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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Fullshare Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



Fullshare Holdings Limited

豐盛控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00607)

- (1) PROPOSED SHARE CONSOLIDATION;**
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
(3) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
(4) SUBSCRIPTION OF NEW SHARES UNDER THE SPECIFIC MANDATE;
AND
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial Adviser



BAOQIAO PARTNERS CAPITAL LIMITED

A notice convening the EGM to be held at Conference Room, Unit 2805, Level 28, Admiralty Centre Tower 1, 18 Harcourt Road, Admiralty, Hong Kong on Thursday, 30 November 2023 at 2:00 p.m. is set out on EGM-1 to EGM-4 of this circular.

A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.fullshare.com). Whether or not you intend to attend the EGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 1 November 2023 in relation to among others, the Share Consolidation, the Change in Board Lot Size, the Increase in Authorised Share Capital and the SM Subscriptions
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (excluding a Saturday, a Sunday or a public holiday) on which banks are generally open for business in Hong Kong
“CCASS”	Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 2,500 Existing Shares to 4,000 Consolidated Shares
“CHS Group”	China High Speed Transmission Equipment Group Co. Ltd. (Stock Code: 658), a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange and its subsidiaries
“Company”	Fullshare Holdings Limited 豐盛控股有限公司 (Stock Code: 607), a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the SM Subscriptions in accordance with the respective SM Subscription Agreements
“Conditions Precedent”	the conditions precedent for the Completion as set out in the respective SM Subscription Agreements

DEFINITIONS

“Consolidated Share(s)”	ordinary share(s) of HK\$0.5 each in the share capital of the Company upon the Share Consolidation having become effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of approving, among other things, the Share Consolidation, the Increase in Authorised Share Capital, the SM Subscription Agreements and the transactions contemplated thereunder including the Specific Mandate
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation having become effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	the proposed increase in authorised share capital of the Company from HK\$400,000,000 divided into 40,000,000,000 Existing Shares (or 800,000,000 Consolidated Shares) to HK\$800,000,000 divided into 80,000,000,000 Existing Shares (or 1,600,000,000 Consolidated Shares)
“Independent Third Party(is)”	party(ies) who are third parties independent of the Company and its connected persons
“Latest Practicable Date”	7 November 2023, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication

DEFINITIONS

“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Magnolia Wealth”	Magnolia Wealth International Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Ji
“Mr. Ji”	Mr. Ji Changqun, the chairman of the Board, chief executive officer and executive Director of the Company
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Share Consolidation”	the consolidation of every fifty (50) issued Existing Shares into one (1) Consolidated Share
“SM Subscriber I”	Sumin Hongkong Limited, a company incorporated in Hong Kong with limited liability
“SM Subscriber II”	Professor Cai Baochang (蔡寶昌), a Chinese national
“SM Subscriber III”	Mr. Feng Junhuo (馮軍夥), a Chinese national
“SM Subscribers”	the subscribers subscribing for the SM Subscription Shares under the SM Subscriptions, that is, the SM Subscriber I, SM Subscriber II and SM Subscriber III
“SM Subscriptions”	the subscriptions for the SM Subscription Shares by the SM Subscribers pursuant to the terms and conditions of the SM Subscription Agreements
“SM Subscription Agreements”	collectively, the SM Subscription Agreement I, SM Subscription Agreement II and SM Subscription Agreement III
“SM Subscription Agreement I”	the subscription agreement dated 1 November 2023 entered into between the Company and the SM Subscriber I

DEFINITIONS

“SM Subscription Agreement II”	the subscription agreement dated 1 November 2023 entered into between the Company and the SM Subscriber II
“SM Subscription Agreement III”	the subscription agreement dated 1 November 2023 entered into between the Company and the SM Subscriber III
“SM Subscription Price”	the subscription price of HK\$0.70 per SM Subscription Share for the SM Subscriptions
“SM Subscription Shares I”	80,000,000 new Consolidated Shares to be allotted and issued under the SM Subscription Agreement I at the Subscription Price
“SM Subscription Shares II”	80,000,000 new Consolidated Shares to be allotted and issued under the SM Subscription Agreement II at the Subscription Price
“SM Subscription Shares III”	40,000,000 new Consolidated Shares to be allotted and issued under the SM Subscription Agreement III at the Subscription Price
“SM Subscription Shares”	200,000,000 new Consolidated Shares to be allotted and issued under the SM Subscription Agreements at the SM Subscription Price, and each a “SM Subscription Share”
“Specific Mandate”	the specific mandate proposed to be granted to the Directors by the Shareholders at the EGM to issue the SM Subscription Shares to the SM Subscribers pursuant to the SM Subscription Agreements
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation and Change in Board Lot Size, the Increase in Authorised Share Capital and the SM Subscriptions is set out below.

Event(s)	Time and date
Latest time for lodging transfer of shares to qualify for attendance and voting at the EGM	4:30 p.m. on Friday, 24 November 2023
Closure of register of members (both days inclusive)	Monday, 27 November 2023 – Thursday, 30 November 2023
Latest time for lodging proxy forms for the EGM	2:00 p.m. on Tuesday, 28 November 2023
Expected time and date of the EGM to approve the proposed Share Consolidation and the Increase in Authorised Share Capital	2:00 p.m. on Thursday, 30 November 2023
Publication of the announcement of the poll results of the EGM	Thursday, 30 November 2023
Effective date of the Share Consolidation	Monday, 4 December 2023
First day of free exchange of existing share certificates for new share certificates in yellow colour for the Consolidated Shares	Monday, 4 December 2023
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Monday, 4 December 2023
Original counter for trading in the Existing Shares in board lots of 2,500 Shares (in the form of existing share certificates in pale blue colour) temporarily closes	9:00 a.m. on Monday, 4 December 2023
Temporary counter for trading in board lots of 50 Consolidated Shares (in the form of existing share certificates in pale blue colour) opens	9:00 a.m. on Monday, 4 December 2023

EXPECTED TIMETABLE

Event(s)	Time and date
Original counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of new share certificates in yellow colour) re-opens	9:00 a.m. on Monday, 18 December 2023
Parallel trading in the Consolidated Shares (in the form of both existing share certificates in pale blue colour and new certificates in yellow colour) commences	9:00 a.m. on Monday, 18 December 2023
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Monday, 18 December 2023
Designated broker ceases to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Wednesday, 10 January 2024
Temporary counter for trading in board lots of 50 Consolidated Shares (in the form of existing share certificates in pale blue colour) closes	4:10 p.m. on Wednesday, 10 January 2024
Parallel trading in Consolidated Shares (in the form of both existing share certificates in pale blue colour and new certificates in yellow colour) ends	4:10 p.m. on Wednesday, 10 January 2024
Last day for free exchange of existing share certificates for new certificates for the Consolidated Shares	Friday, 12 January 2024

All times and dates specified in this circular refer to the Hong Kong times and dates. This timetable is indicative only and any subsequent changes to the expected timetable will be announced by the Company as and when appropriate.

LETTER FROM THE BOARD



Fullshare Holdings Limited

豐盛控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00607)

Executive Director:

Mr. Ji Changqun (*Chairman and CEO*)
Ms. Du Wei
Mr. Shen Chen
Mr. Ge Jinzhu

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent Non-executive Directors:

Mr. Lau Chi Keung
Mr. Tsang Sai Chung
Mr. Huang Shun

Principal Place of Business in Hong Kong:

Unit 2805, Level 28
Admiralty Centre Tower 1
18 Harcourt Road
Admiralty, Hong Kong

13 November 2023

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED SHARE CONSOLIDATION;
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
(3) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
(4) SUBSCRIPTION OF NEW SHARES UNDER THE SPECIFIC MANDATE;
AND
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement.

The purpose of this circular is to provide you with, among other things, details of (i) the Share Consolidation; (ii) the Change in Board Lot Size; (iii) the Increase in Authorised Share Capital; (iv) the SM Subscriptions and the Specific Mandate; (v) notice convening the EGM; and (vi) other disclosures required under the Listing Rules in order to enable you to make an informed decision on how to vote at the EGM.

LETTER FROM THE BOARD

PROPOSED SHARE CONSOLIDATION

The Board intends to put forward a proposal to the Shareholders to effect the Share Consolidation which involves the consolidation of every fifty (50) Existing Shares into one (1) Consolidated Share. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders by way of an ordinary resolution at the EGM. As none of the Shareholders or their associates would have any interest in the Share Consolidation, no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Share Consolidation at the EGM.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following:

- i. the passing of the ordinary resolution(s) by the Shareholders to approve the Share Consolidation at the EGM;
- ii. the compliance with all relevant procedures and requirements under the laws of the Cayman Islands and Hong Kong (where applicable) and the Listing Rules to effect the Share Consolidation; and
- iii. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares arising from the Share Consolidation.

Effects of the Share Consolidation

As at the Latest Practicable Date, 31,838,196,731 Existing Shares had been allotted and issued as fully paid or credited as fully paid.

As at the Latest Practicable Date, save as disclosed under the section headed “Adjustments in relation to the other securities of the Company” below, the Company has no outstanding convertible securities, options or warrants, which confer any right to subscribe for or convert into or exchange into Shares.

Upon the Share Consolidation becoming effective and on the basis that no further Existing Shares will be allotted, issued or repurchased prior thereto, 636,763,934 Consolidated Shares will be in issue, which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the Company’s articles of association. No fractional Consolidated Shares will be issued by the Company.

LETTER FROM THE BOARD

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Group or the interests or rights of the Shareholders, save for any fractional Consolidated Shares to which the Shareholders may be entitled.

Fractional entitlement to the Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such a holder.

Odd lots arrangements and matching services

In order to alleviate the difficulties arising from the existence of odd lots (if any) of the Consolidated Shares, the Company has appointed One China Securities Limited as an agent to stand in the market to provide matching services for sale and purchase of odd lots of the Consolidated Shares on a best effort basis and the period of such matching services commences from 9:00 a.m. on Monday, 18 December 2023 and ends at 4:00 p.m. on Wednesday, 10 January 2024 (both dates inclusive). Shareholders who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or top up to a full board lot may, directly or through their brokers, contact Ms. Carmen Wong of One China Securities Limited at 2/F., Cheong K. Building, 86 Des Voeux Road Central, Central, Hong Kong (telephone number: 3188-2676) during office hours.

Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not warranted. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation having become effective, Shareholders may, from Monday, 4 December 2023 to Friday, 12 January 2024 (both days inclusive, submit the existing share certificates for the Existing Shares to the branch share registrar and transfer office in Hong Kong, Tricor Standard Limited at 17/F., Far East Finance Centre, 16 Harcourt Road Hong Kong, in exchange, at the expense of the Company, for new share certificates for the Consolidated Shares. Thereafter, certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for certificates for Consolidated Shares at the expense of the Shareholders on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate for Existing Shares cancelled or each share certificate issued for Consolidated Shares (whichever is higher) but are not acceptable for trading, settlement and registration upon the Share Consolidation becoming effective.

LETTER FROM THE BOARD

The new share certificates for the Consolidated Shares will be issued in yellow colour in order to distinguish them from the existing pale blue colour.

Listing and Dealings

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be issued upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Share Consolidation becoming effective, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchanges other than the Stock Exchange, and at the time when the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

ADJUSTMENTS IN RELATION TO THE OTHER SECURITIES OF THE COMPANY

As at the Latest Practicable Date, there are 7,986,101 outstanding share options (the “**Share Options**”) granted under the share option scheme of the Company adopted on 17 August 2018 (the “**Share Option Scheme**”). The Share Consolidation may lead to adjustments to the exercise prices of the Share Options and/or the number of Consolidated Shares to be issued under the outstanding Share Options pursuant to the terms and conditions of the Share Option Scheme. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save as disclosed above, as at the Latest Practicable Date, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

LETTER FROM THE BOARD

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in board lot size of 2,500 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 2,500 Existing Shares to 4,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.015 per Existing Share (equivalent to the theoretical closing price of HK\$0.75 per Consolidated Share) as at the Latest Practicable Date, (i) the value of each existing board lot of Existing Shares is HK\$37.50; (ii) the value of each board lot of 2,500 Consolidated Shares would be HK\$1,875 assuming the Share Consolidation has become effective; and (iii) the estimated value per board lot of 4,000 Consolidated Shares would be HK\$3,000 assuming that the Change in Board Lot Size have become effective.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Under Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities.

Pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 (the “**Guideline**”), the expected board lot value should be greater than HK\$2,000 per board lot taking into account the minimum transaction costs for a securities trade. As at the Latest Practicable Date, the closing price of each Existing Share is HK\$0.015, with a board lot size of 2,500 Existing Shares, the Company is trading under HK\$2,000 per board lot.

The Existing Shares has been constantly traded below HK\$0.5 for the past three years. In order to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes to implement the Share Consolidation. In addition, in view of the current trading price of the Company, in particular the lowest closing price of the Existing Shares during the last 3-month period up to the Latest Practicable Date was HK\$0.012, it is expected that the Share Consolidation, together with the Change in Board Lot Size, will increase the value of each board lot of the Consolidated Shares to more than HK\$2,000.

Therefore, the Board believes the Share Consolidation and the Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

As at the Latest Practicable Date, save as disclosed under section headed “Subscription of New Shares under Specific mandate” below the Company currently (i) does not have any agreement, arrangement, understanding, intention, or negotiation (either concluded or in process) on any potential fundraising activities which will involve issue of equity securities of the Company; and (ii) has no other plan or intention to carry out any future corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Share Consolidation. However, in the event there is any change to the business environment and/or financial position of the Company due to unforeseeable circumstances, and the Company is required to conduct further fund raising exercises when suitable opportunities arise in order to support future development of the Group, the Company will publish further announcement(s) in compliance with the Listing Rules as and when appropriate.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to increase the authorised share capital of the Company from HK\$400,000,000 divided into 40,000,000,000 Existing Shares (or 800,000,000 Consolidated Shares) to HK\$800,000,000 divided into 80,000,000,000 Existing Shares (or 1,600,000,000 Consolidated Shares) by the creation of an additional 40,000,000,000 unissued Existing Shares (or 800,000,000 new Consolidated Shares). The Increase in Authorised Share Capital is subject to the approval of the Shareholders by the passing of an ordinary resolution at the EGM, and the Increase in Authorised Share Capital will become effective on the date of the EGM upon the passing of the relevant ordinary resolution.

In order to accommodate growth of the Group and to provide the Company with greater flexibility to implement the SM Subscriptions, the Board proposes the Increase in Authorised Share Capital. The Board believes the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

The proposed Increase in Authorised Share Capital is subject to the approval of the Shareholders by way of an ordinary resolution at the EGM.

SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

The SM Subscriptions

As disclosed in the Announcement, the Company and each of the SM Subscriber I, SM Subscriber II and SM Subscriber III entered into the SM Subscription Agreement I, SM Subscription Agreement II and SM Subscription Agreement III respectively on 1 November 2023 (after trading hours), pursuant to which each of the SM Subscriber I, SM Subscriber II and SM Subscriber III conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue 80,000,000 SM Subscription Shares I, 80,000,000 SM Subscription Shares II and 40,000,000 SM Subscription Shares III or a total of 200,000,000 SM Subscription Shares at the SM Subscription Price of HK\$0.70 per SM Subscription Share.

LETTER FROM THE BOARD

The SM Subscription Agreements

SM Subscription Agreement I

The principal terms of the SM Subscription Agreement I are set out as follows:

Date : 1 November 2023

Parties : the Company as the issuer; and
the SM Subscriber I as one of subscribers

Pursuant to the terms of the SM Subscription Agreement I, SM Subscriber I will subscribe for a total of 80,000,000 SM Subscription Shares I at the Subscription Price.

The consideration of HK\$56,000,000 payable by SM Subscriber I under the SM Subscription Agreement I will be paid in cash on or before Completion.

SM Subscription Agreement II

The principal terms of the SM Subscription Agreement II are set out as follows:

Date : 1 November 2023

Parties : the Company as the issuer; and
the SM Subscriber II as one of subscribers

Pursuant to the terms of the SM Subscription Agreement II, SM Subscriber II will subscribe for a total of 80,000,000 SM Subscription Shares II at the Subscription Price.

The consideration of HK\$56,000,000 payable by SM Subscriber II under the SM Subscription Agreement II will be paid in cash on or before Completion

SM Subscription Agreement III

The principal terms of the SM Subscription Agreement III are set out as follows:

Date : 1 November 2023

Parties : the Company as the issuer; and
the SM Subscriber III as one of subscribers

Pursuant to the terms of the SM Subscription Agreement III, SM Subscriber III will subscribe for a total of 40,000,000 SM Subscription Shares III at the Subscription Price.

LETTER FROM THE BOARD

The consideration of HK\$28,000,000 payable by SM Subscriber III under the SM Subscription Agreement III will be paid in cash on or before Completion.

The SM Subscription Shares

Upon Completion, the Company shall issue a total of 200,000,000 SM Subscription Shares to the SM Subscribers at the SM Subscription Price of HK\$0.70 per SM Subscription Share. Assuming that there will be no change in the issued share capital of the Company between the Latest Practicable Date and the completion of the SM Subscriptions in full, the 200,000,000 SM Subscription Shares represent (i) approximately 31.41% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 23.90% of the then issued share capital of the Company as enlarged by the allotment and issue of the SM Subscription Shares.

The aggregate nominal value of all the SM Subscription Shares is HK\$100,000,000, and the market value of all the SM Subscription Shares is HK\$130,000,000, based on the theoretical closing price (after taking into account the effect of the Share Consolidation) of HK\$0.65 per Share as quoted on the Stock Exchange on the date of the SM Subscription Agreements.

The SM Subscription Price

The SM Subscription Price represents:

- (1) a premium of approximately 7.69% to the theoretical closing price (after taking into account the effect of the Share Consolidation) of HK\$0.65 per Consolidated Share as quoted on the Stock Exchange on 1 November 2023, being the date of the SM Subscription Agreements;
- (2) a discount of approximately 5.41% to the average theoretical closing prices (after taking into account the effect of the Share Consolidation) of HK\$0.74 per Consolidated Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the SM Subscription Agreements;
- (3) a discount of approximately 6.67% to the theoretical closing price (after taking into account the effect of the Share Consolidation) of HK\$0.75 per Consolidated Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (4) a discount of approximately 96.47% to the unaudited net assets value per Consolidated Share (after taking into account the effect of the Share Consolidation) attributable to equity holders of the Company of approximately HK\$19.83 based on the latest unaudited consolidated net asset value attributable to equity holders of the Company as at 30 June 2023 and the number of Consolidated Shares (after taking into account the effect of the Share Consolidation) in issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

The SM Subscription Price was arrived at after arm's length negotiations between the Company and each of the SM Subscribers with reference to the market condition and the prevailing market price of the Shares. The Directors consider that the SM Subscription Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

The Directors noted that the Subscription Price represents a discount of approximately 96% to NAV per Consolidated Share (after taking into account the effect of the Share Consolidation). However, considering the Shares had been consistently traded at a substantial discount to the net assets value per Share for the last three financial years calculated based on the audited net asset value attributable to Shareholders for the years ended 31 December 2022, 2021 and 2020 and the weighted average number of Shares in issue in the respective years (ranging from a minimum discount of approximately 97.59% to a maximum discount of approximately 98.53%), both the Subscriber and the Company considered that the prevailing market price of the Shares would be a more appropriate reference.

The net SM Subscription Price, after deduction of relevant expenses expected to be incurred in the SM Subscriptions, will be approximately HK\$0.6982 per SM Subscription Share.

Conditions Precedent to the respective SM Subscription Agreements

Completion of each of the SM Subscription Agreements is conditional upon fulfilment of the following Conditions Precedent:

- (1) the Shareholders having passed ordinary resolution(s) to approve (i) the Share Consolidation; (ii) the Increase in Authorised Share Capital; and (iii) the SM Subscription Agreements and the transactions contemplated thereunder (including the Specific Mandate for the issue and allotment of the SM Subscription Shares) at the EGM;
- (2) the Share Consolidation having become effective;
- (3) the Increase in Authorised Share Capital having become effective;
- (4) Listing of and permission to deal (with or without conditions) in the SM Subscription Shares to the respective SM Subscribers being granted by the Listing Committee (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the SM Subscription Shares);
- (5) the Shares remaining listed and traded on the Stock Exchange, and no queries or opposition being received or anticipated to be received from the Stock Exchange on the listing status of the Company;

LETTER FROM THE BOARD

- (6) the parties to each of the SM Subscription Agreements having obtained all necessary consents, approvals and permission (if applicable) from the relevant organization's regulatory bodies, government authorities (including the Stock Exchange and the Securities and Futures Commission (if applicable) as may be required to be obtained in respect of the SM Subscriptions and the transactions contemplated under the respective SM Subscription Agreements;
- (7) the warranties given by the Company under the respective SM Subscription Agreements remaining true, accurate, complete and correct in all material respects and not misleading in any respect up to and including its completion; and
- (8) the warranties given by the respective SM Subscribers under the respective SM Subscription Agreements remaining true, accurate, complete and correct in all material respects and not misleading in any respect up to and including its completion.

For each of the SM Subscription Agreements, save and except for condition precedent (7) which can be waived by the respective SM Subscribers and condition precedent (8) which can be waived by the Company, no other Conditions Precedent can be waived. If the Conditions Precedent is not fulfilled (or waived, if applicable) on or prior to 31 December 2023 or such later date as may be agreed between the Company and the respective SM Subscribers, then the SM Subscriptions shall terminate and none of the parties to the respective SM Subscription Agreements shall have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breaches.

Completion of the SM Subscription Agreements will take place on the 5th Business Day immediately after the date upon which the last of the Conditions Precedent has been satisfied or waived (or such other date to be agreed by the parties to the SM Subscription Agreements).

Each of the SM Subscription Agreements is not inter-conditional upon each other. If any SM Subscription Agreement does not complete for any reason, the other SM Subscription Agreements may still proceed to completion.

As at the Latest Practicable Date, none of the Conditions Precedent to the SM Subscription Agreements has been fulfilled.

Lock up undertaking

Pursuant to the SM Subscription Agreements, each of the SM Subscribers undertakes, among other things, that it will not, at any time during the period of six months following the Completion, dispose of any of the SM Subscription Shares without the prior written consent of the Company.

LETTER FROM THE BOARD

Ranking of SM Subscription Shares

The SM Subscription Shares, when fully paid and allotted and issued, shall be duly authorized and shall rank *pari passu* in all respects with all other existing Shares outstanding on its completion and be entitled to all dividends and distributions the record date for which falls on a date on or after the date of the issue.

Specific Mandate to issue the SM Subscription Shares

The SM Subscription Shares will be allotted and issued pursuant to the Specific Mandate to be obtained at the EGM.

Application for listing

An application will be made to the Listing Committee for the granting of the approval for the listing of, and permission to deal in, the SM Subscription Shares.

INFORMATION OF THE SM SUBSCRIBERS

SM Subscriber I

Sumin Hongkong Limited is company incorporated in Hong Kong with limited liability (“**Sumin HK**”). Sumin HK is directly wholly owned by Jiangsu Non-state-owned Investment Holding Co., Ltd* (江蘇民營投資控股有限公司) (“**Jiangsu Investment**”), a company incorporated under the laws of the PRC, which is principally engaged in the business of equity and debt investments.

Based on the public information available as of the Latest Practicable Date, the Company understands that Jiangsu Investment has a diverse shareholder base with 17 shareholders and is owned as to approximately 28.7% by Wuxi Sumin Lihua Enterprise Management Co., Ltd.* (無錫蘇民利華企業管理有限公司) (“**Sumin Lihua**”), as to approximately 16% by Wuxi Sumin Yuehe Enterprise Management Co., Ltd.* (無錫蘇民悅合企業管理有限公司) (“**Sumin Yuehe**”) and as to approximately 10% by China Minsheng Investment Co., Ltd (中國民生投資股份有限公司), being the three largest shareholders of Jiangsu Investment, and both Sumin Lihua and Sumin Yuehe are wholly-owned by Jiangsu Investment.

Based on the public information available as of the Latest Practicable Date, the Company understands that, Minsheng Investment has 59 shareholders and is owned as to approximately 30% by Beijing Guoxin Baotai Investment Consulting Co., Ltd* (北京國信保泰投資顧問有限公司), (“**Beijing Guoxin**”), being the single largest shareholder of Minsheng Investment.

LETTER FROM THE BOARD

Beijing Guoxin is a company directly wholly-owned by Horgos Guoxin Baotai Venture Capital Co., Ltd.* (霍爾果斯市國信保泰創業投資有限公司), (“**Horgo Guoxin**”). Horgo Guoxin has 50 shareholders and is owned as to approximately 6.1% by Zhongtai Trust Co., Ltd.* (中泰信託有限責任公司) (“**Zhongtai Trust**”), being the single largest shareholder of Horgo Guoxin. Zhongtai Trust also directly owns approximately 4% equity interests in Minsheng Investment.

Zhongtai Trust has 6 shareholders and is owned as to approximately 31.5718% by China Huawen Investment Holding Co., Ltd.* (中國華聞投資控股有限公司) (“**Huawen Investment**”), as to approximately 29.9652% by Shanghai New Huangpu Industrial Group Co., Ltd.* (上海新黃浦實業集團股份有限公司) (“**New Huangpu**”), as to approximately 19.99161% by Guanglian (Nanning) Investment Co., Ltd.* (廣聯(南寧)投資股份有限公司) (“**Guonglian**”) and as to approximately 9.9884% by Beijing Capital International Airport Co., Ltd.* (北京首都機場集團公司) (“**Beijing Airport**”).

Huawen Investment is a company directly wholly-owned by Beijing International Trust Co., Ltd. * (北京國際信託有限公司) (“**Beijing International Trust**”), Beijing International Trust has 10 shareholders and is owned as to approximately 34.3% by Beijing State-owned Assets Management Co.,Ltd.* (北京市國有資產經營有限責任公司) (“**Beijing State-owned**”), and Beijing State-owned is a company directly wholly-owned by Beijing People’s Government (北京市人民政府).

New Huangpu is a joint stock limited company established in the PRC, the shares of which are listed in the Shanghai Stock Exchange (Stock Code: 600683).

Guonglian is in turn indirectly wholly-owned by The People’s Insurance Company (Group) of China Limited (中國人民保險集團股份有限公司), the shares of which are listed on Shanghai Stock Exchange (Stock Code: 601319) and Hong Kong Stock Exchange (Stock Code: 1339).

Beijing Airport is a joint stock limited company established in the PRC, the shares of which are listed in the Hong Kong Stock Exchange (Stock Code: 694).

The other shareholders of Jiangsu Investment include Nanjing Fullshare Dazu Technology Co., Ltd.* (南京豐盛大族科技股份有限公司) and Nanjing Green Goblin Business Management Co., Ltd.* (南京綠魔商業管理有限公司), both are wholly owned subsidiaries of the Company and in aggregate owned 4% of equity interest in Jiangsu Investment.

As at the Latest Practicable Date, Jiangsu Investment is interested in 91,400,000 Shares, representing approximately 0.29% of the issued share capital of the Company. It is expected that Jiangsu Investment (together with SM Subscriber I) will not become a substantial shareholder of the Company immediately upon the Completion.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, save as disclosed above, Sumin HK, Jiangsu Investment and their respective ultimate beneficial owners are Independent Third Parties.

SM Subscriber II

Professor Cai Baochang (蔡寶昌)(“**Professor Cai**”) is an individual investor. Professor Cai has extensive experience in the area of traditional Chinese medicine and was the former vice president of Nanjing University of Chinese Medicine (南京中醫藥大學). Professor Cai currently serves as the chairman of Nanjing Haichang Traditional Chinese Medicine Group* (南京海昌中藥集團), a high-tech enterprise established in June 2008 in the Nanjing National High-Tech Industrial Development Zone* (南京國家級高新技術產業開發區) in cooperation with Nanjing University of Chinese Medicine (南京中醫藥大學) and Nanjing High-tech Economic Development Corporation* (南京高新技術經濟開發總公司).

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the SM Subscriber II is an Independent Third Party.

SM Subscriber III

Mr. Feng Junhuo (馮軍夥)(“**Mr. Feng**”) is an individual investor. He is the controlling shareholder of Nanjing Xingran Technology Co., Ltd.* (南京星燃科技有限公司), a company principally engaged in the housing and municipal infrastructure project construction and engineering. As at the Latest Practicable Date, Mr. Feng is interested in 408,615,000 Shares, representing approximately 1.28% of the issued share capital of the Company. It is expected that Mr. Feng will not become a substantial shareholder of the Company immediately upon the Completion.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the SM Subscriber III is an Independent Third Party.

As at the Latest Practicable Date, save as disclosed above, each of the SM Subscribers does not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

INFORMATION OF THE GROUP

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.

LETTER FROM THE BOARD

REASONS FOR THE SM SUBSCRIPTIONS AND USE OF PROCEEDS

Based on the latest interim report of the Group and the CHS Group for the six months ended 30 June 2023, the Group (excluding CHS Group) has interest bearing loans from financial institutions (“**Financial Institutions**”) in an aggregate principal amount of approximately RMB1,347 million due to be paid within one year, bearing interest rates from approximately 6% per annum to 9% per annum. Taking into account the cash position of the Group (excluding CHS Group) of approximately RMB106 million as at 30 June 2023, the Directors consider that the SM Subscriptions represent a good opportunity to raise additional capital for the Company to repay the Group’s interest bearing loans from Financial Institutions with an aim to lower the interest burden and accommodate the short terms liquidity needs of Group, and thus strengthening the Group’s financial position while broadening the Shareholder base of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider the terms of the SM Subscription Agreements (including the SM Subscription Price) are on normal commercial terms, fair and reasonable and the SM Subscriptions are in the interest of the Company and the Shareholders as a whole.

The gross proceeds raised from the SM Subscriptions will be HK\$140 million, and the net proceeds, after deduction of all relevant expenses, will be approximately HK\$139.63 million, which are intended to be fully used for the repayment of Group’s loan from Financial Institutions.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Financial Institutions and their respective ultimate beneficial owners are Independent Third Parties.

ALTERNATIVE MEANS OF FINANCING

The Directors had considered other fund raising alternatives available to the Group such as debt financing, placing of new shares, rights issues and open offer. The Board considers that debt financing will result in additional interest burden and given the short term debt position of the Group as discussed above, and based on the current financial market conditions in Hong Kong and the PRC, it might be uncertain and time consuming to rely on debt financings.

LETTER FROM THE BOARD

Accordingly, the Directors considers that it is prudent to finance the funding needs of the Group in the form of equity which will not increase the Group's finance costs and gearing level. However, if the Company is to raise funds by way of placing, placing agent commissions and additional costs will need to be incurred. A rights issue or open offer would also cause the Company to incur more transaction costs, including but not limited to additional costs for the preparation of the listing documents, and such corporate exercises would be relatively more time consuming (at least an additional 30 days to complete the fundraising exercise) which may result in the Company being subject to the adverse effects of the current volatile market, thereby increasing uncertainty in being able to raise funds in time (which would depend on market conditions and acceptance level of the Shareholders) and may affect the overall business plan of the Group.

In view of the above, the Directors considered that the SM Subscriptions to be a more preferable financing option for the Group.

The Directors noted that the shareholding interests of the public Shareholders would be diluted by approximately 17 percentage point immediately following Completion. Having considered that (i) the SM Subscriptions are an appropriate means of fundraising for the Company and the reasons for and benefits of the SM Subscriptions as set out above; and (ii) the terms of the SM Subscription Agreements are fair and reasonable; the Directors are of the view that the said level of dilution to the shareholding interests of the public Shareholders is acceptable.

The Board considers the SM Subscription Agreements to be on normal commercial terms and the SM Subscriptions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activity in the past twelve months immediately preceding the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds raised (Approximately) <i>HK\$ million</i>	Intended use of the net proceeds	Actual use of the proceeds
28 July 2023	Subscription of an aggregate of 5,306,000,000 Existing Shares by three independent subscribers under general mandate granted to Directors at the last annual general meeting of the Company held on 30 June 2023 being completed on 19 October 2023	186.5	Repayment of Group's loans and payables	To be used as intended

LETTER FROM THE BOARD

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

The SM Subscriptions do not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the SM Subscriptions is in compliance with Rule 7.27B of the Listing Rules.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 31,838,196,731 Existing Shares in issue. On the assumption that (i) the SM Subscriptions are completed in full; and (ii) there will be no further changes in the issued share capital of the Company between the Latest Practicable Date and the completion of the SM Subscription Agreements save for the SM Subscriptions, the shareholding structure of the Company (1) as at the Latest Practicable Date, (2) immediately upon Share Consolidation becoming effective; and (3) immediately after completion of the SM Subscriptions, are set out below for illustration purposes only:

Shareholders	Shareholding as at the Latest Practicable Date		Shareholding immediately upon the Share Consolidation becoming effective		Shareholding immediately after completion of the SM Subscriptions	
	Number of		Number of		Number of	
	Existing Shares	Approximate %	Consolidated Shares	Approximate %	Consolidated Shares	Approximate %
Magnolia Wealth (Note 1)	7,624,782,954	23.95%	152,495,659	23.95%	152,495,659	18.22%
Mr. Ji	909,510,000	2.86%	18,190,200	2.86%	18,190,200	2.17%
Jiangsu Investment (Note 2)	91,400,000	0.29%	1,828,000	0.29%	1,828,000	0.22%
SM Subscriber I (Note 2)	-	-	-	-	80,000,000	9.56%
SM Subscriber II	-	-	-	-	80,000,000	9.56%
SM Subscriber III	408,615,000	1.28%	8,172,300	1.28%	48,172,300	5.76%
Other public Shareholders	<u>22,803,888,777</u>	<u>71.62%</u>	<u>456,077,775</u>	<u>71.62%</u>	<u>456,077,775</u>	<u>54.51%</u>
Total	<u><u>31,838,196,731</u></u>	<u><u>100%</u></u>	<u><u>636,763,934</u></u>	<u><u>100%</u></u>	<u><u>836,763,934</u></u>	<u><u>100%</u></u>

Note:

- The entire issued share capital of Magnolia Wealth is beneficially owned by Mr. Ji.
- SM Subscriber I is directly wholly-owned by Jiangsu Investment.

GENERAL

None of the Directors has a material interest in the Share Consolidation, the Change in Board Lot Size, the Increase in Authorised Share Capital and the SM Subscriptions and hence no Director was required to abstain from voting on the Board resolutions approving the same.

LETTER FROM THE BOARD

The EGM will be held for the purpose of considering and, if thought fit, approving, among other things, the Share Consolidation, the Increase in Authorised Share Capital, the SM Subscriptions and the transactions contemplated thereunder (including the Specific Mandate).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders has any material interest in the Share Consolidation, the Increase in Authorised Share Capital and the SM Subscriptions and therefore, no Shareholder will be required to abstain from voting on the relevant resolution(s) to approve the Share Consolidation, the Increase in Authorised Share Capital, the SM Subscriptions and the transactions contemplated thereunder (including the Specific Mandate) at the EGM.

The notice of EGM to be held at Conference Room, Unit 2805, Level 28, Admiralty Centre Tower 1, 18 Harcourt Road, Admiralty, Hong Kong on Thursday, 30 November 2023 at 2:00 p.m., is set out on pages EGM-1 to EGM-4 of this circular.

A form of proxy for use at the EGM is also enclosed. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying proxy form to the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of a form of proxy shall not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

All the resolutions set out in the notice of the EGM would be decided by poll in accordance with Rule 13.39(4) of the Listing Rules and the articles of association of the Company.

CLOSURE OF REGISTER OF MEMBERS

For determining Shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 27 November 2023 to Thursday, 30 November 2023 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the EGM, Shareholders must lodge all transfer documents, accompanied by the relevant share certificates, with the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 24 November 2023.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the proposed resolutions in relation to the Share Consolidation and the Increased in Authorised Share Capital to be put forward at the EGM is in the best interests of the Company and the Shareholders as a whole and the Board considers the terms of the SM Subscription Agreements and the transactions contemplated thereunder (including the Specific Mandate) are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole and so recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

RISKS OF DEALING IN SHARES

The Share Consolidation, the Increase in Authorised Share Capital and the SM Subscriptions are conditional upon satisfaction of their respective conditions set out in this circular. Accordingly, the Share Consolidation, the Increase in Authorised Share Capital and the SM Subscriptions may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Yours faithfully,
By order of the Board
Fullshare Holdings Limited
Ji Changqun
Chairman

* *for identification purposes only*

NOTICE OF EGM



Fullshare Holdings Limited

豐盛控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00607)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “EGM”) of Fullshare Holdings Limited (the “Company”) will be held at Conference Room, Unit 2805, Level 28, Admiralty Centre Tower 1, 18 Harcourt Road, Admiralty, Hong Kong on Thursday, 30 November 2023 at 2:00 p.m. for the purpose of consideration, and if thought fit, passing with or without modifications, the following ordinary resolutions:

ORDINARY RESOLUTIONS

1. **THAT** subject to the satisfaction of the conditions set out in the letter from the board under the heading “Conditions of the Share Consolidation” in the circular of the Company dated 13 November 2023 (the “Circular”), with effect from the second business day immediately following the date on which this resolution is passed, being a day on which the shares of the Company are traded on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”):
 - (a) every fifty (50) issued and unissued ordinary shares in the share capital of the Company be consolidated into one (1) consolidated share (each a “Consolidated Share”) (together as the “Share Consolidation”), such Consolidated Shares shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions as contained in the articles of association of the Company;
 - (b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the directors (the “Directors”) of the Company may think fit; and

NOTICE OF EGM

- (c) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents, which are ancillary to the Share Consolidation and of administrative nature, on behalf of the Company, including under seal where applicable, as he/she/they consider necessary, desirable or expedient to give effect to the foregoing arrangements for the Share Consolidation.”
2. “**THAT** conditional upon the passing the resolution numbered 1 set out above:
- (a) the authorised share capital of the Company be and is hereby increased from HK\$400,000,000 divided into 800,000,000 Consolidated Shares to HK\$800,000,000 divided into 1,600,000,000 Consolidated Shares by the creation of an additional 800,000,000 new Consolidated Shares (the “**Increase in Authorised Share Capital**”); and
- (b) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with the implementation of and giving effect to the Increase in the Authorised Share Capital.”
3. “**THAT**
- (a) the conditional subscription agreements entered into between each of Sumin Hongkong Limited, Professor Cai Baochang (蔡寶昌) and Mr. Feng Junhuo (馮軍夥)(collectively, the “**SM Subscribers**”) (as subscribers) and the Company (as issuer) on 1 November 2023 (collectively, the “**SM Subscription Agreements**”) in relation to the subscription of an aggregate of 200,000,000 SM Subscription Shares (as defined in the Circular) at the subscription price of HK\$0.70 per SM Subscription Share (as defined in the Circular), copies of which have been produced to the EGM and initialled by the chairman of the EGM for the purpose of identification, and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the SM Subscription Shares, the allotment and issue of the SM Subscription Shares to the SM Subscribers, the Directors be and are hereby granted a specific mandate to exercise all the powers of the Company to allot and issue the SM Subscription Shares, subject to and in accordance with the terms and conditions set out in the SM Subscription Agreements; and

NOTICE OF EGM

- (c) any one or more Director(s) and he/she/they is/are hereby authorised to do such acts and things, to sign and execute such documents and do all such acts and things which in his/her/their opinion may be necessary, desirable or expedient to carry out or give effect to the SM Subscription Agreements and transactions contemplated thereunder (including the allotment and issue of the SM Subscription Shares pursuant thereto), and to make all relevant applications, registrations and filings with the Stock Exchange or other relevant regulatory authorities, to sign and execute such further documents and to do any other matters incidental thereto and/or as contemplated thereunder.”

By order of the Board
Fullshare Holdings Limited
Ji Changqun
Chairman

Hong Kong, 13 November 2023

Principal Place of Business in Hong Kong:

Unit 2805, Level 28
Admiralty Centre Tower 1
18 Harcourt Road
Admiralty, Hong Kong

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Notes:

1. A member of the Company entitled to attend and vote at the EGM convened by the above notice is entitled to appoint a proxy or, if he is a holder of more than one share, proxies to attend and vote in his stead. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.
2. Where there are joint registered holders of any shares, any one of such persons may vote at the EGM (or at any adjournment of it), either personally or by proxy, in respect of such shares as if he/she/it were solely entitled thereto but the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
3. A proxy form for use at the EGM is enclosed.

NOTICE OF EGM

4. In order to be valid, the completed proxy form must be received by the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong at least 48 hours before the time appointed for holding the EGM or adjourned meeting (as the case may be). If a proxy form is signed by an attorney of a shareholder who is not a corporation, the power of attorney or other authority under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong) must be delivered to the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited, together with the proxy form. In the case of a corporation, the proxy form must either be executed under its common seal or be signed by an officer or attorney or other person duly authorised in writing.
5. For the purpose of determining shareholders' eligibility to attend and vote at the EGM (or at any adjournment of it), the register of members of the Company will be closed from Monday, 27 November 2023 to Thursday, 30 November 2023, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the EGM, all share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited, at the address stated in note 4 above no later than 4:30 p.m. on Friday, 24 November 2023.
6. As set out in the letter from the Board included in the Circular, each of the resolutions set out in this notice should be voted on by poll.
7. The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.
8. The EGM is expected to be concluded within a day. Shareholders (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the EGM shall produce their identity documents.

As at the date of this notice, the executive Directors are Mr. Ji Changqun, Ms. Du Wei, Mr. Shen Chen and Mr. Ge Jinzhu; and the independent non-executive Directors are Mr. Lau Chi Keung, Mr. Tsang Sai Chung and Mr. Huang Shun.