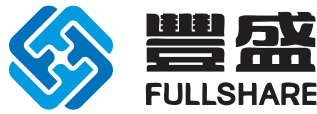


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance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



Fullshare Holdings Limited

豐盛控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00607)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE PROVISION OF GREEN BUILDING SERVICES

The Existing Master Agreement entered into between the Company and Nanjing Fullshare Holding will expire on 31 December 2017. The parties to the Existing Master Agreement have agreed to continue with the arrangement under the Existing Master Agreement after the expiry of its term upon similar terms and conditions as in the Existing Master Agreement with the scope of services only focusing on the Remaining Green Building Services by entering into the New Master Agreement.

As at the date of this announcement:

- (i) Mr. Ji is the chairman of the Board, the chief executive officer of the Company, an executive Director and a controlling Shareholder of the Company, therefore he is a connected person of the Company under Chapter 14A of the Listing Rules. Mr. Ji indirectly holds more than 30% equity interest in Nanjing Fullshare Holding and therefore Nanjing Fullshare Holding is an associate of Mr. Ji and thus a connected person of the Company under Chapter 14A of the Listing Rules. Mr. Ji Changrong, a brother of Mr. Ji, holds more than 10% but less than 30% equity interest in Nanjing Fullshare Holding.
- (ii) Mr. Shi, an executive Director and a Shareholder, is indirectly interested in approximately 6.334% equity interest in Nanjing Fullshare Holding.

As such, the New Master Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the relevant applicable Percentage Ratios in respect of the Annual Caps are more than 0.1% but less than 5%, the entering into of the New Master Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to: (i) the announcements of the Company dated 17 August 2015 and 29 October 2015 and the circular dated 13 October 2015, in relation to, *inter alia*, the Existing Master Agreement; and (ii) the announcement of the Company dated 22 June 2016 in relation to the disposal of Fullshare Green Building. After completion of the disposal of Fullshare Green Building on 29 June 2016, Fullshare Green Building and certain of its subsidiaries have ceased to be the subsidiaries of the Company, and the Group no longer provides green construction services, but only the Remaining Green Building Services (i.e. (i) technical design and consultant services and (ii) green management and services).

The Existing Master Agreement will expire on 31 December 2017. The parties to the Existing Master Agreement have agreed to continue with the arrangement under the Existing Master Agreement after expiry of its term upon similar terms and conditions as in the Existing Master Agreement with the scope of services only focusing on the Remaining Green Building Services by entering into the New Master Agreement.

NEW MASTER AGREEMENT

Under the New Master Agreement, the Company shall provide, or shall procure its subsidiaries to provide, the Remaining Green Building Services to the Nanjing Fullshare Holding Group as may be required by the Nanjing Fullshare Holding Group from time to time.

The parties to the New Master Agreement may, from time to time as the situation requires, enter into separate agreement(s) which set out the specific terms for the provision of the relevant Remaining Green Building Services based on normal commercial terms and subject to the terms of the New Master Agreement and the applicable laws and regulations, including but not limited to the Listing Rules. In the event of any conflict or inconsistency between the New Master Agreement and the separate agreement(s), the terms of the New Master Agreement shall prevail.

Date : 22 December 2017

Parties : (1) the Company
(2) Nanjing Fullshare Holding

Duration and Termination : A term of three years commencing from 1 January 2018 and expiring on 31 December 2020 (both days inclusive) unless terminated earlier by either party giving to the other party at least two months written notice of termination or otherwise in accordance with the New Master Agreement).

Nature of Transactions covered : Provision of the Remaining Green Building Services (i.e. (i) technical design and consultant services and (ii) green management and services) as may be required by the Nanjing Fullshare Holding Group from time to time.

Fees payable for the Remaining Green Building Services and pricing principles

The amount of fees payable by the Nanjing Fullshare Holding Group for the Remaining Green Building Services shall be based on a pre-determined formula (i.e. cost plus profit margin) with reference to the costs for the provision of the relevant Remaining Green Building Services by the Group plus a reasonable amount to maintain a gross profit margin ranging from 40% to 60%. Such margin shall be separately agreed based on arm's length negotiation between the relevant parties to the relevant separate agreement(s) in accordance with the following principles:

1. For the provision of technical design and consultant services whereas such services will be provided before construction takes place, the margin shall range from 40% to 60% by taking into account the following factors: (i) the complication of the building information modeling; (ii) the scope of the specific design; and (iii) the gross floor area required for providing technical design and consultant services.
2. For the provision of green management and services, the margin shall range from 50% to 60% by taking into account the following factors: (i) the estimated costs the customers would be saved by using the services provided by the Group; and (ii) the proposed project size, nature of energy (i.e. water, electricity, or gas) and scope of services of the specific project. The Nanjing Fullshare Holding Group has cooperated and may cooperate in the future with government or local authorities in some of its projects.

The Company will also consider the prevailing market rates and the margins for comparable Remaining Green Building Services provided by other green building service providers, so as to ensure that the terms offered by the Group to the Nanjing Fullshare Holding Group are no less favourable than the prevailing market rates.

To determine the prevailing market rates, the Group maintains regular contacts with other green building service providers in order to keep abreast of the latest market rates. For example, the Group will meet other green building service providers in various exhibitions or conferences on a regular basis and obtain information related to their services (i.e. the quoted price for their services). In relation to the project nature, service scope and quoted price etc., the Group will also obtain information of bid winners of green building services projects that are available to the public. The Group will then estimate the costs involved and the profit margin of other green building service providers' services. In addition, the Group will conduct research on industry practices of other green building service providers on a regular basis and obtain the relevant information (i.e. existing service providers, gross floor area required for providing the service, nature of services and other price related information). In the event that any new advanced technical design, technology and implementation will be involved in the provision of the Remaining Green Building Services and comparable market rates of services in relation to such design or technology or implementation are not available to the Group, the Group may engage independent research agencies to assist the Group in assessing the rates for comparable Remaining Green Building Services provided by independent third party service providers.

The Group also has internal control policies with regard to its green building services transactions:

1. the Company has assigned an accounting manager to maintain a detailed list, which includes information relating to the nature of the transaction, transaction amount, costs and gross profit margin with basis, to record all transactions of the Remaining Green Building Services with the Nanjing Fullshare Holding Group and the independent third parties; and
2. in determining the specific terms of the Remaining Green Building Services transactions to be entered pursuant to the New Master Agreement, the senior management of the Company will take reference from the transacted prices or quoted prices of all previous transactions of similar nature with the independent third parties within the preceding twelve months as recorded on the aforesaid detailed list and ensure the terms of the transactions of the Remaining Green Building Services with the Nanjing Fullshare Holding Group shall be no less favourable to the Group than those offered to the independent third parties. The senior management of the Company will make the final decision on the profit margins to be charged on each of the two types of the Remaining Green Building Services.

The internal audit department of the Company will be responsible for: (i) monitoring and checking the costs incurred and the margin charged to ensure that the transactions under the New Master Agreement are conducted in accordance with the pricing principles and the policies as set out above; (ii) conducting internal checks on a random basis to ensure that the internal control measures remain complete and effective; and (iii) reporting to the Board. The internal audit department of the Company shall ensure that such reporting shall be conducted not less than 2 times a year. The Board will review the effectiveness of the abovementioned mechanism on a regular basis.

Based on the above, the Board believes that the above-mentioned methods and procedures can ensure the Transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

Payment

Nanjing Fullshare Holding shall pay for the Remaining Green Building Services provided by the Company. The time of payments shall be negotiated between the relevant parties under the separate agreement(s) pursuant to the New Master Agreement, and the payments are expected to be made within three to six months upon the completion of a project, which is similar to those offered to independent third parties in relation to comparable Remaining Green Building Services. The relevant payment terms will be negotiated on arm's length terms by taking into account the prevailing market conditions. In determining the specific payment terms under separate agreement(s), the Company will take reference from the payment terms of all previous transactions of similar nature with the independent third parties within the preceding twelve months as recorded on the detailed list maintained by the accounting manager of the Company and ensure the terms of the transactions of the Remaining Green Building Services with the Nanjing Fullshare Holding Group are equal and/or not better than the terms which would otherwise be granted to independent third parties.

HISTORICAL FIGURES

The actual amounts of the transactions under the Existing Master Agreement in respect of the Remaining Green Building Services incurred for each of the two financial years ended 31 December 2015 and 2016 are set out as follows:

	Financial year ended 31 December 2015 RMB'000	Financial year ended 31 December 2016 RMB'000
Technical design and consultant services	26,585	36,157
Green management and services	9,549	–
	<hr/>	<hr/>
Total	<u>36,134</u>	<u>36,157</u>

ANNUAL CAPS

The Company expects that the Annual Caps in respect of the Transactions contemplated under the New Master Agreement for the financial years ending 31 December 2018, 31 December 2019 and 31 December 2020 will be as below:

	Financial year ending 31 December 2018 RMB'000	Financial year ending 31 December 2019 RMB'000	Financial year ending 31 December 2020 RMB'000
Technical design and consultant services	120,000	120,000	120,000
Green management and services	80,000	80,000	80,000
	<hr/>	<hr/>	<hr/>
Total	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>

The Annual Caps of the Remaining Green Building Services contemplated under the New Master Agreement have been determined by reference to the projected annual or annualized amounts in respect of the Remaining Green Building Services to be provided by the relevant members of the Group to the relevant members of the Nanjing Fullshare Holding Group (as the case may be), in the next three financial years, having taken into account:

- the estimated size and scale of the Remaining Green Building Services to be provided by the Group;

- the expected manpower required for the Remaining Green Building Services to be rendered by the Group during the term of the New Master Agreement;
- the historical service fees charged for provision of comparable Remaining Green Building Services by the Group to independent third parties; and

on the principal assumptions that, for the duration of the next three financial years, (i) there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group or the Nanjing Fullshare Holding Group; and (ii) the service industries in which the Group operates will have steady growth.

As Nanjing Fullshare Holding has provided the Group with a business plan outlining the the Remaining Green Building Services that will be required over the next three years, which sets out the details of the services including the scope of the specific design, the gross floor area required for providing the services etc., the Company is able to determine the size and scale of the Remaining Green Building Services to be provided and the expected manpower required.

The Company undertakes to engage its auditors to report annually on the continuing connected transactions contemplated under the New Master Agreement. The auditors will provide their view as to whether anything has come to their attention that causes them to believe that the Transactions: (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the Group's pricing policies in respect the Transactions; (iii) were not entered into, in all material respects, in accordance with the New Master Agreement and the separate agreements governing the Transactions; and (iv) have exceeded the Annual Caps.

Shareholders and potential investors should note that the Annual Caps should not be construed as an assurance or forecast by the Company of the future revenues of the Group.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Transactions contemplated under the New Master Agreement are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group, as well as the Nanjing Fullshare Holding Group (as the case may be). The separate agreements to be entered into pursuant to the New Master Agreement will be agreed on arm's length basis and on normal commercial terms.

The Directors believe that the maintenance of the strategic business relationships with Nanjing Fullshare Holding will not only allow the realization of synergies and economies of scale but will also continue to bring sustainable contribution to the Group's profitability in the long run.

The Directors (in respect of the New Master Agreement including the independent non-executive Directors but excluding Mr. Ji and Mr. Shi who have abstained from voting for the reasons set out in the paragraph headed “Connection Between the Parties Involved and Listing Rules Implications” below) are of the views that the terms of the New Master Agreement are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

CONNECTION BETWEEN THE PARTIES INVOLVED AND LISTING RULES IMPLICATIONS

As at the date of this announcement:

- (1) Mr. Ji is the chairman of the Board, the chief executive officer of the Company, an executive Director and a controlling Shareholder of the Company, therefore he is a connected person of the Company under Chapter 14A of the Listing Rules. Mr. Ji indirectly holds more than 30% equity interest in Nanjing Fullshare Holding and therefore Nanjing Fullshare Holding is an associate of Mr. Ji and thus a connected person of the Company under Chapter 14A of the Listing Rules. Mr. Ji Changrong, a brother of Mr. Ji, holds more than 10% but less than 30% equity interest in Nanjing Fullshare Holding.
- (2) Mr. Shi, an executive Director and a Shareholder, is indirectly interested in approximately 6.334% equity interest in Nanjing Fullshare Holding.

Accordingly, the New Master Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the relevant applicable Percentage Ratios in respect of the Annual Caps are more than 0.1% but less than 5%, the entering into of the New Master Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

Mr. Ji and Mr. Shi have abstained from voting on the relevant Board resolutions approving the New Master Agreement, the Transactions contemplated thereunder and the related Annual Caps.

ADDITIONAL INFORMATION REGARDING THE GROUP AND NANJING FULLSHARE HOLDING

The Group

The Group is principally engaged in (a) property development and investment, (b) tourism, (c) investment and financial services, (d) provision of healthcare and education products and services, and (e) new energy business.

The Nanjing Fullshare Holding Group

The Nanjing Fullshare Holding Group is principally engaged in the businesses of comprehensive real estate development and manufacturing of city affordable housing, infrastructures and energy stations in Nanjing and its peripheral cities.

DEFINITIONS

Unless the context otherwise requires, the following expressions used in this announcement have the following meanings:

“Annual Cap(s)”	the maximum annual transaction value in respect of the Remaining Green Building Services under the New Master Agreement as described under the section headed “Annual Caps” in this announcement
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Fullshare Holdings Limited 豐盛控股有限公司, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“Existing Master Agreement”	the master agreement dated 17 August 2015 entered into between the Company and Nanjing Fullshare Holding, and its supplemental agreement dated 13 October 2015, in relation to the provision of the Original Green Building Services by the Group to the Nanjing Fullshare Holding Group from 17 August 2015 to 31 December 2017
“Fullshare Green Building”	Fullshare Green Building Group Company Limited* (豐盛綠建集團有限公司), a company established in the PRC with limited liability, which was no longer a subsidiary of the Company after 29 June 2016
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ji”	Mr. Ji Changqun, (i) the chairman of the Board; (ii) the chief executive officer of the Company; and (iii) an executive Director
“Mr. Shi”	Mr. Shi Zhiqiang, an executive Director
“Nanjing Fullshare Holding”	南京豐盛產業控股集團有限公司 (Nanjing Fullshare Industrial Holding Group Co., Ltd.*), a company established under the laws of the PRC
“Nanjing Fullshare Holding Group”	Nanjing Fullshare Holding and its subsidiaries from time to time
“New Master Agreement”	the master agreement dated 22 December 2017 entered into between the Company and Nanjing Fullshare Holding in relation to the provision of the Remaining Green Building Services by the Group to the Nanjing Fullshare Holding Group for a term of three years commencing from 1 January 2018 and expiring on 31 December 2020 (both days inclusive) unless terminated earlier by the relevant parties
“Original Green Building Services”	the green building services as referred to in the Existing Master Agreement, i.e. (i) technical design and consultant services; (ii) green management and services (which includes provision of monitoring and technical management services based on the 《綠色建築設計標準》 (Green Building Design Standards)*; and (iii) green construction services (which involves the usage of green building technology in building construction, including equipment procurement, installation and other related work)
“Percentage Ratios”	the applicable percentage ratios (other than the profits and the equity capital ratios) under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Remaining Green Building Services”	the green building services as referred to in the New Master Agreement, i.e. (i) technical design and consultant services and (ii) green management and services (which includes provision of monitoring and technical management services based on the 《綠色建築設計標準》 (Green Building Design Standards))*
“RMB”	renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	any entity which falls within the definition of “subsidiary” ascribed to it under the Listing Rules or the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Transactions”	the transactions contemplated under the New Master Agreement
“%”	per cent

By Order of the Board
Fullshare Holdings Limited
JI Changqun
Chairman

Hong Kong, 22 December 2017

As at the date of this announcement, the executive Directors are Mr. Ji Changqun, Mr. Shi Zhiqiang, and Mr. Wang Bo; and the independent non-executive Directors are Mr. Lau Chi Keung, Mr. Chow Siu Lui and Mr. Tsang Sai Chung.

* *for identification purpose only*