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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: ACQUISITION OF 49% ISSUED SHARE CAPITAL OF A SUBSIDIARY

The Board announces that on 17 January 2022 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) entered into the Agreement with the Vendor, pursuant to which the Purchaser shall acquire the Sale Shares and the Sale Loan from the Vendor for a total consideration of HK\$15,000,000.

As the relevant percentages exceed 5% but all below 25%, the Agreement and the transactions contemplated thereunder constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

The Board announces that on 17 January 2022 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) entered into the Agreement with the Vendor, pursuant to which the Purchaser shall acquire the Sale Shares and the Sale Loan from the Vendor for a total cash consideration of HK\$15,000,000.

THE AGREEMENT

The salient terms of the Agreement are as follows:

Date

17 January 2022 (after trading hours)

Parties

The Vendor

The Purchaser

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holdings. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the ultimate beneficial owner of the Vendor is Mr. Au, who is a merchant. The Target Company is classified as an insignificant subsidiary (as defined under Rule 14A.09 of the Listing Rules) of the Group.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for the Vendor's interests in the Target Company, the Vendor and its ultimate beneficial owner are Independent Third Parties.

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holdings. The Purchaser is a wholly owned subsidiary of the Company.

Asset to be acquired

Pursuant to the Agreement, the Purchaser has agreed to purchase and the Vendor has agreed to sell the Sale Shares and the Sale Loan subject to the terms and conditions of the Agreement.

The Sale Shares represent 49% of the issued share capital of the Target Company. The Sale Loan represents all the obligations, liabilities and debts owing or incurred by the Company to the Vendor and/or its associates, which amounts approximately HK\$16,009,000 as at the date of the Agreement.

The Target Company is accounted as a 51%-owned subsidiary of the Company immediately before the entering into of the Agreement. Upon Completion, the Target Company will become a wholly owned subsidiary of the Company and the Vendor and Mr. Au shall cease to hold any interests in the Target Company.

The Target Company is the registered and beneficial owner of the Property.

Conditions

Completion shall be conditional upon and subject to:

- (a) the warranties given by the Vendor under the Agreement remaining true, accurate and complete in all material respects; and
- (b) all necessary consents and approvals required to be obtained on the part of the Target Company, the Purchaser and the Vendor in respect of the Agreement and the transactions contemplated thereby having been obtained.

If the conditions set out above have not been satisfied (or as the case may be, waived by the Purchaser) on or before 28 February 2022, or such later date as the Vendor and the Purchaser may agree, the Agreement shall cease and determine save for any antecedent breaches.

Completion

Completion of the sale and purchase of the Sale Shares and the Sale Loan is expected to take place on or before 21 January 2022, subject to the fulfillment of the conditions precedent.

Consideration

The total consideration payable by the Purchaser to the Vendor for the Sale Shares and the Sale Loan shall be HK\$15,000,000, which shall be settled by the Purchaser upon Completion by way of cheque(s) drawn in accordance with the instruction of the Vendor (or in such other manners as may be agreed by the parties to the Agreement).

The consideration was determined after arm's length negotiations with reference to, among others, the value of the Property and the financial position of the Target Company.

The Directors consider that the consideration and the terms and conditions of the Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE TARGET COMPANY AND THE PROPERTY

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

The Property is located at roof of Block C, Sea View Estate, No. 8 Watson Road, Hong Kong and comprises a roof and a signboard space erected upon a 15-storey non-domestic building. The roof area of the Property is approximately 8,970 sq. ft. Pursuant to the valuation report obtained by the Company on market approach, the value of the Property as at 31 December 2021 amounts approximately HK\$36,000,000.

The audited financial information of the Target Company for the three years ended 30 June 2019, 30 June 2020 and 30 June 2021 and prepared in accordance with the accounting principles generally accepted in Hong Kong are as follows:

	Year ended 30 June 2019 (audited) HK\$'000	Year ended 30 June 2020 (audited) HK\$'000	Year ended 30 June 2021 (audited) HK\$'000
Revenue	–	222	40
Profit/(Loss) before taxation	213	(4,793)	258
Profit/(Loss) after taxation	213	(4,793)	258
Net asset value as at year end	36,288	31,465	32,101

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group is principally engaged in the investment, trading and development of properties and securities investment and trading.

The Property is an unique property that has an advertising signage of approximately 300 square meters approved by the building authority and can be viewed from the whole waterfront of the Kowloon side. The Group is intended to acquire the remaining equity interests in the Target Company and its signage for own business use to promote its corporate image and to earn potential rental income. The Group believe that the Property and the advertising signage can provide a stable return and capital appreciation after the pandemic in the long run. With the acquisition of the Sale Shares and the Sale Loan, the Target Company will become a wholly owned subsidiary of the Company.

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

IMPLICATIONS UNDER THE LISTING RULES

As the relevant percentages exceed 5% but all below 25%, the 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:

“Agreement”	the conditional sale and purchase agreement dated 17 January 2022 and entered between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares and the Sale Loan
“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
“Completion”	completion of the sale and purchase of the Sale Shares and the Sale Loan as contemplated under the Agreement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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
“Mr. Au”	Mr. Au Wing Wah
“PRC”	the People’s Republic of China, which for the purpose of this announcement only shall not include Hong Kong, Macau Special Administrative Region and Taiwan
“Property”	the property located at roof of Block C, Sea View Estate, No. 8 Watson Road, Hong Kong
“Purchaser”	Alpha Easy Limited, a company incorporated in the British Virgin Islands with limited liability 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/or its associates on or at any time prior to and as at Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion
“Sale Shares”	49 issued shares of the Target Company, representing 49% of the issued share capital of the Target Company
“Shareholder(s)”	holder(s) of issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Brilliant Icon Limited, a company incorporated in the British Virgin Islands with limited liability
“Vendor”	Charm Stand Limited, a company incorporated in the British Virgin Islands with limited liability
“%”	per cent.

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

Hong Kong, 17 January 2022

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.