

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)

ANNOUNCEMENT DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES

DISPOSAL OF LISTED SECURITIES

The Company has been informed by CHS (being a non-wholly owned subsidiary of the Company) that the Vendor, a wholly-owned subsidiary of CHS, further disposed an aggregate of 7,416,539 Riyue Shares through open market and block trade in a series of transactions during the period between 26 August 2020 and 25 December 2020 at an aggregate gross proceeds of approximately RMB159,731,000 (exclusive of transaction costs).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposals, exceeds 5% but is less than 25%, the Disposals on standalone basis constitute discloseable transaction of the Company.

The Previous Disposals and the Disposals took place within a 12-month period, therefore the Previous Disposals and the Disposals shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio (as defined in the Listing Rules) exceeds 5% but is less than 25% on aggregated basis, the Disposals when aggregated with the Previous Disposals still constitute discloseable transaction of the Company, and accordingly are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

As advised by CHS, the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposals on standalone basis or when aggregated with the Previous Disposals are all below 5%, therefore the Disposals on standalone basis or when aggregated with the Previous Disposals do not constitute notifiable transaction for CHS and are not subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DISPOSAL OF LISTED SECURITIES

The Company has been informed by CHS (being a non-wholly owned subsidiary of the Company) that the Vendor, a wholly-owned subsidiary of CHS, further disposed an aggregate of 7,416,539 Riyue Shares through open market and block trade in a series of transactions during the period between 26 August 2020 and 25 December 2020 at an aggregate gross proceeds of approximately RMB159,731,000 (exclusive of transaction costs).

The consideration for the Disposals represented the market prices of the Riyue Shares at the time of the relevant transaction and had been fully settled in cash and received by the Vendor. The Disposals were made on the open market through the brokerage agent which is an Independent Third Party as at the relevant transaction date. Therefore, the Company is unable to identify the market buyer(s) and whether such buyer(s) are connected person(s) of the Company. In the event that the Company becomes aware that any buyer of the Disposals is a connected person of the Company, the Company will comply with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules as applicable.

Before the Disposals as at 25 August 2020, the Vendor held 11,216,554 Riyue Shares (representing approximately 1.35% of the total issued share capital of Riyue as at 25 August 2020).

FINANCIAL IMPACT ON THE DISPOSALS AND INTENDED USE OF PROCEEDS

As advised by CHS, the Vendor made a further disposal of 2,255,200 Riyue Shares on 28 December 2020 at a cash consideration of approximately RMB69,417,000 through open market (which does not constitute a notifiable transaction either on standalone basis or after aggregated with disposals of Riyue Shares made within a 12-month period). Therefore, as at the date of this announcement, the Vendor holds 1,544,815 Riyue Shares (representing approximately 0.16% of the total issued share capital of Riyue which was calculated based on the total number of issued shares of Riyue of 967,604,009 according to the announcement published on the website of the Shanghai Stock Exchange on 2 December 2020).

Based on (i) the consideration for the Disposals and (ii) the related transaction costs, it is estimated that an unaudited gain before taxation of approximately RMB5,494,000 will be included in the other comprehensive income in respect of the Disposals for the year ending 31 December 2020. The expected gain derived from the Disposals is calculated based on the difference between the net consideration received and carrying values of the respective Riyue Shares as at 31 December 2019. The exact amount of the gain on the Disposals to be recorded in the consolidated financial statements of the Group for the year ending 31 December 2020 is subject to audit but the Company does not expect there will be a material difference.

The Company was informed by CHS that it is intended that the net proceeds of approximately RMB159,536,000 from the Disposals will be applied for operating/working capital and other future investment opportunities of the CHS Group.

REASONS FOR AND BENEFITS OF THE DISPOSALS

As advised by CHS, the Disposals (i) were made at the market prices and would enable CHS to recognize its investments in the Riyue Shares and (ii) allow the CHS Group to strengthen its cash position and thus would be able to utilize the net proceeds for general working capital and potential investment activities. Therefore, based on information provided by CHS, the Directors are of the view that the Disposals are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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.

As at the date of this announcement, the Company is interested in approximately 73.91% of CHS. According to the disclosure in the annual report of CHS for the year ended 31 December 2019, the Vendor is a company incorporated in the PRC with limited liability and a wholly owned subsidiary of CHS, which is principally engaged in investment holding and sale of gear box and fittings.

INFORMATION OF RIYUE

According to publicly available information, Riyue is a company incorporated in the PRC with limited liability and the shares of which are listed on the Shanghai Stock Exchange (stock code: 603218.SH). Pursuant to the annual report of Riyue published on the website of the Shanghai Stock Exchange for the financial year ended 31 December 2019, the Riyue Group is dedicated to research and development, manufacturing and sale of large heavy industry equipment castings.

Set out below are the key figures extracted from the audited financial statements of annual report of Riyue for the two financial years ended 31 December 2018 and 2019 and unaudited financial statements of interim report of Riyue for the six months ended 30 June 2020 published on the website of the Shanghai Stock Exchange:

	For the financial year ended	
	31 December	
	2019	2018
	RMB	RMB
	(audited)	(audited)
Profit before taxation	504,539,612.13	280,554,463.34
Profit after taxation	490,472,419.66	256,172,964.73

	As at 31 December		As at 30 June
	2019	2018	2020
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	(audited)	(audited)	(unaudited)
Net assets	3,541,977,382.07	2,969,302,607.44	3,803,969,496.86

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposals, exceeds 5% but is less than 25%, the Disposals constitute discloseable transaction of the Company.

The Previous Disposals and the Disposals took place within a 12-month period, therefore the Previous Disposals and the Disposals shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio (as defined in the Listing Rules) exceeds 5% but is less than 25% on aggregated basis, the Disposals when aggregated with the Previous Disposals still constitute discloseable transaction of the Company, and accordingly are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

As advised by CHS, the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposals on standalone basis or when aggregated with the Previous Disposals are all below 5%, therefore the Disposals on standalone basis or when aggregated with the Previous Disposals do not constitute notifiable transaction for CHS and are not subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors;
“CHS”	China High Speed Transmission Equipment Group Co., Ltd. (中國高速傳動設備集團有限公司*), a company incorporated in the Cayman Islands with limited liability and a non-wholly owned subsidiary of the Company, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 658);
“CHS Group”	CHS and its subsidiaries;

“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;
“Director(s)”	the director(s) of the Company;
“Disposals”	the disposals by the Vendor of an aggregate of 7,416,539 Riyue Shares through open market and block trade in a series of transactions conducted during the period between 26 August 2020 and 25 December 2020;
“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 People’s Republic of China;
“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;
“PRC”	the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Previous Disposals”	the disposals of an aggregate of 10,806,517 Riyue Shares through open market and block trade in a series of transactions made by the Vendor between 26 December 2019 and 5 August 2020 at an aggregate consideration of approximately RMB201,407,000 (exclusive of transaction costs);
“Riyue”	Riyue Heavy Industry Co., Ltd. (日月重工股份有限公司), a company established in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 603218.SH);

“Riyue Group”	Riyue and its subsidiaries;
“Riyue Shares”	the ordinary shares in the issued share capital of Riyue;
“RMB”	the lawful currency of the PRC;
“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;
“Vendor”	Nanjing High Accurate Drive Equipment Manufacturing Group Co., Ltd. (南京高精傳動設備製造集團有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of CHS; and
“%”	per cent.

By order of the Board
Fullshare Holdings Limited
Ji Changqun
Chairman

Hong Kong, 28 December 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.

* *For identification purposes only*