

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.



WINFOONG INTERNATIONAL LIMITED

(榮豐國際有限公司) *

(Incorporated in Bermuda with limited liability)

(Stock Code: 63)

DISCLOSEABLE TRANSACTION PROVISION OF LOAN TO AN INDEPENDENT THIRD PARTY

THE LOAN AGREEMENT

The Board announces that, on 2 December 2015, the Lender, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower and the Guarantor, pursuant to which the Lender has agreed to lend to the Borrower a term loan in the principal amount of HK\$22,000,000 repayable on the Repayment Date.

LISTING RULES IMPLICATIONS

As the applicable Percentage Ratios in respect of the Loan exceed 5% but less than 25%, the entering into the Loan Agreement constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules and therefore were subject to the reporting and announcement requirements under the Listing Rules.

BACKGROUND

The Board announces that, on 2 December 2015, the Lender, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower and the Guarantor, pursuant to which the Lender has agreed to lend to the Borrower a term loan in the principal amount of HK\$22,000,000 repayable on the Repayment Date.

THE LOAN AGREEMENT

The principal terms of the Loan Agreement are as follows:

Date:	2 December 2015
Lender:	Sui Chong Finance Limited, a wholly-owned subsidiary of the Company
Borrower:	New Star Education Limited
Guarantor:	Mr. Tong Chor Ho
	To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Borrower and its ultimate beneficial owner and the Guarantor is an independent third party not connected with the Company and its connected person.
Principal Loan Amount:	Hong Kong dollars HK\$22,000,000
Drawdown Date:	Subject to the terms of the Loan Agreement, means 2 December 2015 or such other date, being a Banking Day as may be agreed between the Lender and the Borrower (the “ Drawdown Date ”).
Repayment Date:	The date falling on the sixth months after the Drawdown Date or if that date is not a Banking Day, the Banking Day falling immediately before that date.
Interest:	Interest shall accrue on the Loan on a monthly basis at the rate of 0.38% per month until repayment of the Loan in full.
Security for the Loan:	The due and punctual performance and observance by the Borrower of all its obligations under the Loan Agreement is secured by a personal guarantee given by the Guarantor in favour of the Lender of the total guaranteed amount of HK\$22,000,000.

The terms of the Loan Agreement were arrived at after arm’s length negotiations between the Lender and the Borrower.

The Directors consider that the transactions contemplated by the Loan Agreement is on normal commercial terms and the terms of the Loan Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole having considered the current market norm in relation to similar transactions and the expected revenue to be generated to the Group.

REASON FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT FOR THE COMPANY

The Lender is a licensed money lender and its principal activity is provision of financing and management services and trading of securities. The provision of the Loan is a transaction of a revenue nature and carried out as part of the ordinary and usual course of business activities of the Lender and will provide interest income to the Lender.

The Loan has been funded by internal resources of the Group and recorded as loan receivable of the Group.

LISTING RULES IMPLICATIONS

As the applicable Percentage Ratios in respect of the Loan exceed 5% but less than 25%, the entering into the Loan Agreement constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules and therefore were subject to the reporting and announcement requirements under the Listing Rules.

Due to an inadvertent oversight, the Company mistakenly believed that the entering of the Loan Agreement did not constitute a notifiable transaction under the Listing Rules. Immediately upon the Company became aware that the entering of the Loan Agreement constituted a notifiable transaction and was subject to reporting and announcement requirements under the Listing Rules, the Company made necessary arrangement and has undertaken a detailed review on its internal procedures and planned to implement a series of measures to pro-actively prevent any possible non-compliance from occurrence in the future, including:

- (a) internal procedures designed for ensuring compliance with Listing Rules and other laws and regulations will be adopted;
- (b) the executive directors, chief financial officer and the company secretarial officer of the Group will review all proposed transactions of the Group and ensure a cross check procedure are in place and strictly observed, and to closely liaise with the company secretary department of the Company as to any actions required to be taken in order to ensure compliance; and
- (c) external advisers will be engaged to provide training on Listing Rules and other relevant laws and regulations to the managerial staff of the Group who may be involved in handling transactions of the Group.

In light of the detailed review on its internal procedures and the series of measures that the Company will implement to pro-actively prevent any possible non-compliance from occurrence in the future, the Company is confident that the risk of possible non-compliance occurring in the future will be controlled.

INFORMATION ON THE GROUP AND THE LENDER

The Company is incorporated in Bermuda with limited liability and its Shares are listed on the main board of the Stock Exchange. The Group is principally engaged in property related businesses, provision of horticultural services, securities trading business and money lending business.

The Lender is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. The Lender is a registered money lender holding a valid money lenders licence under the Money Lenders Ordinance (Cap. 163, the Laws of Hong Kong) and is principally engaged in the provision of financing and management services and trading of securities.

The Borrower is a company incorporated in the British Virgin Islands and principally engaged in the provision of education solution business in China.

The Guarantor is an independent third party and business acquaintance of the Borrower.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“Banking Day”	means a day on which banks are open for business in Hong Kong
“Board”	the board of Directors
“Borrower”	New Star Education Limited, a company incorporated in the British Virgin Islands
“Company”	Winfoong International Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 63)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“Group”	the Company and its subsidiaries from time to time
“Guarantor”	Mr. Tong Chor Ho
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Lender”	Sui Chong Finance Limited, a wholly-owned subsidiary of the Company and a company incorporated in Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a term loan in the principal amount of HK\$22,000,000 granted by the Lender to the Borrower pursuant to the terms of the Loan Agreement
“Loan Agreement”	a loan agreement dated 2 December 2015 entered into by and among the Lender, the Borrower and the Guarantor relating to the provision of the Loan
“Percentage Ratio(s)”	has the meaning ascribed to it under the Listing Rules
“Repayment Date”	the date falling on the sixth months after the Drawdown Date (i.e. 2 May 2016)
“Share(s)”	ordinary issued share(s) of HK\$0.05 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By Order of the Board of
Winfoong International Limited
Mak Tin Sang
Executive Director

Hong Kong, 24 March 2016

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Chen Meng, Mr. Mak Tin Sang and Mr. Yuan Li Min; and (ii) one non-executive Director, namely Mr. Li Feng Mao and (iii) three independent non-executive Directors, namely Mr. Leung Po Hon, Mr. Li Jing Bo and Mr. Shigeki Tanaka.

* *For identification purpose only*