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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 LOAN TRANSACTION

LOAN TRANSACTION

On 3 May 2022, the Lender, an indirect wholly-owned subsidiary of the Company, as lender entered into the Loan Agreement with the Borrower as borrower, pursuant to which, the Lender agreed to, among other things, make available to the Borrower the Revolving Loan in the limit up to HK\$30,000,000 on the terms and subject to the conditions therein.

LISTING RULES IMPLICATIONS

As the Lender is an indirect wholly-owned subsidiary of the Company, the Transaction entered into by the Lender shall be a deemed transaction of the Company under the Listing Rules as the definition of “listed issuer” under Chapter 14 of the Listing Rules shall include the listed issuer’s subsidiaries.

The Transaction constitutes a discloseable transaction for the Company on the basis that more than one of the relevant Percentage Ratio(s) exceeds 5% but is below 25%.

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THE LOAN AGREEMENT

Date: 3 May 2022

Parties: (1) the Lender as lender for the Loan Agreement; and
(2) the Borrower as borrower for the Loan Agreement.

Based on the information and confirmations of the Borrower and the Share Mortgagors, and to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Borrower, the Share Mortgagors and the ultimate beneficial owners of the Borrower, are all third parties independent of the Company and its connected persons.

Principal terms of the Loan Agreement

Revolving Loan : The Revolving Loan in the limit of up to HK\$30,000,000; any sum repaid or prepaid by the Borrower may be re-borrowed in accordance with the terms of the Loan Agreement

Availability period for drawdown : The period commencing from 3 May 2022 to 3 May 2024 (both dates inclusive)

Repayment date : In respect of each drawdown, (i) thirty-six (36) months from the respective drawdown date or (ii) forty-eight (48) months from 3 May 2022, whichever is earlier

Purpose : The Revolving Loan shall be applied and used by the Borrower for its advance of loans via the Platform

Interest rate : 8% per annum

Mandatory repayment and prepayment : Under the following circumstances, the Borrower shall make mandatory repayment or prepayment:

(1) where the LTLB Ratio exceed 50%, the Borrower shall prepay the outstanding principal in such amount to the extent that the LTLB Ratio does not exceed or equals to 50% after the prepayment is made; or

- (2) where the aggregate amount of the (i) total carrying amount of the shareholders' equities (after adjustment for retained earnings or accumulated loss) of the Borrower and (ii) shareholders' loans owed by the Borrower (other than the loan from the Lender, where applicable) is less than HK\$25,000,000 (plus any new funding the Borrower received from investor(s) after the date of the Loan Agreement, including but not limited to new equity injection and new conversion notes), and that upon the Lender's demand, the same is not rectified within ten (10) Business Days, the Borrower shall repay the entirety of the outstanding principal; or
- (3) where the aggregate amount of the cash and bank balance of the Borrower is not less than HK\$5,000,000, the Borrower shall apply such excess amount to prepay the outstanding principal.

Conversion and
Subscription Rights

: The Lender shall have the right to (i) convert the outstanding principal into the ordinary shares of the Borrower or (ii) irrespective of whether any drawdown has been made, subscribe the ordinary shares of the Borrower at the Conversion/Subscription Price within the Conversion/Subscription Period in a maximum possible number of 6,000,000 ordinary shares of the Borrower.

If, upon the Borrower's satisfaction of the conditions precedent set out in the Loan Agreement and on the service of the drawdown notice, the Lender fails to advance the Loan to the Borrower in accordance with the drawdown notice, without prejudice to the other aspects of the conversion/subscription rights, the total aggregate maximum number of ordinary shares that can be converted or subscribed by the Lender shall be calculated as follows (but in any event shall be no more than 6,000,000 ordinary shares) as at the relevant drawdown date of the drawdown notice that the Lender has failed to satisfy:

6,000,000 ordinary shares x A/B

A = the highest aggregate amount that has ever been drawn (for the avoidance of doubt, regardless of any repayment or prepayment) by the Borrower (from the first drawdown date to the relevant drawdown date of the drawdown notice that the Lender has failed to satisfy)

B = loan limit of HK\$30,000,000

- Securities for the Revolving Loan : (1) Debenture
(2) Deed of Assignment
(3) Share Mortgage

Debenture

The Revolving Loan is secured by the Debenture by way of a first fixed and floating charge over the undertaking, property and assets of the Borrower provided by the Borrower in favour of the Lender. The Debenture and all security constituted or pursuant to the Debenture shall become immediately enforceable upon the occurrence of an event of default.

Deed of Assignment

The Revolving Loan is secured by the Deed of Assignment of certain shareholder's loan(s) owed or to be owed by and any sums owed or to be owed by the Borrower to the Share Mortgagors provided by the Share Mortgagors in favour of the Lender. The Deed of Assignment and all security constituted or pursuant to the Deed of Assignment shall become immediately enforceable upon the occurrence of an event of default.

Share Mortgage

The Revolving Loan is secured by the Share Mortgage in respect of 11,294,080 issued shares of the Borrower provided by the Share Mortgagors in favour of the Lender. The Share Mortgage and all security constituted or pursuant to the Share Mortgage shall become immediately enforceable upon the occurrence of an event of default.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The terms of the Loan Agreement, including the interest rates applicable, were arrived at after arm's length negotiations between the Lender and the Borrower having taken into account the prevailing market interest rates and practices. The Loan Agreement was entered into by the Lender having regard to (i) the costs of borrowing in providing the Revolving Loan to the Borrower; (ii) the interest income to be generated by the Transaction; and (iii) the underlying security. In addition, the Transaction is part of the ordinary and usual course of business of the Lender. In view of the above, the Directors are of the view that the terms of the Loan Agreement are on normal commercial terms and the Transaction is fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

INFORMATION RELATING TO THE COMPANY, THE LENDER, THE BORROWER AND THE SHARE MORTGAGORS

(1) The Company

The Company is incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange.

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

(2) The Lender

The Lender is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company.

The principal business activity of the Lender is security investment and trading.

(3) The Borrower

The Borrower is a company incorporated in Hong Kong with limited liability and the ultimate beneficial owners of the Borrower are the Share Mortgagors, holding an aggregate of 87.98% of shares of the Borrower.

The principal business activity of the Borrower is provision of money lending services. The Borrower holds a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

(4) The Share Mortgagors

The Share Mortgagors are individuals, being the shareholders of the Borrower. Mr. So, Mr. Chan and Mr. Ying are the directors of the Borrower.

LISTING RULES IMPLICATIONS

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The Transaction constitutes a discloseable transaction for the Company on the basis that more than one of the relevant Percentage Ratio(s) exceeds 5% but is below 25%.

DEFINITIONS

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| “Board” | the board of Directors |
| “Borrower” | P L Technology Limited, a company incorporated in Hong Kong with limited liability, being the borrower under the Loan Agreement, the chargor under the Debenture and the company under the Deed of Assignment |
| “Business Day” | a day (other than a Saturday or Sunday and public holidays) on which banks are generally open for business in Hong Kong |
| “Company” | Winfull Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board (Stock Code: 183) |
| “Conversion/Subscription Period” | (i) where a drawdown is yet to be made, the period commencing from 3 May 2022 to 3 May 2027 (both dates inclusive); or (ii) where there is a drawdown, the period commencing from the first drawdown date to the date falling sixty (60) months from such first drawdown date (both dates inclusive) |
| “Conversion/Subscription Price” | (a) in the case where the Conversion/Subscription Date falls within the first twelve (12) months from the first day of the Conversion/Subscription Period, HK\$2.00 per ordinary share; (b) in the case where the Conversion/Subscription Date falls after the first twelve (12) months but within the first twenty-four (24) months from the first day of the Conversion/Subscription Period, HK\$2.10 per ordinary share; (c) in the case where the Conversion/Subscription Date falls after the first twenty-four (24) months but within the first thirty-six (36) months from the first day of the Conversion/Subscription Period, HK\$2.20 per ordinary share; (d) in the case where the Conversion/Subscription Date falls after the first thirty-six (36) months but within the first forty-eight (48) months from the first day of the Conversion/Subscription Period, HK\$2.30 per ordinary share; (e) in the case where the Conversion/Subscription Date falls after the first forty-eight (48) months but within the first sixty (60) months from the first day of the Conversion/Subscription Period, HK\$2.40 per ordinary share; |

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| “connected persons” | having the meaning ascribed to it under the Listing Rules |
| “Debenture” | the first fixed and floating charge entered between the Borrower as chargor and the Lender as lender in respect of the undertaking, property and assets of the Borrower dated 3 May 2022 |
| “Deed of Assignment” | the deed of assignment entered between the Share Mortgagors as assignors, the Lender as assignee and the Borrower as company in respect of certain shareholder’s loan(s) owed or to be owed by and any sums owed or to be owed by the Borrower to the Share Mortgagors dated 3 May 2022 |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Lender” | Luck Wise Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, being the lender under the Loan Agreement, the lender under the Debenture, the assignee under the Deed of Assignment and the lender under the Share Mortgage |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Loan Agreement” | the loan agreement entered into between the Lender as lender and the Borrower as borrower dated 3 May 2022 |
| “Loan Book Value” | the outstanding loan principal advanced by the Borrower via the Platform minus the loan impairment plus the cash and bank balance of the Borrower |
| “LTLB Ratio” | the outstanding loan principal under the Loan Agreement divided by the Loan Book Value |
| “Main Board” | Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange |
| “Mr. Chan” | Chan Wai Ming |

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| “Mr. So” | So Lap Hang Alan |
| “Mr. Ying” | Ying Kan Man |
| “Percentage Ratio(s)” | percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction |
| “Platform” | means the online financial platform registered by the Borrower for the provision of loans by the Borrower |
| “PRC” | the People’s Republic of China, for the purpose of this announcement only, excludes Taiwan, Hong Kong, Macau Special Administrative Region of the People’s Republic of China |
| “Revolving Loan” | the revolving loan in the limit up to HK\$30,000,000 made or to be made available by the Lender to the Borrower on the terms and subject to the conditions set out in the Loan Agreement |
| “Share Mortgage” | the share mortgage entered between the Share Mortgagors as mortgagor and the Lender as lender in respect of 11,294,080 issued shares of the Borrower dated 3 May 2022 |
| “Share Mortgagors” | collectively, Mr. So, Mak Wing Yan, Mr. Ying, Mr. Chan, Woo Kin Ming Marcus, being the assignors under the Deed of Assignment and the mortgagors under the Share Mortgage |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Transaction” | the transaction contemplated under the Loan Agreement |
| “%” | per cent |

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

Hong Kong, 3 May 2022

As at the date of this announcement, the executive Directors are Mr. Pong Wilson Wai San and Mr. Lee Wing Yin, 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.