

VITAXEL GROUP LTD

FORM 8-K (Current report filing)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
December 6, 2018

VITAXEL GROUP LIMITED
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation)

333-201365
(Commission File Number)

30-0803939
(IRS Employer Identification No.)

Wisma Ho Wah Genting, No. 35
Jalan Maharajalela, 50150
Kuala Lumpur, Malaysia
(Address of principal executive offices)

N/A
(Zip Code)

603.2143.2889
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 1 - Financial Information

Item 1.02 Termination of a Material Definitive Agreement

As previously reported, Vitaxel Group Limited (the “**Company**”), a Nevada corporation, entered into an agreement for the acquisition (the “**Acquisition**”) of Grande Legacy Inc., a British Virgin Islands Company (“**Grande Legacy**”), pursuant to a Share Sale Agreement (as amended from time to time, the “**Agreement**”) effective December 15, 2017 with Lim Hui Sing and Leong Yee Ming (together, the “**Sellers**”) and Vitaxel Sdn. Bhd., a wholly-owned subsidiary of the Company as purchaser (the “**Purchaser**”) (See, Current Report on Form 8-K dated December 19, 2017, and Current Report on Form 8-K dated June 11, 2018). As the consideration for the transaction, the company was required to issue to each of the Sellers 37,500,000 shares of the Company’s common stock, or at total of 75,000,000 shares (the “**Consideration Shares**”).

Among the conditions to closing of the Acquisition, the parties agreed that:

- The Company and Grande Legacy were required to complete the audit of Grande Legacy and the consolidated audited financial statements of the Company and Grande Legacy reflecting such transaction.
- The Company would issue the 75,000,000 Consideration Shares to the Sellers within 30 days of the Company’s obtaining all shareholder approvals necessary to approve the issuance of said shares and to amend the Company’s Certificate of Incorporation by increasing its capitalization to facilitate such issuance.

While Grande Legacy was able to deliver its audited financial statements, the Company did not obtain the consents necessary to increase its capitalization so that it can issue the Consideration Shares.

Effective as of September 17, 2018, the Company has been advised by Grande Legacy that, as the Company did not obtain the requisite approvals for issuance of its shares, the Acquisition had been terminated. Nonetheless the Company continued to negotiate said termination in good faith.

In addition, the Company believes that the cost in completing the transaction would likely outweigh the benefits of completion of the acquisition at this point. Accordingly, the Company’s board has determined to allow the Acquisition to terminate and, entered into a Termination and Release Agreement relating to the foregoing termination, dated December 5, 2018. A copy of the Termination and Release Agreement is filed as an Exhibit to this Report.

Other than expenses incurred in connection with the Acquisition transaction, the Company has not paid any consideration and no Consideration Shares were issued. In addition, no penalties are payable by either party. Leong Yee Ming, the current principal executive officer and a director of the Registrant, is one of the two shareholders of Grande Legacy and did not receive consideration from the Agreement or termination thereof.

Notwithstanding the foregoing termination of the Acquisition, the License Agreement between the Company and Grande Legacy entered into on January 5, 2017, as amended, is still in full force and effect (See, Current Report on Form 8-K Dated January 23, 2018) as is the Company’s Management Agreement with them dated July 1, 2018, as amended. This agreement grants Grande Legacy the exclusive license to operate a direct selling, multi-level marketing platform offering travel, entertainment, lifestyle and other products and services using some of the Company’s marks and materials in countries other than Malaysia, Singapore and Thailand. Grande Legacy also continues to utilize the Credit Card portal of Vitaxel Sdn Bhd., a subsidiary of the Company.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
<u>10.1</u>	<u>Termination and Release Agreement between Vitaxel Group Limited and Grande Legacy Inc., a British Virgin Islands Company, dated as of December 5, 2018.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VITAXEL GROUP LIMITED

Date: December 6, 2018

By: /s/ Leong Yee Ming

Name: Leong Yee Ming

Title: Chief Executive Officer

TERMINATION AND RELEASE AGREEMENT

This Termination and Release Agreement (the “**Agreement**”) is entered into by and between VITAXEL GROUP LIMITED, a Nevada corporation (the “**Company**” or “**Vitaxel**”) and GRANDE LEGACY INC. (“**Grande Legacy**”) as of this 5th day of December, 2018.

WHEREAS, the Company, as purchaser, and Grande Legacy and its shareholders (each, a “**Shareholder**”) entered into an agreement for the acquisition (the “**Acquisition**”) by the Company of all of Grande Legacy’s shares from its Shareholders, on December 15, 2017 (as amended through the date hereof, the “**Acquisition Agreement**”); and

WHEREAS, among other conditions precedent to the closing of the Acquisition, the Company was required to obtain shareholder consent for the increase of its capitalization and issuance of an aggregate of 75,000,000 shares to Grande Legacy’s shareholders; and

WHEREAS, the Company has not been able to satisfy its conditions precedent to the closing of the Acquisition and has already received notice of termination by Grande Legacy which the parties have been negotiating in good faith; and

WHEREAS, the parties hereto desire to therefore terminate the Acquisition Agreement and release one another from any and all obligations thereto, but to continue in full force and effect any other agreements among the parties, to wit, and without limitation, the License Agreement dated January 5, 2017 (the “**License Agreement**”) and any other agreements among the parties.

NOW, THEREFORE, based on the mutual premises and full and valid consideration of the parties, the receipt and sufficiency of which is hereby acknowledged, the Company and Grande Legacy hereby agree as follows:

1. Termination of All Agreements. The parties acknowledge and agree that the Acquisition Agreement, as amended and in effect from time to time and any and all obligations or agreements relating thereto, whether written, oral or implied, are hereby terminated in full with prejudice. The Parties hereto hereby agree that no amounts remain due under the Acquisition Agreement, that there are no penalties relating to termination of the Acquisition Agreement and that no party is indebted to any other party or their affiliates as a result of said agreement or this Agreement.

2. Continuation of Other Business Relationships. Notwithstanding the foregoing termination of the Acquisition Agreement, the parties hereto agree that the License Agreement, the Management Agreement, entered into in July of 2018, as amended and in effect from time to time, and any other agreements or relationships of the parties are unaffected hereby and shall continue in accordance with the terms thereof.

3. General Releases.

(a) Company Releases. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including without limitation the mutual promises set forth in this Agreement, the Company, for itself, its parents, affiliates, subsidiaries, divisions, groups and past and present officers, directors, employees, agents, representatives, attorneys, accountants, auditors, consultants, administrators, beneficiaries, predecessors, successors and assigns (collectively, “**Company Release Parties**”) and any person or entity claiming by or through any of the foregoing hereby RELEASE AND DISCHARGE Grande Legacy and its Shareholders, attorneys, accountants, auditors, consultants, successors and assigns in any capacity whatsoever (collectively, “**GL Release Parties**”) of and from all actions, causes of action, suits, debts, dues, sums of money, claims for breaches of contract, claims for breaches of fiduciary duties or conflicts of interest, claims of entitlement to securities, claims for violations of securities laws or regulations, compensation, damages or otherwise.

(b) Grande Legacy Releases. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, including without limitation the mutual promises set forth in this agreement for and of itself and any of the GL Release Parties, hereby RELEASES AND DISCHARGES the Company Release Parties of and from all actions, causes of action, suits, debts, dues, sums of money, claims for breaches of contract, claims for breaches of fiduciary duties or conflicts of interest, claims of entitlement to securities, claims for violations of securities laws or regulations, compensation, damages or otherwise.

(c) No Initiation of Claims. Subject to satisfactory compliance with Section 3, the parties agree not to institute, instigate, urge, support or encourage, any action against any other party or their affiliates insofar as they relate to the releases herein.

4. Miscellaneous. (a) If any provision of this Agreement is held invalid for any reason, the other provisions of this Agreement will remain in full force and effect.

5. This Agreement may be signed by one or more counterparts or by fax, each of which shall be valid and binding as against the signor when counter executed.

IN WITNESS WHEREOF, the parties have executed this Termination and Release Agreement effective as of the Effective Date set forth above.

VITAXEL GROUP LIMITED

By: _____
Name: _____
Title: _____

GRANDE LEGACY INC.

By: _____
Name: _____
Title: _____
