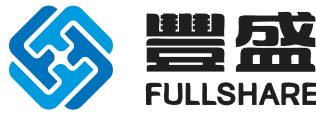


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Fullshare Holdings Limited

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 THE SALE OF UP TO 3.58% OF ZALL SHARES BY WAY OF PLACING

The Board is pleased to announce that on 5 June 2020 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Placing Agreement with the Placing Agent pursuant to which up to 422,000,000 Zall Placing Shares (which represent approximately 3.58% of the total issued share capital of Zall as at the date of this announcement) owned by the Vendor will be placed to the Placees by one tranche or multiple tranches at the Placing Price of HK\$0.78 to HK0.82 per Zall Placing Share, by the Placing Agent on a best effort basis.

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Placing, which constitutes a disposal by the Company, exceeds 5% but all are less than 25%, the entering into of the Placing Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company and accordingly are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Completion of each tranche of the Placing Shares is subject to the fulfillment or waiver (as the case may be) of the Conditions as set out in the Placing Agreement, therefore the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 5 June 2020 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Placing Agreement with the Placing Agent pursuant to which up to 422,000,000 Zall Placing Shares (which represent approximately 3.58% of the total issued share capital of Zall as at the date of this announcement) owned by the Vendor will be placed to the Placees by one tranche or multiple tranches at the Placing Price of HK\$0.78 to HK0.82 per Zall Placing Share, by the Placing Agent on a best effort basis.

The principal terms and conditions of the Placing Agreement are as follows.

SUMMARY OF THE PRINCIPAL TERMS OF THE PLACING AGREEMENT

Date

5 June 2020 (after trading hours)

Parties

- (1) the Vendor; and
- (2) the Placing Agent

The Placing Agent is an indirect non-wholly owned subsidiary of the Company and not a connected person of the Company.

Zall Placing Shares

As at the date of this announcement, the Company through the Vendor holds 1,009,453,000 Zall Shares, representing approximately 8.57% of the total issued share capital of Zall. The maximum number of 422,000,000 Zall Placing Shares (being existing Zall Shares held by the Vendor) represents approximately 3.58% of the existing issued share capital of Zall as at the date of this announcement.

The aggregate nominal value of the Zall Placing Shares is approximately HK\$1,400,000 as at the date of this announcement. The Zall Placing Shares will be sold free and clear of liens, encumbrances, equities and other third-party rights whatsoever and together with all rights attaching thereto.

Placee(s)

Pursuant to the Placing Agreement, the Placing Agent has agreed to place the Zall Placing Shares, on a best effort basis, to Placee(s) who are Independent Third Party(ies). It is expected that none of the Placees will become substantial shareholder of Zall upon the Final Completion.

Placing Price

The Placing Price of HK\$0.78 to HK\$0.82 per Zall Placing Share represents:

- (i) a premium of approximately 1.30% to 6.49% over the closing price of HK\$0.77 per Zall Share as quoted on the Stock Exchange on 5 June 2020, being the date of the Placing Agreement;
- (ii) a premium of approximately 0.26% to 5.40% over the average closing price of HK\$0.7780 per Zall Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement; and
- (iii) a premium of approximately 1.43% to 6.63% over the average closing price of HK\$0.7690 per Zall Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to the date of the Placing Agreement.

Basis of the Consideration

The Placing Price was negotiated on an arm's length basis between the Vendor and the Placing Agent with reference to the prevailing market price and recent trading volume of the Zall Shares. The Directors consider that the Placing Price is fair and reasonable based on the current market conditions and is in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing

The Placing is subject to the fulfillment or waiver (where applicable) of the following conditions:

- (i) all necessary consents and approvals required to be obtained by the Company and the Vendor in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained and the Company having complied with the requirements of the Listing Rules and the Stock Exchange in respect of the Placing Agreement and the transactions contemplated thereunder; and
- (ii) none of the representations, warranties or undertakings under the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the Completion and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any material of such representations, warranties or undertakings untrue or inaccurate in any respect if it was repeated as at the time of Completion,

(collectively the “**Conditions**” and each a “**Condition**”).

The Vendor shall use its best endeavours to procure the fulfillment of the Conditions on or before each Completion Date but in any event no later than the Long Stop Date. Save for Condition (i), the Placing Agent may, in its absolute discretion, waive the fulfillment of all or any part of the Condition (ii) in respect of the Vendor by giving written notice.

If any of the Conditions above have not been fulfilled by the Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waive or extend the time for fulfillment of the Conditions), all rights, obligations and liabilities of the parties to the Placing Agreement in relation to the Placing shall cease and determine and neither of the Vendor or the Placing Agent shall have claim against the other in respect of the Placing.

Completion

Subject to fulfillment or waiver (as the case may be) of the Conditions, the Completion of each tranche of the Placing Shares shall take place on the Completion Date of the relevant tranche of the Placing Shares. Completion of each tranche of the Placing Shares is not inter-conditional upon any others.

Termination

If at any time prior to the Final Completion Date:

- (i) the Vendor fails to comply with its obligations under the Placing Agreement, or the Listing Rules;
or
- (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; or
- (iii) any of the warranties as set out in the Placing Agreement is not, or has ceased to be, true, accurate and not misleading in any material respect (or would not be true, accurate and not misleading in any material respect if then repeated) by reference to the facts subsisting at the time when the notice referred to below is given,

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 written notice to the Vendor terminate the Placing Agent's obligations under the Placing Agreement.

If, on or at any time before the Final Completion Date, 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 may in its absolute discretion, by giving notice in writing to the Vendor terminate the Placing Agent's obligations under the Placing Agreement.

In the event that the Placing Agent terminates the Placing Agreement pursuant to any of the above, all obligations of each of the Vendor and the Placing Agent under the Placing Agreement shall cease and determine and none of them shall have any claim against each other in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement arising prior to such termination.

INFORMATION OF THE PLACING AGENT

The Placing Agent is an indirect non-wholly owned subsidiary of the Company and a licensed corporation carrying on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO.

INFORMATION OF ZALL GROUP

As at the date of this announcement, approximately 8.57% interest of Zall is held by the Vendor, which is owned 100% by the Company. According to publicly available information on the website of the Stock Exchange, Zall is an investment holding company and the Zall Group is a leading developer and operator of large-scale consumer product focused wholesale shopping malls in the PRC. The Zall Group also provides supply chain management and trading services, e-commerce services, financial services, warehousing and logistics services for its customers in the online and offline markets.

Financial Information of Zall Group

Set out below are the key figures extracted from the published audited financial statements of Zall Group for the two financial years ended 31 December 2018 and 2019 prepared in accordance with International Financial Reporting Standards:

	For the financial year ended 31 December	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before taxation	687,061	2,348,075
Profit after taxation	<u>57,519</u>	<u>1,273,907</u>

	As at 31 December	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
Net assets	<u>19,622,474</u>	<u>19,608,813</u>

INFORMATION OF THE GROUP AND THE VENDOR

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 Vendor is an investment holding company incorporated under the laws of the British Virgin Islands with limited liability, and a direct wholly-owned subsidiary of the Company as at the date of this announcement.

FINANCIAL IMPACT OF THE PLACING AND INTENDED USE OF PROCEEDS

Upon Final Completion, assuming all the Zall Placing Shares are placed, the Company will through the Vendor hold approximately 4.99% of the total issued share capital of Zall (assuming that there will be no change in the issued share capital of Zall between the date of this announcement and the Final Completion Date).

For illustrative purpose, assuming all the Zall Placing Shares are placed out at the maximum Placing Price, it is estimated that an unaudited gain before taxation of approximately HK\$24,600,000 will be recorded in respect of the Placing, being the difference between the consideration received (net of related transaction costs) and carrying values of Zall Placing Shares as at 31 December 2019.

The exact amount of the gain on the Placing to be recorded in the consolidated financial statements of the Group for the year ending 31 December 2020 is subject to audit and the results of the Placing.

Assuming all the Zall Placing Shares are placed out at the maximum Placing Price, the maximum gross proceeds of the Placing will be HK\$346,040,000 and maximum net proceeds from the Placing (after deducting the placing commission and other related expenses) will be approximately HK\$345,320,000. It is intended that the net proceeds will be applied for loan principal and interest payment of the Group, operating/working capital and other future investment opportunities of the Group.

REASONS FOR AND BENEFITS OF THE PLACING

The Board is of the view that the Placing will enhance the cash position and working capital of the Company, allow the Group to adjust its investment portfolio and focus on pursuing development opportunities in the future.

Accordingly, the Directors consider that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Placing, which constitutes a disposal by the Company, exceeds 5% but all are less than 25%, the entering into of the Placing Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company and accordingly are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Completion of each tranche of the Placing Shares is subject to the fulfillment or waiver (as the case may be) of the Conditions as set out in the Placing Agreement, therefore the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“acting in concert”	has the meaning ascribed to it under the Codes on Takeovers and Mergers and Share Buy-backs;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Business Day(s)”	a day (excluding Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business;
“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);

“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Completion”	the completion of the relevant tranche of the Placing Shares in accordance with the terms and conditions of the Placing Agreement;
“Completion Date”	the date of Completion, being a date falling on no more than two Business Days immediately after the date of the relevant Completion Notice (or such later date as the Vendor and the Placing Agent shall agree in writing);
“Completion Notice”	a written notice to be given by the Placing Agent to the Vendor before Completion Date stating, among other things, the number of the Placing Shares to be placed and the date of settlement for Completion of each tranche of the Placing Shares and a complete list of Placees with full particulars together with all information required by the Placing Agreement;
“Director(s)”	the director(s) of the Company;
“Final Completion”	the completion of the last tranche of the Placing Shares (if any Placing is completed) pursuant to the terms of the Placing Agreement, which shall take place not later than the Long Stop Date;
“Final Completion Date”	the date of Final Completion;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	party(ies) who is(are) independent of and not connected nor acting in concert with the Company or any member of the Group, their respective directors, chief executive or substantial shareholders, or any of their respective associates, and otherwise not connected persons of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“Long Stop Date”	31 July 2020 (or such later date as may be agreed between the Placing Agent and the Vendor in writing);
“Placees”	professional, institutional and other investors which are Independent Third Parties, whom the Placing Agent has procured to subscribe for the Zall Placing Shares;
“Placing”	the placing of the Zall Placing Shares by the Placing Agent on a best effort basis in one tranche or multiple tranches pursuant to the terms and conditions of 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 5 June 2020 entered into between the Vendor and the Placing Agent in respect of the Placing;
“Placing Price”	HK\$0.78 to HK\$0.82 per Zall Placing Share;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company;
“Shareholder(s)”	the holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Vendor”	Rich Unicorn Holdings limited, a limited liability company incorporated under the laws of the British Virgin Islands and a direct wholly-owned subsidiary of the Company as at the date of this announcement;

“Zall”	Zall Smart Commerce Group Ltd. 卓爾智聯集團有限公司, 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: 2098);
“Zall Group”	Zall and its subsidiaries;
“Zall Placing Share(s)”	up to 422,000,000 existing Zall Shares held by the Vendor to be placed to the Placees procured by the Placing Agent under the Placing;
“Zall Share(s)”	ordinary share(s) of HK\$0.00333 each in the share capital of Zall; and
“%”	per cent.

By order of the Board
Fullshare Holdings Limited
Ji Changqun
Chairman

Hong Kong, 5 June 2020

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. Chow Siu Lui and Mr. Tsang Sai Chung.