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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



BAOQIAO PARTNERS SECURITIES (HK) LIMITED

The Board is pleased to announce that on 19 May 2022 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to appoint the Placing Agent, and the Placing Agent has conditionally agreed to act as placing agent of the Company for the purpose of procuring, on a best effort basis, the Placees to subscribe for a maximum of 2,955,805,000 Placing Shares at the Placing Price of HK\$0.10 per Placing Share.

The Placing Shares will be allotted and issued pursuant to the General Mandate and will be allotted to not less than six Placees.

On the assumption that all Placing Shares are fully placed, the maximum gross proceeds from the Placing are expected to be approximately HK\$295,580,500. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent and other costs, expenses and fees incurred in the Placing) are estimated to be approximately HK\$294,661,500. The maximum number of 2,955,805,000 Placing Shares to be placed under the Placing Agreement represents approximately (i) 15% of the issued share capital of the Company as at the date of this announcement; and (ii) 13.04% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Completion of the Placing is subject to the fulfillment of the condition set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

THE PLACING

The Board is pleased to announce that on 19 May 2022 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to appoint the Placing Agent, and the Placing Agent has conditionally agreed to act as placing agent of the Company for the purpose of procuring, on a best effort basis, the Placees to subscribe for a maximum of 2,955,805,000 Placing Shares at the Placing Price of HK\$0.10 per Placing Share.

The principal terms of the Placing Agreement are summarized below:

THE PLACING AGREEMENT

Date

19 May 2022 (after trading hours)

Parties

Issuer : the Company

Placing Agent : BaoQiao Partners Securities (HK) Limited

As at the date of this announcement, the Placing Agent is an indirect non wholly-owned subsidiary of the Company.

Placing Shares

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent, and the Placing Agent has conditionally agreed, to procure, on a best effort basis, to not less than six Placees to subscribe for up to 2,955,805,000 Placing Shares at the Placing Price of HK\$0.10 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of 2,955,805,000 Placing Shares represents approximately (i) 15% of the issued share capital of the Company as at the date of this announcement; and (ii) 13.04% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares will be HK\$29,558,050.

Placees

The Placing Shares will be placed to not less than six Placees who and whose ultimate beneficial owners will be Independent Third Parties. It is expected that none of the Placees will become a substantial shareholder of the Company immediately after completion of the Placing.

Placing Price

The Placing Price of HK\$0.10 per Placing Share represents:

- (i) a discount of approximately 8.26% to the closing price of HK\$0.109 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 7.41% to the average closing prices of HK\$0.108 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiation between the Company and the Placing Agent with reference to the prevailing market price of the Shares at the time of the execution of the Placing Agreement. The Directors consider that the Placing Price is fair and reasonable under the current market conditions and is in the interests of the Company and the Shareholders as a whole.

Ranking of the Placing Shares

The Placing Shares will, on allotment and issue, be free from all liens, charges and encumbrances, and together with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on or after the date of issue of the Placing Shares. The Placing Shares, when issued and fully paid, will rank *pari passu* in all aspects among themselves and with the Shares in issue on the date of the allotment and issue of the Placing Shares.

Placing Commission

The Placing Agent will receive a placing commission of 0.25% of the amount equal to the Placing Price multiplied by the number of Placing Shares successfully placed by the Placing Agent in accordance with the terms of the Placing Agreement, which was determined after arm's length negotiation between the Company and the Placing Agent. The Directors consider that the placing commission payable under the Placing is fair and reasonable.

Condition of the Placing

Completion of the Placing is conditional upon the Listing Committee having granted a listing of and permission to deal in, the Placing Shares by 9 June 2022 or such later date as the parties to the Placing Agreement may agree in writing (the "**Long Stop Date**"). Such condition cannot be waived by any party.

If the condition is not satisfied on or before the Long Stop Date, all obligations of the Placing Agent and the Company under the Placing Agreement shall cease and determine and neither of the Placing Agent nor the Company shall have any claim against the other in relation to the Placing Agreement save for any antecedent breach of any obligation which may accrue under the Placing Agreement prior to such termination.

Completion of the Placing

Completion of the Placing shall take place within five Business Days after the fulfillment of the condition set out in the Placing Agreement (or such other date as the Company and the Placing Agent may agree in writing).

Termination and force majeure

If, at any time prior to Completion:

- (i) the Company fails to comply with its obligations under the Placing Agreement, or the Listing Rules;
- (ii) it comes to the notice of the Placing Agent that any statement contained in any document issued in connection with the Placing has become (or would, if then repeated, be) untrue, incorrect or misleading in any material respect or that matters have arisen which would, if the Placing were made at that time, constitute a material omission therefrom;
- (iii) any of the warranties contained in the Placing Agreement is or has been (or would, if then repeated, be) untrue, incorrect and misleading in any material respect by reference to the facts subsisting at the time when the notice referred to below is given; or
- (iv) there having been any material adverse change or prospective material adverse change in the business or in the financial, operational or trading position or prospects of the Company and any of its subsidiaries,

and such matter is considered by the Placing Agent to be material in the context of the Placing, then the Placing Agent may, in its absolute discretion, by giving notice in writing to the Company, terminate the Placing Agent's obligations under the Placing Agreement, save in respect of any antecedent breach thereof.

If, on or at any time before Completion, any event, or series of events beyond the reasonable control of the Placing Agent (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God) or any national or international, political, military, diplomatic, monetary, economic or financial crisis or situation occurs or there occurs any change in national or international, military, diplomatic, monetary, economic, political, financial or market conditions which, in the opinion of the Placing Agent arrived at in good faith, renders the Placing temporarily or permanently impracticable or inadvisable, or any event or omission occurs or comes to the Placing Agent's notice which, in the opinion of the Placing Agent arrived at in good faith, will or may be materially prejudicial to the Company or the Placing, then the Placing Agent will consult with the Company to the extent practicable but may, in its absolute discretion, by giving notice in writing to the Company, terminate the Placing Agreement, save in respect of any antecedent breach thereof.

The Directors are not aware of the occurrence of any of the aforesaid events or circumstances as at the date of this announcement.

Application for listing of Placing Shares

Application will be made by the Company to the Listing Committee for the granting of the approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

GENERAL MANDATE

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by the Shareholders at the AGM. Under the General Mandate, the Directors are authorized to allot, issue or deal with up to 3,941,078,346 new Shares, being 20% of the then issued share capital of the Company as at the date of the AGM.

Since the grant of the General Mandate on 4 June 2021 and up to the date of this announcement, no Shares have been allotted and issued pursuant to the General Mandate. The General Mandate is sufficient for the allotment and issue of the Placing Shares. Accordingly, the Placing Shares will be allotted and issued under the General Mandate and shall not be subject to any further approval by the Shareholders.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Directors are of the view that the Placing can (i) strengthen the financial position of the Group; (ii) raise further capital for future investment; and (iii) provide general working capital for the Group. The Placing also represents a good opportunity to broaden the Shareholders' base and the capital base of the Company.

On the assumption that all Placing Shares are fully placed, the maximum gross proceeds from the Placing are expected to be approximately HK\$295,580,500. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent and other costs, expenses and fees incurred in the Placing) are estimated to be approximately HK\$294,661,500. The net placing price per Placing Share will be approximately HK\$0.10.

The Company intends to apply the net proceeds from the Placing for the following purposes:

Intended application of the Net Proceeds	Approximate amount of Net Proceeds allocated	Approximate percentage of Net Proceeds allocated
Repayment of the Group's loan	HK\$117,000,000	39.71%
General working capital and future business opportunities and investment	<u>HK\$177,661,500</u>	<u>60.29%</u>
Total	<u><u>HK\$294,661,500</u></u>	<u><u>100.00%</u></u>

The Directors are of the view that the terms of the Placing Agreement (including the Placing Price) are on normal commercial terms, fair and reasonable, and is in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates (by reference to the information on shareholdings available to the Company as at the date of this announcement) the shareholding structure of the Company (i) as at the date of this announcement; and (ii) upon completion of the Placing, on the assumption that (a) the Placing Shares are fully placed under the Placing; (b) there will be no other change to the share capital of the Company between the date of this announcement and the Completion; and (c) the Placees do not and will not hold any Shares other than the Placing Shares.

Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate percentage of shareholding</i>	<i>Number of Shares</i>	<i>Approximate percentage of shareholding</i>
Magnolia Wealth ⁽¹⁾	7,624,782,954	38.69%	7,624,782,954	33.65%
Mr. Ji	909,510,000	4.62%	909,510,000	4.01%
Placees	–	0.00%	2,955,805,000	13.04%
Other public Shareholders	11,171,098,777	56.69%	11,171,098,777	49.30%
Total	19,705,391,731	100.0%	22,661,196,731	100.0%

Note:

- The entire issued share capital of Magnolia Wealth is beneficially owned by Mr. Ji.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the twelve months immediately prior to the date of this announcement.

GENERAL

Completion of the Placing is subject to the fulfillment of the condition set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless the context requires otherwise, capitalized terms used in this announcement shall have the meanings as follow:

“AGM”	the annual general meeting of the Company held on 4 June 2021
“Board”	the board of Directors of the Company
“Business Day”	a day (excluding a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Fullshare Holdings Limited 豐盛控股有限公司, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 607)
“Completion”	completion of the Placing under the Placing Agreement
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 3,941,078,346 new Shares, being 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a person or persons, or entity or entities who/which is/are not a connected person(s) of the Company
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Magnolia Wealth”	Magnolia Wealth International Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Ji
“Mr. Ji”	Mr. Ji Changqun (季昌群), the Chairman of the Board, Chief Executive Officer and executive Director of the Company

“Placee(s)”	any individual, corporate, institutional investor and other investor whom the Placing Agent has procured to subscribe for any of the Placing Shares pursuant to the obligations under the Placing Agreement
“Placing”	the placing of the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	BaoQiao Partners Securities (HK) Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 19 May 2022 and entered into by the Company with the Placing Agent in relation to the Placing (as may be amended or varied from time to time by an agreement in writing duly executed by the parties to the Placing Agreement)
“Placing Price”	HK\$0.10 per Placing Share
“Placing Shares”	2,955,805,000 new Shares to be placed pursuant to the Placing Agreement
“SFC”	Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“trading day”	a day on which securities are traded or dealt with on the Stock Exchange
“%”	per cent

By Order of the Board
Fullshare Holdings Limited
Ji Changqun
Chairman

Hong Kong, 19 May 2022

As at the date of this announcement, the executive Directors are Mr. Ji Changqun, Ms. Du Wei and Mr. Shen Chen; and the independent non-executive Directors are Mr. Lau Chi Keung, Mr. Tsang Sai Chung and Mr. Huang Shun.