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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: 607)



(Incorporated in the Cayman Islands with limited liability)
(Stock code: 658)

JOINT ANNOUNCEMENT

SUPPLEMENTAL AGREEMENT IN RELATION TO THE DISPOSAL OF 43% EQUITY INTEREST IN NANJING HIGH SPEED

Reference are made to (i) the joint announcements (the “**Announcements**”) of Fullshare Holdings Limited (“**Fullshare**”) and China High Speed Transmission Equipment Group Co., Ltd. (“**CHS**”) dated 30 March 2021, 30 April 2021 and 21 May 2021, (ii) the circular of Fullshare dated 26 May 2021 (the “**Fullshare Circular**”), (iii) the circular of CHS dated 26 May 2021 (the “**CHS Circular**”, together with Fullshare Circular as the “**Circulars**”), and (iv) the poll results announcement of Fullshare dated 16 June 2021, in relation to, among others, the Equity Transfer Agreement and the transactions contemplated thereunder, respectively. Unless otherwise defined, capitalised terms used in this joint announcement shall have the same meanings as those defined in the Announcements and the Circulars.

The parties to the Equity Transfer Agreement and the Transferee have confirmed in the Supplemental Agreement (as defined below) that all Conditions Precedent under the Equity Transfer Agreement have been satisfied on 16 June 2021 (being the date on which the Fullshare Shareholders’ approval has been obtained at the Fullshare EGM).

As at the date of this joint announcement, the Vendor has received RMB1,000,000,000 from the Purchaser and the Transferee as the First Instalment in accordance with the Equity Transfer Agreement.

Pursuant to the Equity Transfer Agreement, after all the Conditions Precedent are satisfied, the Second Instalment and the Remaining Instalment shall be paid to the Vendor within one month (i.e. on or before 15 July 2021) and three months (i.e. on or before 15 September 2021), respectively.

THE SUPPLEMENTAL AGREEMENT

On 15 July 2021 (after trading hours of the Stock Exchange), the Purchaser, the Vendor, Nanjing High Speed and the Transferee entered into a supplemental agreement (the “**Supplemental Agreement**”) to amend and supplement the Equity Transfer Agreement. Pursuant to the Supplemental Agreement:

- (1) the parties have agreed to revise the payment schedule of the Second Instalment and the Remaining Instalment as follows:
 - (i) the Second Instalment of RMB2,700,000,000 shall be paid to the Vendor in cash on or before 15 October 2021; and
 - (ii) the Remaining Instalment of RMB600,000,000 shall be paid to the Vendor in cash on or before 15 December 2021;
- (2) as the Second Instalment and the Remaining Instalment will not be paid to the Vendor according to the original timing set out in the Equity Transfer Agreement, the Transferee has agreed to pay an extension interest (“**Extension Interest**”) to the Vendor at the rate of 6% per annum accrued on (i) the Second Instalment amount computed on the basis of the actual number of days from 15 July 2021 to the date on which the Second Instalment is fully settled and (ii) the Remaining Instalment amount computed on the basis of the actual number of days from 15 September 2021 to the date on which the Remaining Instalment is fully settled, respectively;
- (3) as the payment schedule of the Second Instalment and the Remaining Instalment has been revised, the parties have agreed to revise the clause in relation to default in paying the Second Instalment and/or Remaining Instalment as follows:

after the First Instalment is paid, if the Transferee fails to settle the Second Instalment and/or the Remaining Instalment within the prescribed time, the Transferee shall, within ten (10) business days after 15 October 2021 or 15 December 2021 (as the case may be), return the First Batch Sale Interest to the Vendor at once and the Vendor shall return the First Instalment and/or the Second Instalment less the losses incurred by the Vendor in one lump sum to the Transferee without interest and have a right to terminate the Equity Transfer Agreement; and
- (4) as the First Batch Transfer Agreement and the Share Pledge Agreement were not executed and the industrial and commerce registration for (i) the transfer of First Batch Sale Interest to the Transferee and (ii) the pledge of the First Batch Sale Interest in favour of the Vendor were not completed upon receiving the First Instalment, the parties have agreed that upon the execution of the Supplemental Agreement, a designated person of the Vendor, who is jointly authorised by the Vendor and the Transferee, shall complete the industrial and commerce registration for (i) the transfer of First Batch Sale Interest to the Transferee and (ii) the pledge of the First Batch Sale Interest in favour of the Vendor pursuant to the terms and conditions of the Equity Transfer Agreement.

The Disposal will remain to be completed in two batches as contemplated under the Equity Transfer Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE SUPPLEMENTAL AGREEMENT

As the remaining Consideration involves a considerable sum (i.e. RMB3,300,000,000), and the Purchaser and Transferee require additional time to arrange financing of the funds, the Purchaser and the Transferee have requested for extension of the payment dates of the Second Instalment and the Remaining Instalment.

The Board of CHS has considered the terms of the Equity Transfer Agreement as amended and supplemented by the Supplemental Agreement, in particular, (i) the pledge of the First Batch Sale Interest in favour of the Vendor to secure the payment obligation of the Second Instalment and the Extension Interest accrued thereon and (ii) the Vendor will be adequately compensated by the Extension Interest if the Second Instalment and/or the Remaining Instalment are not paid in accordance with the schedule in the Equity Transfer Agreement and that the postponement of the payment of the Second Instalment and the Remaining Instalment will not materially affect the use of proceeds of the Disposal disclosed in the Circulars, therefore, the Board of CHS (including its independent non-executive directors) is of the view that the new payment schedule of the Second Instalment and the Remaining Instalment will not have any material adverse impact on the operational and financial aspects of the CHS Group, and the terms of the Supplemental Agreement are fair and reasonable to CHS and its shareholders as a whole.

On the basis of the above, the Board of Fullshare (including its independent non-executive directors) considers that the new payment schedule of the Second Instalment and the Remaining Instalment will not have any material adverse impact on the operational and financial aspects of the Fullshare Group and the terms of the Supplemental Agreement are fair and reasonable to Fullshare and its shareholders as a whole.

Save for the amendments contained in the Supplemental Agreement as disclosed above, all other terms and conditions of the Equity Transfer Agreement remain unchanged and shall continue to be binding and effective.

By order of the Board
Fullshare Holdings Limited
Ji Changqun
Chairman

By order of the Board
**China High Speed Transmission
Equipment Group Co., Ltd.**
Hu Jichun
Chairman

Hong Kong, 15 July 2021

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

As at the date of this joint announcement, the executive directors of CHS are Mr. Hu Jichun, Mr. Hu Yueming, Mr. Chen Yongdao, Mr. Wang Zhengbing, Mr. Zhou Zhijin, Ms. Zheng Qing, Mr. Gu Xiaobin and Mr. Fang Jian; and the independent non-executive directors of CHS are Dr. Chan Yau Ching, Bob, Ms. Jiang Jianhua, Mr. Jiang Xihe and Mr. Nathan Yu Li.

* *For identification purpose only*