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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
MAJOR TRANSACTION IN RELATION TO
DISPOSAL OF LISTED SECURITIES

Reference is made to the announcements (the “**Announcements**”) of the Company dated 11 August 2020 and 28 December 2020 in relation to the disposal of Riyue Shares respectively.

The Company has been informed by CHS (being a non-wholly owned subsidiary of the Company) that the CHS Group has conducted the following acquisition and disposals in relation to Riyue Shares:

- (i) on 27 November 2020, the Vendor B (being a non-wholly owned subsidiary of CHS) has subscribed 4,909,180 new Riyue Shares at the subscription price of RMB20.37 per Riyue Share with the lock-up period of six months from the issue date (the “**Acquisition**”);
- (ii) subsequent to the disposals previously disclosed in the Announcements, during the period between 4 January 2021 and 13 January 2021, the Vendor A (being a wholly-owned subsidiary of CHS) disposed an aggregate of 1,544,815 Riyue Shares through open market in a series of transactions for an aggregate gross proceeds of approximately RMB53,286,000 (exclusive of transaction costs) (the “**January Disposals**”);
- (iii) subsequent to the January Disposals, the Vendor B made further disposals of Riyue Shares through open market in July 2021 (the “**July Disposals**”, together with the January Disposals as the “**Disposals**”), details of which are as follows:
 - (a) disposal of 2,704,700 Riyue Shares on 12 July 2021 at the total consideration of approximately RMB77,343,000 (exclusive of transaction costs)(the “**First July Disposal**”),
 - (b) disposal of 1,043,200 Riyue Shares on 13 July 2021 at the total consideration of approximately RMB29,961,000 (exclusive of transaction costs),

- (c) disposal of 167,100 Riyue Shares on 14 July 2021 at the total consideration of approximately RMB4,816,000 (exclusive of transaction costs),
- (d) disposal of 160,000 Riyue Shares on 15 July 2021 at the total consideration of approximately RMB4,614,000 (exclusive of transaction costs), and
- (e) disposal of 1,000 Riyue Shares on 20 July 2021 at the total consideration of approximately RMB25,000 (exclusive of transaction costs).

As advised by CHS, as at the date of this announcement, the Vendor A does not hold any Riyue Shares and the Vendor B holds 833,180 Riyue Shares (representing approximately 0.09% 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 14 July 2021).

LISTING RULES IMPLICATIONS

The Acquisition

None of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the Acquisition exceeds 5%, therefore, the Acquisition does not constitute a notifiable transaction for the Company under the Listing Rules.

The Disposals

Although each of the January Disposals and the First July Disposal does not constitute notifiable transaction for the Company, the highest percentage ratios (as defined under Rule 14.04 of the Listing Rules) of First July Disposal and the January Disposals on aggregated basis, exceeds 5% but is less than 25%, therefore the First July Disposal and the January Disposals (when aggregated) constitute discloseable transaction of the Company.

As one of the applicable percentage ratios in respect of the First July Disposal (when aggregated with the Previous Disposals and the January Disposals conducted in the previous 12-month period pursuant to Rule 14.22 of the Listing Rules) exceeds 25% but is less than 75%, therefore constitute major transaction for the Company under Chapter 14 of the Listing Rules and shall be subject to the Shareholders' approval.

The Company will communicate with the Stock Exchange in respect of the Company's failure to comply with the Listing Rules for the Disposals and consider and consult with the Stock Exchange how to re-comply with the Listing Rules.

ACQUISITION AND DISPOSAL OF LISTED SECURITIES

Reference is made to the announcements (the “**Announcements**”) of the Company dated 11 August 2020 and 28 December 2020 in relation to the disposal of Riyue Shares respectively.

The Company has been informed by CHS (being a non-wholly owned subsidiary of the Company) that the CHS Group has conducted the following acquisition and disposals in relation to Riyue Shares:

- (i) on 27 November 2020, the Vendor B (being a non-wholly owned subsidiary of CHS) has subscribed 4,909,180 new Riyue Shares at the subscription price of RMB20.37 per Riyue Share with the lock-up period of six months from the issue date (the “**Acquisition**”);
- (ii) subsequent to the disposals previously disclosed in the Announcements, during the period between 4 January 2021 and 13 January 2021, the Vendor A (being a wholly-owned subsidiary of CHS) disposed an aggregate of 1,544,815 Riyue Shares through open market in a series of transactions for an aggregate gross proceeds of approximately RMB53,286,000 (exclusive of transaction costs) (the “**January Disposals**”);
- (iii) subsequent to the January Disposals, the Vendor B made further disposals of Riyue Shares through open market in July 2021 (the “**July Disposals**”, together with the January Disposals as the “**Disposals**”), details of which are as follows:
 - (a) disposal of 2,704,700 Riyue Shares on 12 July 2021 at the total consideration of approximately RMB77,343,000 (exclusive of transaction costs)(the “**First July Disposal**”),
 - (b) disposal of 1,043,200 Riyue Shares on 13 July 2021 at the total consideration of approximately RMB29,961,000 (exclusive of transaction costs) (the “**Second July Disposal**”),
 - (c) disposal of 167,100 Riyue Shares on 14 July 2021 at the total consideration of approximately RMB4,816,000 (exclusive of transaction costs) (the “**Third July Disposal**”),
 - (d) disposal of 160,000 Riyue Shares on 15 July 2021 at the total consideration of approximately RMB4,614,000 (exclusive of transaction costs) (the “**Fourth July Disposal**”), and
 - (e) disposal of 1,000 Riyue Shares on 20 July 2021 at the total consideration of approximately RMB25,000 (exclusive of transaction costs) (the “**Fifth July Disposal**”).

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 Vendors. 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 3 January 2021, the CHS Group held 6,453,995 Riyue Shares, representing approximately 0.67% of the total issued share capital of Riyue as at 31 December 2020.

FINANCIAL IMPACT ON THE DISPOSALS AND INTENDED USE OF PROCEEDS

As advised by CHS, as at the date of this announcement, the Vendor A does not hold any Riyue Shares and the Vendor B holds 833,180 Riyue Shares (representing approximately 0.09% 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 14 July 2021).

Based on (i) the consideration for the Disposals and (ii) the related transaction costs, it is estimated that an unaudited loss before taxation of approximately RMB193,000 will be included in the other comprehensive income in respect of the Disposal for the year ending 31 December 2021. The expected loss 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 2020. The exact amount of the loss on the Disposals to be recorded in the consolidated financial statements of the Group for the year ending 31 December 2021 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 RMB169,836,000 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 Group 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. The directors of CHS are of the view that the Disposals are fair and reasonable and in the interests of the Company and its shareholders as a whole. 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 VENDORS

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 disclosures made by CHS which are publicly available on the website of the Stock Exchange, (i) the Vendor A is a company established under the laws of the PRC with limited liability and a wholly owned subsidiary of CHS, which is principally engaged in investment holding, sale of gear box and fittings and trading business, and (ii) the Vendor B is a company established under the laws of the PRC with limited liability and a non-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 2020, 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 2019 and 2020 published on the website of the Shanghai Stock Exchange:

	For the financial year ended	
	31 December	
	2020	2019
	<i>RMB</i>	<i>RMB</i>
	(audited)	(audited)
Profit before taxation	1,132,591,443.41	574,939,123.95
Profit after taxation	979,174,094.42	504,539,956.46
	As at 31 December	
	2020	2019
	<i>RMB</i>	<i>RMB</i>
	(audited)	(audited)
Net assets	8,298,866,662.52	3,542,957,726.40

LISTING RULES IMPLICATIONS

The Acquisition

None of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the Acquisition exceeds 5%, therefore, the Acquisition does not constitute a notifiable transaction for the Company under the Listing Rules.

The Disposals

Although each of the January Disposals and the First July Disposal does not constitute notifiable transaction for the Company, the highest percentage ratios (as defined under Rule 14.04 of the Listing Rules) of First July Disposal and the January Disposals on aggregated basis, exceeds 5% but is less than 25%, therefore the First July Disposal and the January Disposals (when aggregated) constitute discloseable transaction of the Company.

As one of the applicable percentage ratios in respect of the First July Disposal (when aggregated with the Previous Disposals and the January Disposals conducted in the previous 12-month period pursuant to Rule 14.22 of the Listing Rules) exceeds 25% but is less than 75%, therefore constitute major transaction for the Company under Chapter 14 of the Listing Rules and shall be subject to the Shareholders' approval.

The Company will communicate with the Stock Exchange in respect of the Company's failure to comply with the Listing Rules for the Disposals and consider and consult with the Stock Exchange how to re-comply with 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;
“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 20,478,256 Riyue Shares through open market and block trade in a series of transactions made by the Vendor A between 3 August 2020 and 28 December 2020 at an aggregate consideration of approximately RMB430,554,227 (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 Share(s)”	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 A”	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 an indirect wholly-owned subsidiary of CHS;
“Vendor B”	Nanjing High Speed Gear Manufacturing Co., Ltd.* (南京高速齒輪製造有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of CHS;
“Vendors”	collectively, Vendor A and Vendor B; and
“%”	per cent.

By order of the Board
Fullshare Holdings Limited
Ji Changqun
Chairman

Hong Kong, 20 July 2021

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