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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)**

## **DISCLOSEABLE TRANSACTIONS IN RELATION TO DISPOSAL OF EQUITY INTEREST AND PROVISION OF FINANCIAL ASSISTANCE**

### **THE SHARE SALE AND IMPLEMENTATION AGREEMENT**

On 28 January 2022, Five Seasons XIX, a wholly-owned subsidiary of the Company, and the Purchaser, among others, entered into the Share Sale and Implementation Agreement whereby, among other things, Five Seasons XIX conditionally agreed to dispose and the Purchaser conditionally agreed to purchase the Five Seasons Sale Shares at a consideration of AUD69,000,000, subject to the terms and conditions of the Share Sale and Implementation Agreement.

### **LISTING RULES IMPLICATIONS OF THE DISPOSAL AND FINANCIAL ASSISTANCE**

As the highest applicable percentage ratio in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

The Deferred Consideration would constitute financial assistance provided by Five Seasons XIX to the Purchaser under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio in respect of the financial assistance provided by the Group to the Purchaser in connection with the Deferred Consideration exceeds 5% but is less than 25%, the Deferred Consideration constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

# **THE SHARE SALE AND IMPLEMENTATION AGREEMENT**

The following is a summary of the principal terms of the Share Sale and Implementation Agreement:

## **Date**

28 January 2022

## **Parties**

- (a) The Purchaser
- (b) Five Seasons XIX and the Management Sellers (each a “**Seller**” and together, the “**Sellers**”)
- (c) The Target Company

## **Asset to be disposed of**

Pursuant to the Share Sale and Implementation Agreement, (i) Five Seasons XIX conditionally agreed to dispose and the Purchaser conditionally agreed to purchase the Five Seasons Sale Shares and (ii) the Management Sellers conditionally agreed to dispose and the Purchaser conditionally agreed to purchase the Management Sellers’ Sale Shares. The Five Seasons Sale Shares represent approximately 72.71% of the entire equity interest of the Target Company. The Sale Shares, comprising the Five Seasons Sale Shares and the Management Seller’s Sale Shares, represent approximately 75.99% of equity interest of the Target Company.

Upon completion of the Share Sale and Implementation Agreement, the Group will continue to hold approximately 24.01% of equity interest in the Target Company, and the Target Group will cease to be a subsidiary of the Company. The financial results of the Target Group will no longer be consolidated into the consolidated financial statements of the Group.

The obligation of the Purchaser to purchase any Sale Shares under the Share Sale and Implementation Agreement is conditional and interdependent on the completion by the Purchaser of the purchase of all other Sale Shares and the Purchaser is not obliged to complete the purchase of any Sale Shares unless it completes the purchase of all Sale Shares simultaneously.

## **Consideration**

Pursuant to the Share Sale and Implementation Agreement, the consideration of the Five Seasons Sale Shares is AUD69,000,000 which will be satisfied in the following manner:

- (a) on Completion, the Purchaser must pay the AUD37,000,000 to Five Seasons XIX; and
- (b) on the Deferred Consideration Payment Date, the Purchaser must pay the outstanding Deferred Consideration to Five Seasons XIX.

## **Interest on the Deferred Consideration**

The Purchaser must pay interest on the outstanding Deferred Consideration at the interest rate of 6% per annum, payable by the Purchaser every twelve months starting on the Completion Date and ending on the Deferred Consideration Payment Date.

If at any time the Target Company is restricted from making distributions to the Purchaser under the Sparrow Facility, then any payments that would otherwise be due, including without limitation payment of the interest, may be deferred by the Purchaser without penalty (each a “**Deferred Payment**”) until such time as the Target Company is permitted to make a distribution to the Purchaser at which time the Purchaser will promptly pay any Deferred Payment in full or part thereof provided that in any event, the Purchaser shall repay the outstanding amount and any accrued interest on or before the Deferred Consideration Payment Date (and failure to do so shall be an event of default).

If the Purchaser gives at least seven days’ prior notice to Five Seasons XIX, the Purchaser may prepay all or part of the Deferred Consideration.

When the Purchaser prepays any amount(s) it shall pay any interest accrued and unpaid on that amount.

## ***Basis of the consideration***

The consideration for the disposal of the Five Seasons Sale Shares under the Share Sale and Implementation Agreement was determined after arm’s length negotiations between Five Seasons XIX and the Purchaser with reference to the Target Company’s equity value (the “**Valuation**”) of approximately AUD95,000,000.

The Valuation is based on the market approach given the Target Company’s business nature, financial profile track records and business sustainability. Under the market approach, the guideline public company method is applied. The Valuation is derived based on commonly adopted market multiples, such as Enterprise Value-to-Earnings Before Interest, Taxes, Depreciation and Amortization (“**EV/EBITA**”) ratio and Price-to-Earnings (“**P/E**”) ratio.

The major assumptions adopted in the Valuation are:

- no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company;
- for the Target Company to continue as a going concern, the Target Company will successfully carry out all necessary activities for the development of its business;
- market trends and conditions where the Target Company operates will not deviate significantly from the economic forecasts in general;
- no material change in the strategic attractions of the Target Company’s business, such as its particular strengths and weaknesses, market position of the business, strength of competition and barriers to entry; and
- key management, competent personnel, and technical staff will all be retained to support ongoing operations of the Target Company.

In determining the proper selected market multiples to be adopted for the Valuation, relevant comparables have been identified based on the selection criteria shown as follows:

- the companies are located and operating childcare business in Australia and New Zealand, as companies operating similar business in other countries may be subject to different regulatory requirements and market impacts that reduce their comparability to the Target Company;
- the companies are publicly listed; and
- sufficient data on the companies are available and from a reliable source.

There are three companies which were identified on an exhaustive basis as directly comparable as set out below:

Ticker	Company Name	Average P/E ratio for the latest five financial years	Average EV/EBITDA	Average EBITDA Margin
			ratio for the latest five financial years	
GEM:AU	G8 Education Limited	14.5x	9.1x	34.5%
EVO: AU	Evolve Education Group Limited	14.2x	9.9x	30.1%
MFD: AU	Mayfield Childcare Limited	7.9x	7.0x	31.3%
	Average	12.2x	8.7x	31.97%

The Company calculated the equity value of the Target Company by using i) the P/E method; and ii) the EV/EBITDA method of calculating the enterprise value and then applied the current net debt. The average of the two valuations was used to reach an appropriate valuation as below:

### P/E method

Target Company's NPAT x Comparable P/E Multiple = Comparable P/E equity value

Where:

Target Company's NPAT means the net profit after tax of the Target Company for the financial year ended 31 December 2021.

Comparable P/E Multiple means the average P/E ratio of the comparable companies' average P/E ratio for the latest five financial years.

## **EV/EBITDA method**

$$(\text{Target Company's EBITDA} \times \text{Comparable EV/EBITDA Multiple}) - \text{Target Company's Net Debt} = \text{Comparable EV/EBITDA equity value}$$

Where:

Target Company's EBITDA means the earnings before interest, taxes, depreciation and amortization of the Target Company for the financial year ended 31 December 2021.

Comparable EV/EBITDA multiple means the average EV/EBITDA of the comparable companies' average EV/EBITDA ratio for the latest five financial years.

Target Company's Net Debt means the total amount of the Target Company's debt less the Target Company's cash as at the Locked Box Date.

Factors that were considered when comparing the final equity value of the Target Company to equity value calculated using the comparable P/E multiple and comparable EV/EBITDA multiple included, (i) the Target Company's smaller size and more restricted geographical diversification, compared to the larger comparable companies, which are generally perceived as riskier in relation to business operation and financial performance; (ii) the Target Company's shares are private and have no liquidity or marketability, and would typically be discounted compared to shares of a comparable company whose shares are listed and freely tradeable; and (iii) the lower profitability of the Target Company when having regard to the Target Company's EBITDA Margin of 24.4% compared to that of the comparable companies (31.97%). However, earnings multiples derived from share market trading do not reflect the market value for a control of a company. The difference between the market value of a controlling interest is the control premium. Australian studies indicate that premiums required to obtain control of a company range between 20-40%. Therefore, after considering factors which justified a discount to the value as compared to that of listed comparable companies and any premium for control, a premium of 6% was applied to determine the final Target Company's equity value of approximately AUD95,000,000 and the Five Seasons Consideration equals to approximately 72.7% (being the percentage of equity interest in the Target Company disposed by Five Seasons XIX) of the Target Company's equity value.

## **Locked Box**

None of the Sellers will procure, approve or cause in anyway any Leakage to occur during the period from the date of the Share Sale and Implementation Agreement until Completion and will indemnify the Purchaser in their respective proportions in respect of any Leakage (less any associated tax relief) that does occur during this period.

## **Securities**

As a condition to the completion of the Share Sale and Implementation Agreement, the payment of the Deferred Consideration will be secured by the general security deed to be entered into between the Purchaser and Five Seasons XIX in respect of the Five Seasons Sale Shares (the "**General Security Deed**") on the Completion Date.

## **Conditions precedent of the Share Sale and Implementation Agreement:**

The completion of the Share Sale and Implementation Agreement is conditional upon:

- (a) consent to the change of control of the relevant lessee as a result of the transactions contemplated under the Share Sale and Implementation Agreement being received from each landlord under each of the leases;
- (b) execution of the Management Facility and the Sparrow Facility Amendment Agreement in a form reasonably acceptable to the Purchaser and the Purchaser satisfying all conditions precedent to drawdown of the Management Facility and Sparrow Facility (other than those conditions only capable of satisfaction at Completion);
- (c) completion of the leasehold valuation being performed by Australian Depreciation Management Pty Ltd. for the purpose of calculating the stamp duty payable in connection with the acquisition of the Sale Shares;
- (d) if required, Five Seasons XIX having obtained its shareholders' approval and all necessary governmental, regulatory and third-party approvals and consents in relation to the transaction contemplated under the Share Sale and Implementation Agreement, and the Company having published the relevant announcement and/or circular (if necessary) in compliance with the Listing Rules and no objection having been raised by any regulatory authority;
- (e) the Shareholders' Agreement being in an agreed form;
- (f) the General Security Deed being in an agreed form; and
- (g) the completion of each of the transactions set out in the Share Sale and Implementation Agreement.

The Purchaser may in its absolute discretion waive in writing any of the conditions (other than conditions (d), (e), (f) and (g)) and the Purchaser and Five Seasons XIX may by written agreement waive conditions (e) and (f). A party is entitled to terminate the Share Sale and Implementation Agreement by notice to the other party at any time before Completion:

- (a) if any condition has become incapable of satisfaction and that condition has not been waived in accordance with the Share Sale and Implementation Agreement within the earlier of:
  - i. 5 Business Days after the party became aware of the occurrence of the fact, matter or circumstance which caused that condition to become incapable of satisfaction; and
  - ii. the date scheduled for Completion; or
- (b) if any condition has not been satisfied or waived in accordance with the Share Sale and Implementation Agreement before the End Date; or

- (c) if any condition, having been satisfied on or before the End Date, ceases to be satisfied before Completion,

except where the relevant condition has become incapable of satisfaction, has not been satisfied, or ceases to be satisfied, as a direct result of a failure by the party seeking to terminate to comply with its obligations under the Share Sale and Implementation Agreement. If the Share Sale and Implementation Agreement is terminated then the provisions of the Share Sale and Implementation Agreement will cease to have effect (save as the provision in relation to, among others, confidentiality, termination and governing law and jurisdiction) and each party retains the rights it has against the others in respect of any breach of the Share Sale and Implementation Agreement occurring before termination.

### **Completion of the Share Sale and Implementation Agreement**

Completion must take place virtually at a time agreed by the parties on the later of:

- (a) 14 clear days after the notification is given to Australian Securities and Information Commission; and
- (b) the first Friday which is a minimum of two Business Days after the date on which all of the conditions have been satisfied or waived in accordance with the Share Sale and Implementation Agreement

or at any other place, date or time as the Sellers and the Purchaser agree in writing.

### **Capital reduction**

Immediately after Completion, and after the Purchaser and Five Seasons XIX sign the resolution approving an equal capital reduction of the capital in the Target Company, the Target Company shall pay Five Seasons XIX and the Purchaser the capital return amount (the “**Capital Return Amount**”) on the same Business Day.

The Capital Return Amount receivable by Five Seasons XIX is expected to be approximately AUD11,500,000.

## **GENERAL INFORMATION**

### **Information of the Group, Five Seasons XIX and Five Seasons XXX**

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.

Five Seasons XIX is a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

Five Seasons XXX is a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

## **Information of the Management Sellers**

The Management Sellers are companies established in Australia and are principally engaged in investment holding.

As of the date of this announcement, Management Seller 1 is the trustee of the Orr Family Trust and the beneficiaries of the Orr Family Trust are Ken Orr and Susan Orr, Management Seller 2 is the trustee of the Sox Orr Trust and the beneficiaries of the Sox Orr Trust are Ken Orr and Susan Orr, Management Seller 3 is the trustee of the Rubear Trust and the beneficiaries of the Rubear Trust are John Bairstow and Sarah Bairstow, Management Seller 4 is the trustee of the Sox Tyke Trust and the beneficiaries of the Sox Tyke Trust are John Bairstow and Sarah Bairstow, Management Seller 5 is the trustee of BKR Superannuation Fund and the beneficiaries of BKR Superannuation Fund are Robert James Roberts and Kerry Roberts, and Management Seller 6 is the trustee of CLR Superannuation Fund and the beneficiaries of CLR Superannuation Fund are Chris Roberts and Lynn Roberts.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Management Sellers and their ultimate beneficial owners are Independent Third Parties.

## **Information of the Purchaser**

The Purchaser is a company established in Australia and is principally engaged in investment holding.

As of the date of this announcement, the Purchaser is wholly owned by John Bairstow. It is expected that on the Completion Date, the Purchaser will have a diverse shareholder base and its single largest shareholder will be Find Me Childcare Pty Ltd, which will own 25.7% shareholding in the Purchaser. Find Me Childcare Pty Ltd is a company established under the laws of Australia and its ultimate beneficial owners are John Bairstow and Sarah Bairstow.

John Bairstow and some other ultimate beneficial owners of the then shareholders of the Purchaser at the time of Completion, namely, Jonathan Broughton, Wang Bo and Chen Minrui, are directors or chief executive of certain insignificant subsidiaries of the Company as defined under Rule 14A.09 of the Listing Rules. Notwithstanding their interest in the above insignificant subsidiaries, they are not regarded as connected persons of the Company pursuant to Rule 14A.09 of the Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its current and expected ultimate beneficial owners are Independent Third Parties.

## **Information of Target Company**

The Target Company is a limited liability company established in Australia and is principally engaged in education services.

The table below sets out the shareholding structure of the Target Company immediately before and after the Completion:

Name of shareholder	Immediately before the completion of the Disposal		Immediately following the completion of the Disposal	
	<i>Number of shares</i>	<i>Approximate percentage (%)</i>	<i>Number of shares</i>	<i>Approximate percentage (%)</i>
Five Seasons XIX	96,723,821	96.72	24,013,278	24.01
The Management Sellers	3,276,179	3.28	–	–
The Purchaser	–	–	75,986,722	75.99
<b>Total</b>	<u>100,000,000</u>	<u>100</u>	<u>100,000,000</u>	<u>100</u>

The unaudited total asset value and net asset value as at 31 December 2021 based on the consolidated management account of the Target Group were approximately AUD176,235,000 and AUD60,586,000, respectively.

Set out below is the consolidated financial information of Target Group for the two financial years ended 31 December 2020 and 2021:

	<b>For the financial year ended 31 December 2020 (AUD'000) (audited)</b>	<b>For the financial year ended 31 December 2021 (AUD'000) (unaudited)</b>
Net profits before taxation	9,464	9,102
Net profits after taxation	6,625	6,692

As at the date of this announcement, the Target Company is indebted to the Group in the sum of approximately AUD21,262,000 which is unsecured and still outstanding.

According to the terms of the the Share Sale and Implementation Agreement, the Target Company and Five Seasons XXX will enter into the Loan Amendment and Re-Statement Deed at Completion, pursuant to which the Target Company will repay the Shareholder Loan to Five Seasons XXX, subject to the terms and conditions of the Loan Amendment and Re-Statement Deed.

Since the Target Company will cease to be a subsidiary of the Group upon Completion, the Shareholder Loan will constitute financial assistance provided by the Group to the Target Company under the Listing Rules. The Company will make further announcement upon the execution of the Loan Amendment and Re-Statement Deed in accordance with the Listing Rules as and when appropriate.

## **FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS**

The Group expects to record an unaudited gain of disposal of approximately RMB101,791,000 after tax from the transaction under the Share Sale and Implementation Agreement, which is calculated with the reference to the Five Seasons Consideration under the Share Sale and Implementation Agreement, the Valuation and the unaudited net asset value of the Target Group as at 31 December 2021 recorded in the management accounts of the Group with certain consolidation adjustments.

The actual gain or loss as a result of the Disposal to be recorded in the consolidated statement of profit or loss of the Group for the year ending 31 December 2022 is subject to audit to be performed by the Company's auditors.

The Group intends to utilize all the net proceeds from the Disposal for general working capital of the Group and potential acquisitions and investments as and when opportunities arise, which are in the interests of the Company and the Shareholders as a whole.

## **REASONS FOR AND BENEFIT OF THE DISPOSAL AND THE FINANCIAL ASSISTANCE**

The Company considered that the Disposal represents a good opportunity for the Group to dispose the Five Seasons Sale Shares to realise a reasonable return to the Group and release funds which will be used for purpose mentioned under the section headed "Financial Effect of the Disposal and Use of Proceeds" above. The Capital Return Amount and the interest from the Deferred Consideration will also generate positive cash flow to the Group after Completion. In addition, the Company will retain a significant minority shareholding in the Target Company and will be benefit from any appreciation of the Target Company's equity value in the future. Moreover, the terms of the Disposal, including the Deferred Consideration, were arrived at arm's length negotiations between the Group and the Purchaser taking into account the Valuation and the prevailing market rates applicable to comparable companies.

In view of the above, the Directors consider that the terms of the Disposal are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

The Deferred Consideration would constitute financial assistance provided by Five Seasons XIX to the Purchaser under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio in respect of the financial assistance provided by the Group to the Purchaser in connection with the Deferred Consideration exceeds 5% but is less than 25%, the Deferred Consideration constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“AUD”	means Australian dollar;
“Australia”	means the Commonwealth of Australia;
“Business Day”	means a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in Brisbane, Queensland, Australia;
“Company”	means 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 are listed on the main board of the Stock Exchange;
“Completion”	means, among others, the completion of the sale and purchase of the Sale Shares;
“Completion Date”	means the date on which Completion occurs;
“Deferred Consideration”	means AUD32,000,000;
“Deferred Consideration Payment Date”	means the earlier of: (a) the date that is five (5) years from the Completion Date; and (b) the date an event of default occurs;
“Director(s)”	means the director(s) of the Company;
“Disposal”	means the transaction contemplated under the Share Sale and Implementation Agreement;
“End Date”	means 31 May 2022 or any other date agreed in writing between the Sellers and the Purchaser;
“Five Seasons XIX”	means Five Seasons XIX Pte. Ltd, a company established under the laws of the Republic of Singapore and a wholly owned subsidiary of the Company;
“Five Seasons XXX”	means Five Seasons XXX Ltd, a company established under the laws of British Virgin Islands and a wholly owned subsidiary of the Company;

“Five Seasons Consideration”	means AUD69,000,000;
“Five Seasons Sale Shares”	means 72,710,543 fully paid ordinary shares in the Target Company as adjusted pursuant to the terms of the Share Sale and Implementation Agreement;
“Group”	means the Company and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	means any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons;
“Leakage”	means any of the following: <ul style="list-style-type: none"> <li>(a) any dividend or distribution declared, paid or made by the Target Group to any Seller;</li> <li>(b) any payment (in cash or in kind) made by the Target Group to any Seller in respect of any share capital, loan capital or other securities of any Target Group member being redeemed, cancelled, purchased or repaid, or any other return of capital;</li> <li>(c) any monetary liabilities assumed, guaranteed, indemnified or incurred by the Target Group, or the provision of any security or collateral by the Target Group, for the sole benefit of a Seller;</li> <li>(d) any payment by the Target Group to or for the benefit of any Seller;</li> <li>(e) the incurrence of any indebtedness by the Target Group for the benefit of any Seller;</li> <li>(f) any cancellation, waiver or forgiveness of (or agreement to cancel, waive or forgive) any indebtedness for money owed to the Target Group by a Seller;</li> <li>(g) the entry by the Target Group into an agreement, arrangement or understanding to do anything which would constitute Leakage under paragraphs (a) to (f) above;</li> </ul>

- (h) the payment by the Target Group, or the agreement to pay by the Target Group, any third-party fees, costs or expenses as a result of any Leakage under paragraphs (a) to (g) above; or
- (i) any liability of the Target Group for tax or goods and services tax as a result of and in respect of any Leakage under paragraphs (a) to (h) above,

but does not include any Leakage as permitted under the Share Sale and Implementation Agreement;

“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Loan Amendment and Re-Statement Deed”	means the Loan Amendment and Re-Statement Deed to be entered into between Five Seasons XXX and the Target Company, in relation to the Shareholder Loan, as amended or supplemented from time to time;
“Locked Box Date”	means 26 January 2022;
“Management Facility”	means the AUD36,000,000 loan facility to be entered into between the Purchaser and Macquarie Bank;
“Management Seller 1”	KSO Pty Ltd, a company established under the laws of Australia, as trustee of the Orr Family Trust;
“Management Seller 2”	KSO Pty Ltd, a company established under the laws of Australia, as trustee of the Sox Orr Trust;
“Management Seller 3”	Find Me Childcare Pty Ltd, a company established under the laws of Australia, as trustee of the Rubear Trust;
“Management Seller 4”	Find Me Childcare Pty Ltd, a company established under the laws of Australia, as trustee of the Sox Tyke Trust;
“Management Seller 5”	BKL&B Pty Ltd, a company established under the laws of Australia, as trustee of BKR Superannuation Fund;
“Management Seller 6”	Tamric Pty Ltd, a company established under the laws of Australia, as trustee of CLR Superannuation Fund;

“Management Sellers”	means collectively, Management Seller 1, Management Seller 2, Management Seller 3, Management Seller 4, Management Seller 5 and Management Seller 6, all of whom are the management of the Target Company and the minority shareholders of the Target Company as at the date of this announcement;
“PRC”	means the People’s Republic of China, which for the purpose of this announcement exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Purchaser”	means Sparrow Early Learning Holdings Pty Ltd, a company established under the laws of Australia and an Independent Third Party;
“RMB”	means Renminbi, the lawful currency of the PRC;
“Sale Shares”	means (a) in respect of Five Seasons XIX, the Five Seasons Sale Shares; and (b) in respect of the Management Sellers, the fully paid ordinary shares in the capital of the Target Company specified in Share Sale and Implementation Agreement;
“Share(s)”	means the ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Share Sale and Implementation Agreement”	means the Share Sale and Implementation Agreement dated 28 January 2022 entered into between Five Seasons XIX, the Management Sellers, the Purchaser and the Target Company, in relation to the sale and purchase of the Sale Shares;
“Shareholders”	means the holders of the Shares;
“Shareholders’ Agreement”	means the Shareholders’ Agreement to be entered into between Five Seasons XIX, the Purchaser and the Target Company on the Completion Date;
“Shareholder Loan”	means the loan in the amount of approximately AUD21,262,000 advanced by Five Seasons XXX as lender to the Target Company as borrower under the Loan Amendment and Re-Statement Deed to be entered on the Completion Date;
“Sparrow Facility”	means the APLMA facility agreement dated 21 September 2018 as amended from time to time between, amongst others, the Target Company and Macquarie Bank;

“Sparrow Facility Amendment Agreement”	means the amending deed to be entered into between, amongst others, the Target Company and Macquarie Bank which amends the Sparrow Facility Agreement in the form set out in the Share Sale and Implementation Agreement;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	means has the meaning ascribed to it under the Listing Rules;
“Target Company”	means Sparrow Early Learning Pty Ltd, a company established under the laws of Australia, which is a subsidiary of the Company as at the date of this announcement;
“Target Group”	means the Target Company and each of its subsidiaries;
“%”	means per cent.

By order of the Board  
**Fullshare Holdings Limited**  
**Ji Changqun**  
*Chairman*

Hong Kong, 28 January 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.*