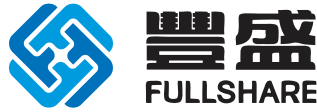


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## **Fullshare Holdings Limited**

### **豐盛控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00607)**

#### **ANNOUNCEMENT DISCLOSEABLE TRANSACTION IN RELATION TO JOINT DEVELOPMENT OF PROPERTY**

##### **THE JOINT DEVELOPMENT AGREEMENT**

The Board announces that on 30 October 2018 (after trading hours), Fullshare Dazu, a wholly-owned subsidiary of the Company, entered into the Joint Development Agreement with Changzhou Hengchen and Shengyu, pursuant to which, Fullshare Dazu shall invest RMB1.00 billion in Changzhou Project Company, of which RMB827.88 million will be injected as registered capital and RMB172.12 million will be included as capital reserves. Upon completion of the Capital Increase, the registered capital of Changzhou Project Company will increase to RMB1,881.54 million, and Changzhou Hengchen, Shengyu and Fullshare Dazu will hold 46%, 10% and 44% equity interests in Changzhou Project Company respectively, in proportion to their respective contributions to the registered capital.

##### **LISTING RULES IMPLICATIONS**

Pursuant to Rule 14.22 of the Listing Rules, the transaction contemplated under the Joint Development Agreement shall be aggregated with the Previous Transactions since the ultimate beneficial owner of Changzhou Hengchen, Shengyu, Shenzhen Xinheng and Nanjing Properties is the same. As the relevant applicable Percentage Ratios in respect of the transaction contemplated under the Joint Development Agreement when aggregated with the Previous Transactions exceed 5% but are less than 25%, the transaction under the Joint Development Agreement is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

The exercise of the Call Option is at the discretion of Changzhou Hengchen and Shengyu. Pursuant to Rule 14.74(1) of the Listing Rules, on the grant of the Call Option, the transaction contemplated under the Call Option is classified as if the Call Option had been exercised. As the highest applicable percentage ratio in respect of the grant of the Call Option is below 5%, such transaction is exempted from the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

The Board announces that on 30 October 2018 (after trading hours), Fullshare Dazu, a wholly-owned subsidiary of the Company, entered into the Joint Development Agreement with Changzhou Hengchen and Shengyu, pursuant to which, Fullshare Dazu shall invest RMB1.00 billion in Changzhou Project Company, of which RMB827.88 million will be injected as registered capital and RMB172.12 million will be included as capital reserves. Upon completion of the Capital Increase, the registered capital of Changzhou Project Company will increase to RMB1,881.54 million, and Changzhou Hengchen, Shengyu and Fullshare Dazu will hold 46%, 10% and 44% equity interests in Changzhou Project Company respectively, in proportion to their respective contributions to the registered capital.

## **THE JOINT DEVELOPMENT AGREEMENT**

The major terms of the Joint Development Agreement are summarized as follows:

### **Date**

30 October 2018

### **Parties**

- (1) Changzhou Hengchen;
- (2) Shengyu; and
- (3) Fullshare Dazu

### **Subject matter**

As at the date of this announcement, the registered capital of Changzhou Project Company is RMB1,053.66 million. Pursuant to the Joint Development Agreement, Fullshare Dazu shall invest RMB1.00 billion in Changzhou Project Company, of which RMB827.88 million will be injected as registered capital and RMB172.12 million will be included as capital reserves. Upon completion of the Capital Increase, the registered capital of Changzhou Project Company will increase to RMB1,881.54 million, and Changzhou Hengchen, Shengyu and Fullshare Dazu will hold 46%, 10% and 44% equity interests in Changzhou Project Company respectively, in proportion to their respective contributions to the registered capital.

The shareholding structure of Changzhou Project Company is set out as follows:

<b>Shareholder</b>	<b>Contribution to the registered capital as at the date of this announcement (RMB million)</b>	<b>Shareholding % as at the date of this announcement</b>	<b>Contribution to the registered capital upon completion of the Capital Increase (RMB million)</b>	<b>Shareholding % upon completion of the Capital Increase</b>
Changzhou Hengchen	864.00	82%	864.00	46%
Shengyu	189.66	18%	189.66	10%
Fullshare Dazu	0.00	0	827.88	44%

The amount of the Capital Increase under the Joint Development Agreement is determined after arm's length negotiations with reference to the net assets value of Changzhou Project Company as at 31 July 2018, the appraisal value of the assets of Changzhou Project Company as at 9 September 2018 and the capital demand for future development of Changzhou Project Company.

### **Payment of the capital contribution**

Fullshare Dazu shall settle its investment amount of RMB1.00 billion within 60 days after entering into the Joint Development Agreement. Changzhou Hengchen and Shengyu shall cooperate to make the appropriate filings relating to the change of shareholder of Changzhou Project Company within 15 business days after the investment amount has been paid by Fullshare Dazu.

If Fullshare Dazu makes the payment on a deferred basis, Fullshare Dazu shall pay damages to Changzhou Hengchen and Shengyu at a rate of 0.1% per day of the amount overdue.

### **Conditions precedent**

The Joint Development Agreement is conditional upon satisfaction of the following conditions:

- (1) Changzhou Project Company having received consent(s) to the Capital Increase from the pledgee and the principal creditor;
- (2) The current shareholders of Changzhou Project Company, and other related entities having signed all necessary documents for the Capital Increase, including but not limited to the Joint Development Agreement and the new articles of association of Changzhou Project Company;
- (3) All internal approval procedures having been completed, including but not limited to the shareholders' resolution and the board resolution approving the Capital Increase;

- (4) No governmental authorities having taken any pending or possible action or procedure which may restrict or prohibit the transactions under or in relation to the Joint Development Agreement or the business operation of Changzhou Project Company; no laws, regulations or rules having been made by the PRC government departments which may illegalize the completion of the Joint Development Agreement.

### **Board composition**

The board of directors of Changzhou Project Company shall comprise three directors, of which one director shall be appointed by Changzhou Hengchen, one director shall be appointed by Shengyu and one director shall be appointed by Fullshare Dazu. The chairman of the board of Changzhou Project Company shall be appointed by Changzhou Hengchen.

### **Call Option**

After 24 months of Changzhou Project Company receiving the investment amount from Fullshare Dazu, Changzhou Hengchen and Shengyu is entitled to engage intermediaries to evaluate 44% of the equity interest held by Fullshare Dazu in Changzhou Project Company. If the appraisal value ranges between RMB1.3 billion and RMB1.36 billion, Changzhou Hengchen and Shengyu will be entitled to acquire 44% of the equity interest held by Fullshare Dazu in Changzhou Project Company based on the appraisal value. Fullshare Dazu shall unconditionally transfer its equity interests to Changzhou Hengchen and Shengyu. The staff designated by Fullshare Dazu will be replaced by the staff designated by Changzhou Hengchen and Shengyu. If the Call Option is exercised, Changzhou Hengchen and Shengyu will jointly hold 100% of the equity interest of Changzhou Project Company.

### **Restrictions on the equity interest of Changzhou Project Company**

Fullshare Dazu undertakes that, during the term of cooperation, Fullshare Dazu shall not pledge the equity interest of Changzhou Project Company or grant any other right in relation to the equity interest of Changzhou Project Company held by it to third parties, and the 44% equity interest held by Fullshare Dazu in Changzhou Project Company shall not be brought into litigation or arbitration, seized or enforced by third parties.

### **Entrusted development management**

Pursuant to the Joint Development Agreement, Changzhou Hengchen shall provide entrusted development management services to Changzhou Project Company. On the condition that the normal operation of Changzhou Project Company is guaranteed, its capital shall be utilized by Changzhou Hengchen at its discretion. Changzhou Project Company shall pay entrusted development management service fee to Changzhou Hengchen. If the net profit margin on sales is above certain level, Changzhou Hengchen shall be entitled to extra bonus subject to the terms and conditions under the Joint Development Agreement. If the net profit margin is below certain level, Changzhou Hengchen shall not charge the entrusted development management service fee and is not entitled to the extra bonus subject to the terms and conditions under the Joint Development Agreement.

## **Distribution of profits**

If Changzhou Hengchen and Shengyu do not exercise the Call Option, Changzhou Hengchen, Shengyu and Fullshare Dazu will participate in sharing the profits of Changzhou Project Company in proportion to their respective shareholding subject to the terms and conditions under the Joint Development Agreement.

## **Return of Capital**

If Changzhou Hengchen and Shengyu do not exercise the Call Option, each of Changzhou Hengchen, Shengyu and Fullshare Dazu is entitled to the remaining net assets of Changzhou Project Company in proportion to their respective shareholding subject to the terms and conditions under the Joint Development Agreement when the Changzhou Project Land is fully developed.

## **REASONS AND BENEFITS OF THE TRANSACTION**

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.

As at the date of this announcement, the Changzhou Project Company has obtained the construction land use right of the Changzhou Project Land. In order to maximize value for all the parties, the Group entered into the Joint Development Agreement to develop, manage and operate Changzhou Project Land with Changzhou Hengchen and Shengyu. Having considered the development prospects of the Changzhou Project Land, the joint development represents an attractive investment opportunity for the Group's property development and investment segment and is also in line with the business strategy of the Group to achieve stable development.

In light of the above, the Directors consider that the terms of the Joint Development Agreement are on normal commercial terms and are fair and reasonable, and that transactions contemplated under the Joint Development Agreement are in the interests of the Company and the Shareholders as a whole.

## **Information of Changzhou Project Company**

Changzhou Project Company was incorporated in the PRC on 22 November 2017. It is primarily engaged in real estate development and operation, real estate consultation services, housing construction projects and landscaping project constructions. As at the date of this announcement, Changzhou Project Company is held as to 82% and 18% by Changzhou Hengchen and Shengyu, respectively.

According to the financial due diligence report provided by 中興華會計師事務所 (特殊普通合夥) (Zhongxinghua Certified Public Accountants LLP\*), the net assets value of Changzhou Project Company was approximately RMB1,052.00 million as at 31 July 2018. According to the evaluation report provided by 江蘇國衡土地房地產資產評估諮詢有限公司 (Jiangsu Guoheng Real Estate Assets Evaluation Consultation Co., Ltd.\*), the appraisal value of the assets of Changzhou Project Company was approximately RMB1,135.01 million as at 9 September 2018.

Set out below are the net profits/(losses) attributable to Changzhou Project Company (before and after taxes and extraordinary items) for the period from 22 November 2017 to 31 December 2017:

	<i>RMB</i>
Net profits/(losses) before taxes and extraordinary items	(355.21)
Net profits/(losses) after taxes and extraordinary items	(355.21)

## **THE PREVIOUS TRANSACTIONS**

Recently, Fullshare Dazu has actively participated in joint development of property.

On 27 August 2018, Fullshare Dazu entered into the Taizhou Joint Development Agreement with Shenzhen Xinheng, pursuant to which, Fullshare Dazu agreed to invest RMB800 million in Taizhou Project Company, of which approximately RMB216.18 million was injected as registered capital of Taizhou Project Company and approximately RMB583.82 million was included as capital reserves. Upon completion of the capital injection, Shenzhen Xinheng and Fullshare Dazu held 51% and 49% equity interest of Taizhou Project Company, respectively.

On the same day, Fullshare Dazu entered into the Yangzhou Joint Development Agreement with Nanjing Properties, pursuant to which, Fullshare Dazu agreed to invest RMB200 million in Yangzhou Project Company, of which approximately RMB16.36 million was injected as registered capital of Yangzhou Project Company and RMB183.64 million was included as capital reserves. Upon completion of the capital injection, Nanjing Properties and Fullshare Dazu held 55% and 45% equity interests of Yangzhou Project Company, respectively.

## **LISTING RULES IMPLICATIONS**

Pursuant to Rule 14.22 of the Listing Rules, the transaction contemplated under the Joint Development Agreement shall be aggregated with the Previous Transactions since the ultimate beneficial owner of Changzhou Hengchen, Shengyu, Shenzhen Xinheng and Nanjing Properties is the same. As the relevant applicable Percentage Ratios in respect of the transaction contemplated under the Joint Development Agreement when aggregated with the Previous Transactions exceed 5% but are less than 25%, the transaction under the Joint Development Agreement is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

The exercise of the Call Option is at the discretion of Changzhou Hengchen and Shengyu. Pursuant to Rule 14.74(1) of the Listing Rules, on the grant of the Call Option, the transaction contemplated under the Call Option is classified as if the Call Option had been exercised. As the highest applicable percentage ratio in respect of the grant of the Call Option is below 5%, such transaction is exempted from the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **INFORMATION OF THE PARTIES**

### **Changzhou Hengchen**

Changzhou Hengchen is principally engaged in the business of enterprise management services, equipment sale and technical advisory, technical services, technology development and technology transfer. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Changzhou Hengchen and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Shengyu**

Shengyu is principally engaged in the business of investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Shengyu and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Fullshare Dazu**

Fullshare Dazu is principally engaged in the business of property development and operation and property management.

## **DEFINITIONS**

“Board”	means the board of Directors
“Call Option”	the right of Changzhou Hengchen and Shengyu to acquire the equity interest held by Fullshare Dazu in Changzhou Project Company pursuant to the Joint Development Agreement
“Capital Increase”	the capital increase in Changzhou Project Company by Fullshare Dazu under the Joint Development Agreement

“Changzhou Hengchen”	means 常州恒宸企業管理有限公司 (Changzhou Hengchen Enterprise Management Co., Ltd.*), a company established under the laws of the PRC
“Changzhou Project Company”	means 常州江恒房地產開發有限公司 (Changzhou Jiangheng Real Estate Development Co., Ltd.*), a company established under the laws of the PRC
“Changzhou Project Land”	means the project land located in Changzhou, Jiangsu Province, the PRC with a planned land area of approximately 76,359 square meters
“Company”	means 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(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	means the director(s) of the Company
“Fullshare Dazu”	means 南京豐盛大族科技股份有限公司 (Nanjing Fullshare Dazu Technology Co., Ltd.*), a company established under the laws of the PRC, a wholly-owned subsidiary of the Company as at the date of this announcement
“Group”	means the Company and its subsidiaries
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“HK\$”	means Hong Kong dollar, the lawful currency of Hong Kong
“Joint Development Agreement”	means the joint development agreement entered into among Fullshare Dazu, Changzhou Hengchen and Shengyu on 30 October 2018, pursuant to which, Fullshare Dazu shall invest RMB1.00 billion in Changzhou Project Company, of which RMB827.88 million will be injected as registered capital and RMB172.12 million will be included as capital reserves
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited



“Nanjing Properties”	means 恆大地產集團南京置業有限公司 (Evergrande Real Estate Group Nanjing Properties Co., Ltd.*). a company established under the laws of the PRC
“Percentage Ratios”	means the applicable percentage ratios (other than the profits and the equity capital ratios) under Rule 14.07 of the Listing Rules
“PRC”	means the People’s Republic of China
“Previous Transactions”	means the transactions contemplated under Taizhou Joint Development Agreement and Yangzhou Joint Development Agreement
“RMB”	means Renminbi, the lawful currency of the PRC
“Share(s)”	means the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	means holder(s) of the Share(s)
“Shengyu”	means Shengyu (BVI) Limited (盛譽(BVI)有限公司*), a company established under the laws of the British Virgin Islands
“Shenzhen Xinheng	means 深圳鑫恒投資諮詢有限公司 (Shenzhen Xinheng Investment Consultation Co., Ltd.*), a company established under the laws of the PRC
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Taizhou Joint Development Agreement”	means the joint development agreement entered into between Fullshare Dazu and Shenzhen Xinheng on 27 August 2018, pursuant to which, Fullshare Dazu agreed to invest RMB800 million in Taizhou Project Company, of which approximately RMB216.18 million was injected as registered capital of Taizhou Project Company and approximately RMB583.82 million was included as capital reserves
“Taizhou Project Company”	means 泰州周山河房地產開發有限公司 (Taizhou Zhoushanhe Real Estate Development Co., Ltd.*), a company established under the laws of the PRC

“Yangzhou Joint Development Agreement”	means the joint development agreement entered into between Fullshare Dazu and Nanjing Properties on 27 August 2018, pursuant to which, Fullshare Dazu agreed to invest RMB200 million in Yangzhou Project Company, of which approximately RMB16.36 million was injected as registered capital of Yangzhou Project Company and RMB183.64 million was included as capital reserves
“Yangzhou Project Company”	means the 揚州恆富房地產開發有限公司 (Yangzhou Hengfu Real Estate Development Co., Ltd.*), a company established under the laws of the PRC

By order of the Board  
**Fullshare Holdings Limited**  
**Ji Changqun**  
*Chairman*

Hong Kong, 30 October 2018

*As at the date of this announcement, the executive directors of the Company are Mr. Ji Changqun, Mr. Wang Bo and Ms. Du Wei; and the independent non-executive directors of the Company are Mr. Lau Chi Keung, Mr. Chow Siu Lui and Mr. Tsang Sai Chung.*

\* *For identification purpose only.*