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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)**

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

### **COMPLETION OF DISPOSAL OF EQUITY INTEREST**

The Board is pleased to announce that all conditions precedent in the Share Sale and Implementation Agreement were satisfied and Completion took place on 18 March 2022. After Completion, the Target Company is held by Five Seasons XIX, an indirect wholly-owned subsidiary of the Company, as to 24.01%. Upon Completion, the Target Company is no longer a subsidiary of the Company and the financial statements of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

As disclosed in the Announcement, on Completion, Five Seasons XIX entered into the Shareholders' Agreement with the Purchaser and the Target Company and the General Security Deed with the Purchaser.

### **PROVISION OF FINANCIAL ASSISTANCE**

As at the Completion Date, the Target Company was indebted to the Group in the sum of approximately AUD21,262,474 which is unsecured and still outstanding. On 18 March 2022 (being the Completion Date), Five Seasons XXX, an indirect wholly-owned subsidiary of the Company, and the Target Company entered into the Shareholder Loan Deed of Amendment whereby, among other things, the Target Company agrees to repay the Shareholder Loan to Five Seasons XXX, subject to the terms and conditions of the Shareholder Loan Deed of Amendment.

## LISTING RULES IMPLICATIONS

Since the Target Company ceased to be a subsidiary of the Group upon Completion, the Shareholder Loan constitute financial assistance provided by the Group to the Target Company under the Listing Rules. As the highest applicable percentage ratio in respect of the Shareholder Loan is below 5%, the transaction contemplated under the Shareholder Loan Deed of Amendment did not constitute notifiable transaction of the Company on a standalone basis.

As disclosed in the Announcement, the Deferred Consideration constituted financial assistance provided by the Group to the Purchaser under Chapter 14 of the Listing Rules.

As the Purchaser and the Target Company, and the Share Sale and Implementation Agreement and the Shareholder Loan Deed of Amendment, are connected or otherwise associated with one another upon Completion, the Deferred Consideration and the Shareholder Loan are aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest percentage ratio in respect of the financial assistance to be provided by the Group to the Purchaser and the Target Company in connection with the Deferred Consideration and the Shareholder Loan on an aggregate basis exceeds 5% but is less than 25%, the Deferred Consideration and the Shareholder Loan constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

## COMPLETION OF DISPOSAL OF EQUITY INTEREST

Reference is made to the announcement of Fullshare Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 28 January 2021 (the “**Announcement**”) in relation to the disposal of equity interest in the Target Company and provision of financial assistance to the Purchaser. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that all conditions precedent in the Share Sale and Implementation Agreement were satisfied and Completion took place on 18 March 2022. After Completion, the Target Company is held by Five Seasons XIX, an indirect wholly-owned subsidiary of the Company, as to 24.01%. Upon Completion, the Target Company is no longer a subsidiary of the Company and the financial statements of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

As disclosed in the Announcement, on Completion, Five Seasons XIX entered into the Shareholders’ Agreement with the Purchaser and the Target Company and the General Security Deed with the Purchaser.

# THE SHAREHOLDERS' AGREEMENT

The following is a summary of the principal terms of the Shareholders' Agreement:

## **Date:**

18 March 2022

## **Parties:**

- (a) Five Seasons XIX
- (b) The Purchaser
- (c) The Target Company

## **Board composition:**

The Purchaser, being the majority shareholder of the Target Company after the Completion, has the right to appoint three (3) directors and to remove and replace any director appointed by it and Five Seasons XIX, being the other shareholder of the Target Company, has the right to appoint two (2) directors to the board and to remove and replace any director appointed by it. The quorum for a board meeting is two directors, including at least one director appointed by each of the Purchaser and Five Seasons XIX.

## **Buy-Back option:**

Pursuant to the Shareholders' Agreement, provided that the Shareholder Loan and the Deferred Consideration have not been repaid in full, Five Seasons XIX may by notice in writing (the "**Buy-Back Notice**") require the Purchaser to sell, and Five Seasons XIX shall purchase (the "**Buy-Back**"), such number of shares of the Target Company from the Purchaser as set out in the Buy-Back Notice (the "**Buy-Back Shares**") at a total consideration representing the market value at that time as determined by an independent valuation in accordance with the Shareholders' Agreement (the "**Buy-Back Consideration**"). The Buy-Back option is only exercisable by Five Seasons XIX.

Completion of the Buy-Back is conditional upon: (a) completion of the Buy-Back would not cause the Target Company to be in breach of the terms of the Management Facility; and (b) on the date of the Buy-Back Notice, Mr. Ji Changqun is a director and the chairman of the Board of the Company and holds, directly or indirectly, not less than 30% of the Shares.

On the completion of the Buy-Back, Five Seasons XIX shall pay the Buy-Back Consideration and the Purchaser will transfer to Five Seasons XIX the Buy-Back Shares free from all encumbrances. If Five Seasons XIX exercises its Buy-Back right pursuant to the Shareholders' Agreement, it may not transfer its equity securities in the Target Company before the third anniversary of the completion of the Buy-Back unless the Purchaser consents in writing to the transfer or the transfer is permitted under the Shareholders' Agreement.

### **Liquidity event:**

A shareholder of the Target Company (the "**Seller**"), may give an exit notice (the "**Exit Notice**") to the board of the Target Company and to each of the other shareholder of the Target Company: (a) stating which of the shareholders of the Company comprise the Seller; (b) requiring the board of the Target Company to appoint an independent valuer to determine the fair market value per equity securities in accordance with the terms of the Shareholders' Agreement; and (c) offering to sell all of that Seller's equity securities in the Target Company (the "**Exit Securities**") to the other shareholder of the Target Company (the "**Offeree Shareholder**") for the fair market value per equity security (the "**Exit Offer**"). Within 20 Business Days after receiving the Exit Notice, the Offeree Shareholder must give each of the Seller written notice stating whether or not it will accept the Exit Offer for all of the Exit Securities.

If Offeree Shareholder agrees to buy the Exit Securities the subject of the Exit Notice, completion of the sale must occur on the twentieth Business Day after the Offeree Shareholder gives written notice in accordance with the terms of the Shareholders' Agreement. The Offeree Shareholder must buy and the Seller must sell the Exit Securities the subject of the Exit Notice at the fair market value per equity security that is specified in the Exit Notice.

If the Offeree Shareholder does not agree to buy the Exit Securities the subject of the Exit Notice, the board of the Target Company must meet to appoint an independent financial adviser, investment bank or stockbroker of good standing (the "**Financial Adviser**") to act on behalf of the Target Company and the shareholders of the Target Company to: (a) initiate the sale of either all of the share capital of the Target Company (which may involve an initial public offering) or the business of the Target Company (the "**Exit Sale**"); (b) recommend to the shareholders of the Target Company and the Target Company whether to proceed with the Exit Sale; and (c) advise on the highest valuation of the Target Company that could be obtained through an Exit Sale.

Each shareholder of the Target Company must use all reasonable endeavours to procure that the Exit Sale is carried out as soon as reasonably practicable and in accordance with the recommendations of the Financial Adviser provided that the obligation of Five Seasons XIX is conditional on (a) the passing of resolution(s) by the shareholders of the Company (if necessary) to approve the Exit Sale; (b) all necessary consents and approvals required to be obtained (if any) by the Company in respect of the Exit Sale; and (c) the Company's compliance with all applicable requirements under the Listing Rules in respect of the Exit Sale from time to time. Five Seasons XIX shall use its best endeavours to receive all necessary approvals contemplated therein as soon as reasonably possible to achieve an Exit Sale within the timeline proposed by the Financial Adviser. Further announcement(s) in respect of the Exit Sale will be made by the Company in compliance with the Listing Rules as and when appropriate.

## THE GENERAL SECURITY DEED

On 18 March 2022, Five Seasons XIX and the Purchaser entered into the General Security Deed, under which the Purchaser granted a security interest in (a) the assets, undertaking and goodwill of the business of the Purchaser; and (b) the uncalled and called but unpaid capital of the Purchaser in favour of Five Seasons XIX as security of the Purchaser's payment obligation of the Deferred Consideration or any interest payable thereon for which the Purchaser is or at any time may become actually or contingently liable to pay to or for the account of Five Seasons XIX (whether alone or not) for any reason whatsoever under the Share Sale and Implementation Agreement.

## THE SHAREHOLDER LOAN

As at the Completion Date, the Target Company was indebted to the Group in the sum of AUD21,262,474 which is unsecured and still outstanding.

On 18 March 2022 (being the Completion Date), the Target Company and Five Seasons XXX entered into the shareholder loan deed of amendment (the “**Shareholder Loan Deed of Amendment**”), referred to in the Announcement as the Loan Amendment and Re-Statement Deed.

The following is a summary of the principal terms of the Shareholder Loan Deed of Amendment:

### **Date:**

18 March 2022

### **Parties:**

- (a) The Target Company (as borrower)
- (b) Five Seasons XXX (as lender)

### **Principal:**

A loan in the principal sum of AUD21,262,474 advanced by Five Seasons XXX to the Target Company.

### **Repayment:**

The Target Company must repay the total principal amount of all outstanding Shareholder Loan at that time (the “**Principal Outstanding**”) in full on the date falling five (5) years after the date of the Shareholder Loan Deed of Amendment unless otherwise required under the Shareholder Loan Deed of Amendment.

### **Interest:**

The Target Company must pay interest on the Principal Outstanding of the Shareholder Loan at the interest rate of 6% per annum, payable by the Target Company every six months.

## **GENERAL INFORMATION**

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

The principal business activity of the Company is investment holding. 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 Purchaser**

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

As of the Completion date, the Purchaser has a diverse shareholder base and its single largest shareholder is Find Me Childcare Pty Ltd, which owns 25.7% shareholding in the Purchaser. Find Me Childcare Pty Ltd is a company established under the laws of Australia and its ultimate beneficial owner is Mr. John Bairstow and Mrs. Sarah Bairstow. The principal business activity of Find Me Childcare Pty Ltd is acting as a family investment holding company.

Mr. John Bairstow and some other ultimate beneficial owners of the shareholders of the Purchaser, namely, Mr. Jonathan Broughton, Mr. Wang Bo and Mr. Chen Minrui, are directors or chief executive of certain insignificant subsidiaries of the Company as defined under Rule 14A.09 of the Listing Rules. Mr. John Bairstow is the chief executive officer of the Target Company. Mr. Jonathan Broughton is a director of the Target Company and certain other insignificant subsidiaries of the Company. Both of Mr. Wang Bo and Mr. Chen Minrui are directors of Five Seasons XIX and certain other insignificant subsidiaries of the Company. As the Target Company ceased to be a subsidiary of the Company, Mr. John Bairstow is no longer a director or chief executive of the Company's insignificant subsidiary upon Completion. Pursuant to Rule 14A.09(2) of the Listing Rules, if the abovementioned person is connected with two or more subsidiaries of the Company, the Company has aggregated the subsidiaries' total assets, profits and revenue to determine whether they are together "insignificant subsidiaries" of the Company. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners, including each of Mr. John Bairstow, Mr. Jonathan Broughton, Mr. Wang Bo and Mr. Chen Minrui, 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.

After Completion, the Target Company is held as to 24.01% and 75.99% by Five Seasons XIX and the Purchaser respectively. As the Target Company is no longer a subsidiary of the Company, the financial statements of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

## **REASONS FOR AND BENEFITS OF THE FINANCIAL ASSISTANCE AND THE BUY-BACK OPTION**

As disclosed in the Announcement, the Disposal represents a good opportunity for the Group to dispose the Five Seasons Sale Shares to realise a reasonable return and release funds which will be used for general working capital of the Group and potential acquisitions and investments as and when opportunities arise. Further, as the Group retains a significant minority shareholding in the Target Company after Completion, the Group will benefit from any appreciation of the Target Company's equity value in the future. In addition, the Group also retains a Buy-Back option under the Shareholders' Agreement which allows the Group to increase its equity interests in the Target Company in the future as and when it considers appropriate. Therefore, it is beneficial for the Group to ensure that the Target Company has sufficient working capital and resources in operating its business by extending the Shareholder Loan. Moreover, the terms of the Shareholder Loan were arrived at arm's length negotiations between the Group and the Target Company taking into account the prevailing market rates applicable to comparable companies. The Group will start to receive cash interest payments under the Shareholder Loan thereby enabling the Group to achieve greater economic return from the Disposal and the Shareholder Loan as a whole.

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

## **LISTING RULES IMPLICATIONS**

Since the Target Company ceased to be a subsidiary of the Group upon Completion, the Shareholder Loan constitute financial assistance provided by the Group to the Target Company under the Listing Rules. As the highest applicable percentage ratio in respect of the Shareholder Loan is below 5%, the transaction contemplated under the Shareholder Loan Deed of Amendment did not constitute notifiable transaction of the Company on a standalone basis.

As disclosed in the Announcement, the Deferred Consideration constituted financial assistance provided by the Group to the Purchaser under Chapter 14 of the Listing Rules.



As the Purchaser and the Target Company, and the Share Sale and Implementation Agreement and the Shareholder Loan Deed of Amendment, will be connected or otherwise associated with one another upon Completion, the Deferred Consideration and the Shareholder Loan are aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio in respect of the financial assistance to be provided by the Group to the Purchaser and the Target Company in connection with the Deferred Consideration and the Shareholder Loan on an aggregate basis exceeds 5% but is less than 25%, the Deferred Consideration and the Shareholder Loan constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

As the exercise of the Buy-Back option is at Five Seasons XIX's discretion, only the premium will be taken into consideration for the purpose of classification of notifiable transactions on the grant of such option under Rule 14.75(1) of the Listing Rules. As no premium is payable by Five Seasons XIX for the Buy-Back option under the Shareholders' Agreement, the grant of the buy-back option to Five Seasons XIX is not subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. The Company will make further announcements upon exercise of the Buy-back option in accordance with the Listing Rules as and when appropriate.

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

Hong Kong, 18 March 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.*