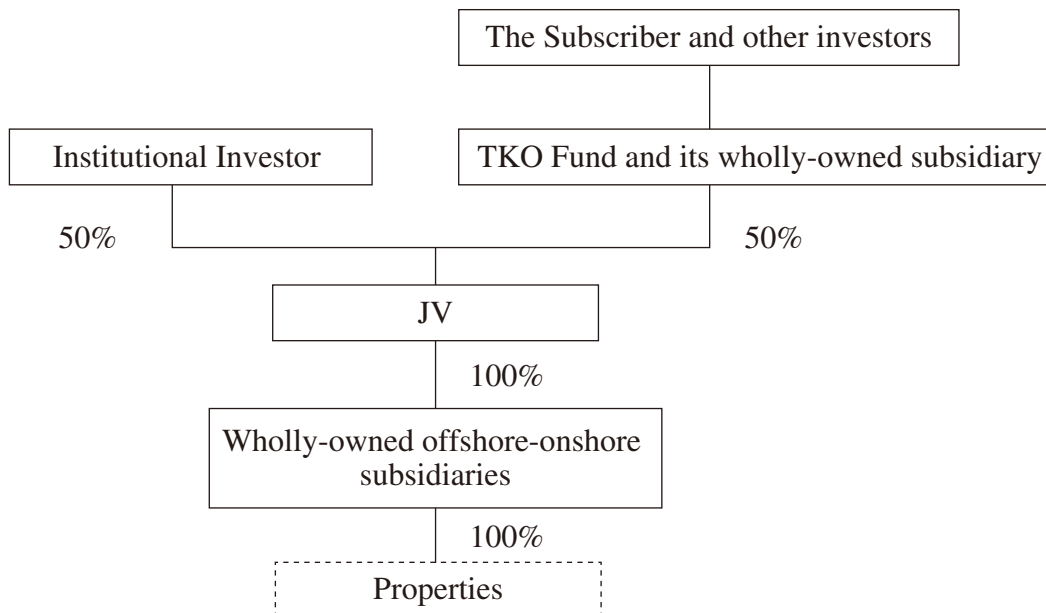
The Institutional Investor is an independent reputable financial institution and to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Institutional Investor and its ultimate beneficial owner(s) are Independent Third Parties and do not belong to the same group of the Investment Manager and Phoenix.

The total equity investment amount for the whole investment of the Properties is approximately HK\$1,950 million and the sharing between the Institutional Investor and TKO Fund targeted approximately HK\$975 million (50%) and HK\$975 million (50%) respectively. The Institutional Investor and TKO Fund will form a co-investment vehicle (the “**JV**”) to acquire and hold the investment in the Properties through an offshore-onshore holding structure. The JV is intended to be beneficially owned by the Institutional Investor and TKO Fund as to 50% and 50% respectively.

Subject to the prevailing market conditions, it is expected that the holding period of the investment in the Properties shall be approximately 5 years from its acquisition date (the “**Term**”).

TKO Fund will be terminated and its affairs would be wound up following final distribution of amounts in connection with the sale or other disposal of the investment in the Properties upon the expiration of its Term.

Set out below is the proposed structure for the investment in the Properties:



## **Consideration**

The capital commitment of HK\$30 million shall be payable by the Subscriber in HK\$ to TKO Fund in accordance with the terms and conditions of the Subscription Agreement. TKO Fund will seek to complete the investment in the Properties promptly after TKO Fund and the Institutional Investor have entered into a shareholders' agreement.

Having considered the above and the factors described under the section headed "Reasons for and the benefits of the Transaction" below, the Directors consider that the capital commitment under the Subscription Agreement is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Investment Manager will be entitled to receive a management fee commencing from the commencement date and throughout the Term in the sum equivalent to 1% per annum of the participations of the shareholders of TKO Fund.

The Group intends to finance the capital commitment by its internal resources.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

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

To complement the risk and increase the yield of the real estate portfolio of the Group, the Board decides to diversify and expand its existing investment into different real estate markets. The investment in TKO Fund will be managed by the Investment Manager, which belong to the same group and have common beneficial owner with Phoenix. The Company understands that Phoenix is a disciplined, value-oriented private equity real estate investment group with offices in Hong Kong, Shanghai, Tokyo, Sydney, Taipei, Seoul and Singapore and they also have extensive knowledge, experience and expertise in the property development, sale and leasing business in Asia Pacific, China and Hong Kong markets.

While the Group is engaged in property investment and trading and property development business in Hong Kong, the entire investment sum for the Properties would be substantial to the Group. In order to manage the risk exposure of the Group, the Group considers investment in TKO Fund represents a better alternative instead of making direct investment in the Properties.

Taking into account the abovementioned factors, the Directors consider that the terms and conditions of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

Reference is made to the announcements of the Company dated 21 December 2017 and 15 January 2018 in relation to the Previous Subscription and Co-investment, which constitutes a discloseable transaction on the part of the Company. As disclosed in the announcements, the general partner, investment manager and investment advisor of the Previous Subscription and Co-investment belong to the same group and have common beneficial owner.

As the relevant percentages in aggregation with the Previous Subscription and Co-Investment exceed 5% but all below 25%, the Subscription Agreement and the transactions contemplated thereunder constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following terms shall have the same following meanings as set out below:

“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 Stock Exchange under stock code: 183
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Subscription Agreement”	the subscription agreement dated 5 October 2018 and entered among the Subscriber, TKO Fund and the Investment Manager in relation to the subscription by the Subscriber for a participation in TKO Fund with capital commitment of HK\$30 million
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) who, together with his/her 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

“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Previous Subscription and Co-investment”	the previous subscription of fund and co-investment in property by the Group as disclosed in the announcements of the Company dated 21 December 2017 and 15 January 2018
“Shareholder(s)”	holder(s) of issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Winter Cherishing Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“TKO Fund”	TKO Shops Separate Account Limited, a British Virgin Islands business company incorporated with limited liability
“%”	per cent.

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

Hong Kong, 5 October 2018

*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.*