

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



WINFAIR INVESTMENT COMPANY LIMITED

永發置業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 287)

MAJOR TRANSACTION ACQUISITION OF PROPERTY

The Board of the Company announces that on 9 May 2019, Wing Tai Investment Limited, a wholly-owned subsidiary of the Company, entered into a Provisional Agreement for Sale and Purchase (the “Provisional Agreement”) with the Seller, an Independent Third Party, in relation to the acquisition of the redevelopment site located at the Remaining Portion of Kowloon Inland Lot No. 2123 together with the messuages erections and buildings thereon (if any) (the “Property”) at a Purchase Price of HK\$410,000,000 (the “Acquisition”). Pursuant to the Provisional Agreement, the completion of the Acquisition is subject to fulfillment of condition precedent as set out in the section headed “Condition precedent” below. The Purchase Price was determined after arm’s length negotiation and was based on normal commercial terms.

The Acquisition constitutes a Major Transaction for the Company under Chapter 14 of the Listing Rules and requires Shareholders’ approval pursuant to Rule 14.40 of the Listing Rules. As no Shareholder has any material interest in the Acquisition, no Shareholder is required to abstain from voting at the EGM on the resolution to approve the Acquisition.

A circular containing, among other things, details of the Provisional Agreement and the Acquisition, and Notice of EGM will be despatched to the Shareholders of the Company within 15 business days after publication of this announcement (i.e. on or before 31 May 2019).

As the Acquisition is conditional on the fulfillment of the Condition precedent of this announcement, it may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

The Board of the Company announces that on 9 May 2019, Wing Tai Investment Limited, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Seller, an Independent Third Party, in relation to the acquisition of the Property at a Purchase Price of HK\$410,000,000. Pursuant to the Provisional Agreement, the completion of the Acquisition is subject to fulfillment of condition precedent as set out in the section headed “Condition precedent” below. The Purchase Price was determined after arm’s length negotiation and was based on normal commercial terms.

Provisional Agreement

Date: 9 May 2019

Seller: Good Future Limited. Its principal activity is property investment and development.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, the Seller and its ultimate beneficial owner are Independent Third Parties not connected with the Company and its connected persons (as defined in the Listing Rules).

Purchaser: Wing Tai Investment Limited, a wholly owned subsidiary of the Company.

Property to acquire: The Remaining Portion of Kowloon Inland Lot No. 2123 together with the messuages erections and buildings thereon (if any).

The Property is currently in vacant possession.

Sale and purchase: Upon the completion, the Property will be acquired on “as is” basis.

Consideration: HK\$410,000,000

The Purchase Price was determined after arm’s length negotiation between the Seller and the Purchaser and was based on normal commercial terms.

- Terms of payment:
- (a) an initial deposit of HK\$20,500,000 was paid by the Purchaser to the Seller's solicitor upon signing of the Provisional Agreement;
 - (b) a further deposit of HK\$20,500,000 shall be paid by the Purchaser to the Seller's solicitor upon signing of the Formal Agreement on or before 24 May 2019; and
 - (c) the balance of the consideration of HK\$369,000,000 shall be paid by the Purchaser to the Seller's solicitor on or before the completion of the Acquisition.

Completion date: on or before 10 September 2019.

Condition precedent

Completion is subject to the Shareholders' approval for the Acquisition at the EGM of the Company, which is in accordance with the requirements of Chapter 14 of the Listing Rules.

If the above condition precedent is not fulfilled on or before the completion date, the Acquisition shall cease and terminate, and the Seller's solicitor shall refund all deposits without any interest to the Purchaser's solicitor within 3 business days. After receiving the refund of all deposits, neither party shall have any obligation and liabilities towards each other nor have right to sue for any compensation.

Information of the Property

The Property is a redevelopment site located at No. 31 Fuk Tsun Street, Tai Kok Tsui, Kowloon, Hong Kong. According to the Mong Kok OZP No. S/K3/31 dated July 2018, the Property is zoned as Residential (Group A) with plot ratio of 9. Its site area is 4,403 square feet and its maximum gross floor area is about 39,627 square feet. Its lease term is 75 years renewable for 75 years from the commencement date on 16 July 1928. It is currently vacant and its government rent is HK\$114,822 per annum.

Reasons for the Acquisition

The Board believes that the Acquisition will enhance the property investment portfolio of the Group in long run. The Acquisition will be funded by internal resources of the Group. Upon the completion, the Group intends to further invest about HK\$250,000,000 (inclusive of expected construction and its related costs, and borrowing costs) in this project in coming few years. The Group may apply for a construction loan, if the directors think fit.

The Board is of the opinion that the Group's operating performance, net assets as well as earnings in future will be improved after the completion of this project. The Board (including the independent non-executive Directors) is of the view that the Acquisition is on normal commercial terms which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

General

The principal activities of the Group are property and share investments, property development and securities dealing.

The Acquisition constitutes a Major Transaction for the Company under Chapter 14 of the Listing Rules and requires Shareholders' approval pursuant to Rule 14.40 of the Listing Rules. As no Shareholder has any material interest in the Acquisition, no Shareholder is required to abstain from voting at the EGM on the resolution to approve the Acquisition.

The circular containing, among other things, details of the Provisional Agreement and the Acquisition, and Notice of EGM will be despatched to Shareholders of the Company within 15 business days after publication of this announcement (i.e. on or before 31 May 2019).

As the Acquisition is conditional on the fulfillment of the Condition precedent of this announcement, it may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“Acquisition”	the acquisition of the Property by the Purchaser
“Board”	the board of Directors
“Company”	Winfair Investment Company Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the main board of the Stock Exchange
“Consideration”	the purchase price of HK\$410,000,000 for acquisition of the Property
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting of the Shareholders to be convened for the purpose of approving the Acquisition
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Seller and the Purchaser in relation to the sale and purchase of the Property

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party/Parties”	independent third party who is not connected person (as defined in the Listing Rules) of the Company and is independent of and not connected with the Company and its connected person (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	The Remaining Portion of Kowloon Inland Lot No. 2123 together with the messuages erections and buildings thereon (if any)
“Provisional Agreement”	a Provisional Agreement for Sale and Purchase dated 9 May 2019 entered into between the Seller and the Purchaser in relation to the sale and purchase of the Property
“Purchaser”	Wing Tai Investment Limited, a wholly-owned subsidiary of the Company
“Seller”	Good Future Limited, an Independent Third Party not connected with the Company and its connected persons
“Shareholder(s)”	holder(s) of the shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
WINFAIR INVESTMENT CO. LTD.
Ng Tai Wai
Chairman

Hong Kong, 9 May 2019

As at the date of this announcement, the executive Directors are Mr. Ng Tai Wai and Mr. Ng Tai Yin Victor; the non-executive Directors are Mr. So Kwok Leung, Mr. So Kwok Wai Benjamin and Ms. Ng Kwok Fun; the independent non-executive Directors are Dr. Ng Chi Yeung, Simon, Ms. Chan Suit Fei, Esther and Mr. Heng Pei Neng, Roy.