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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 AND CONNECTED TRANSACTION INVOLVING ACQUISITION OF SHARES AND ISSUANCE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

Financial Adviser



BRIDGE PARTNERS CAPITAL LIMITED

THE SALE AND PURCHASE AGREEMENT

On 13 October 2015, the Company and Mr. Ji entered into the Sale and Purchase Agreement whereby, among other things, the Company conditionally agreed to purchase and Mr. Ji conditionally agreed to sell the Sale Shares at the Consideration of HK\$1,042,956,000. The Consideration will be satisfied by the issue of 937,910,000 Consideration Shares by the Company at the issue price of approximately HK\$1.112 per Consideration Share.

LISTING RULES IMPLICATIONS

Since the applicable percentage ratios as defined under the Listing Rules in respect of the Sale and Purchase Agreement are more than 5% but less than 25%, the Sale and Purchase Agreement constitutes a discloseable transaction of the Company and is subject to the announcement requirements under Chapter 14 of the Listing Rules.

Given Mr. Ji is a controlling Shareholder and an executive Director, Mr. Ji is regarded as a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Sale and Purchase Agreement also constitutes a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Ji is a connected person of the Company having a material interest in the Sale and Purchase Agreement, Mr. Ji and his associates will be required under the Listing Rules to abstain from voting on the relevant resolutions at the EGM.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee has been established to make recommendations to the Independent Shareholders regarding the Sale and Purchase Agreement and the transactions contemplated thereunder. Fortune Financial Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder.

DESPATCH OF CIRCULAR

The EGM will be convened for the Shareholders to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) details of the Sale and Purchase Agreement; (ii) a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the EGM, will be despatched to the Shareholders of the Company on or before 4 November 2015.

Since the Completion is subject to the fulfillment of the conditions under the Sale and Purchase Agreement, the transaction thereunder may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE SALE AND PURCHASE AGREEMENT

On 13 October 2015, the Company and Mr. Ji entered into the Sale and Purchase Agreement whereby, among other things, the Company conditionally agreed to purchase and Mr. Ji conditionally agreed to sell the Sale Shares at the Consideration of HK\$1,042,956,000. The Consideration will be satisfied by the issue of 937,910,000 Consideration Shares by the Company at the issue price of HK\$1.112 per Consideration Share. The following is a summary of the principal terms of the Sale and Purchase Agreement:

Date of the Sale and Purchase Agreement:

13 October 2015

Parties:

Purchaser: the Company

Vendor: Mr. Ji

Asset to be acquired:

Pursuant to the Sale and Purchase Agreement, the Company conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company.

Consideration:

Pursuant to the Sale and Purchase Agreement, the Consideration of HK\$1,042,956,000 will be satisfied by the issue of 937,910,000 Consideration Shares by the Company to Mr. Ji at the issue price of approximately HK\$1.112 per Consideration Share upon Completion.

Basis of the Consideration

The Consideration was determined after arm's length negotiations among the Company and Mr. Ji after taking into consideration of the average closing price of the Zall Shares of approximately HK\$3.60 for the 120 trading days immediately preceding the date of this announcement.

The price of HK\$3.60 per Zall Share represents:

- (i) a discount of approximately 23.73% to the closing price of HK\$4.72 per share of Zall Development as quoted on the Stock Exchange on 13 October 2015 (being the date of the Sale and Purchase Agreement);
- (ii) a discount of approximately 26.08% to the closing price of HK\$4.87 per share of Zall Development as quoted on the Stock Exchange on 12 October 2015 (being the last trading day immediately prior to the date of the Sale and Purchase Agreement);
- (iii) a discount of approximately 30.23% to the average closing price per share of Zall Development as quoted on the Stock Exchange of approximately HK\$5.160 for the past five trading days up to and including 12 October 2015 (being the last trading day immediately prior to the date of the Sale and Purchase Agreement); and
- (iv) a discount of approximately 31.22% to the average closing price per share of Zall Development as quoted on the Stock Exchange of approximately HK\$5.234 for the past ten trading days up to and including 12 October 2015 (being the last trading day immediately prior to the date of the Sale and Purchase Agreement).

The Directors consider that the terms and conditions of the Sale and Purchase Agreement, including the Consideration, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Consideration Shares

As at the date of this announcement, the Company has 14,251,480,000 Shares in issue. The 937,910,000 Consideration Shares represent approximately 6.58 % of the existing issued share capital of the Company and approximately 6.17% of the issued share capital as enlarged by the allotment and the issuance of the Consideration Shares (assuming there is no other change to the issued share capital of the Company from the date of this announcement to Completion).

The issue price of HK\$1.112 per Consideration Share represents:

- (i) a discount of 20.00% to the closing price of HK\$1.39 per Share as quoted on the Stock Exchange on 13 October 2015 (being the date of the Sale and Purchase Agreement);
- (ii) a discount of approximately 19.42% to the closing price of HK\$1.38 per Share as quoted on the Stock Exchange on 12 October 2015 (being the last trading day immediately prior to the date of the Sale and Purchase Agreement);
- (iii) a discount of approximately 20.46% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$1.398 for the past five trading days up to and including 12 October 2015 (being the last trading day immediately prior to the date of the Sale and Purchase Agreement); and
- (iv) a discount of approximately 20.29% to the average closing price per Share as quoted on the Stock Exchange of approximately HK\$1.395 for the past ten trading days up to and including 12 October 2015 (being the last trading day immediately prior to the date of the Sale and Purchase Agreement).

The Consideration Shares are to be issued by the Company under the specific mandate to be sought from the Independent Shareholders at the EGM. The Consideration Shares, when issued, will rank pari passu in all respects with the existing Shares then in issue.

The aggregate nominal value of the Consideration Shares is approximately HK\$9,379,100. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Sale Shares:

There is no restriction on disposal of the Sale Shares by the Company under the Sale and Purchase Agreement.

Conditions precedent of the Sale and Purchase Agreement:

The Completion is conditional upon:

- (a) the warranties given by Mr. Ji under the Sale and Purchase Agreement remaining true and accurate and not misleading in all material respects;
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange;
- (c) all necessary consents or approvals (including but not limited to any consents or approvals from government authority, regulatory authority, the Stock Exchange) in connection with the transaction contemplated under the Sale and Purchase Agreement having been obtained;
- (d) the passing of resolution(s) by the Independent Shareholders at the EGM approving the Sale and Purchase Agreement, the allotment and issue of the Consideration Shares and the transactions contemplated thereunder; and
- (e) the listing status of the Company on the Stock Exchange not having been revoked or withdrawn at any time prior to the Completion, the Shares remaining listed and traded on the Stock Exchange at all times from the date of the Sale and Purchase Agreement to the date of Completion, save for any temporary suspension not exceeding 15 consecutive trading days or for the suspension for the purpose of clearing the announcements in relation to the Sale and Purchase Agreement and the transactions contemplated hereunder, or such longer period as the parties may agree in writing, and no indication being received on or before the Completion Date from the Stock Exchange to the effect that the listing of the Consideration Shares may be withdrawn or objected to, including but not limited to as a result of the Completion or in connection with the terms of the Sale and Purchase Agreement or transactions contemplated under the Sale and Purchase Agreement or for any reason.

None of the Conditions which concern the obtaining of the approval, waiver or consent of the Stock Exchange can be waived by the parties. The Company may at any time waive in whole or in part and conditionally or unconditionally the above-mentioned condition (a).

In the event that not all the conditions have been fulfilled or, as the case may be, waived by 31 March 2016 (or such later date as the parties to Sale and Purchase Agreement may agree in writing), the Sale and Purchase Agreement will be automatically terminated and be of no further effect, and the parties shall be released from all obligations under the Sale and Purchase Agreement and neither party shall have any claim against the other for any costs or losses save in respect of any antecedent breaches of the Sale and Purchase Agreement.

Completion of the Sale and Purchase Agreement

The completion of the Sale and Purchase Agreement is expected to take place on the fifth Business Day or such other day as may be agreed by the parties hereto after the date on which all of the conditions precedent shall have been satisfied.

SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no other change in the shareholding structure of the Company from the date of this announcement to the date of the issuance of the Consideration Shares, the following table sets out the shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Sale and Purchase Agreement and the issue of the Consideration Shares:

| Name of Shareholder | As at the date of this announcement | | Immediately after completion of the Sale and Purchase Agreement and the issue of the Consideration Shares | |
|--|-------------------------------------|--------------------------------------|---|--------------------------------------|
| | <i>Number of Shares</i> | <i>Approximate % of Shareholding</i> | <i>Number of Shares</i> | <i>Approximate % of Shareholding</i> |
| Magnolia Wealth International Limited ⁽¹⁾ | 9,188,860,454 | 64.48% | 9,188,860,454 | 60.50% |
| Zall Development (HK) Holding Company Limited | 681,480,000 | 4.78% | 681,480,000 | 4.49% |
| Mr. Shi Zhiqiang ⁽²⁾ | 2,780,000 | 0.02% | 2,780,000 | 0.02% |
| Mr. Wang Bo ⁽²⁾ | 6,000,000 | 0.04% | 6,000,000 | 0.04% |
| Mr. Ji ⁽²⁾ | 0 | 0% | 937,910,000 | 6.17% |
| Sub-Total (non-public Shareholders) | 9,879,120,454 | 69.32% | 10,817,030,454 | 71.22% |
| Public Shareholders | <u>4,372,359,546</u> | <u>30.68%</u> | <u>4,372,359,546</u> | <u>28.78%</u> |
| Total: | <u><u>14,251,480,000</u></u> | <u><u>100%</u></u> | <u><u>15,189,390,000</u></u> | <u><u>100%</u></u> |

Note:

1. The entire issued share capital of Magnolia Wealth International Limited is beneficially owned by Mr. Ji.
2. Mr. Ji, Mr. Shi Zhiqiang and Mr. Wang Bo are the executive Directors.

GENERAL INFORMATION

Information of the Group and the Company

The principal business activity of the Company is investment holding. The Group is principally engaged in property development, provision of green building services and investment.

Information of the Target Company and Zall Development

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability on 28 November 2012. The principal asset of the Target Company is the Zall Shares, being 289,710,000 shares of Zall Development, representing approximately 8.15% of the issued share capital of Zall Development as at the date of the Sale and Purchase Agreement.

Mr. Ji is the sole shareholder and director of the Target Company.

For the period from its incorporation to 31 December 2013 and the year ended 31 December 2014, the Target Company had a net loss of approximately HK\$5,019,000 and a net profit HK\$37,000 respectively.

The total asset and the net asset of the Target Company as at 30 September 2015 were approximately HK\$1,764,909,000 and HK\$773,213,000 respectively. The original acquisition cost of the Zall Shares to the Target Company was approximately HK\$783,404,000.

Zall Development is a company incorporated in the Cayman Islands whose shares are listed and traded on the Main Board of the Stock Exchange. The core business of Zall Development and its group companies is the development and operation of the integrated wholesale trading platforms supported with logistics and warehousing, e-commerce and financial services.

Set out below is the audited financial information of Zall Development for the two financial years ended 31 December 2013 and 2014, as extracted from the published audited results of Zall Development:

| | For the financial year ended 31 December 2014 (RMB'000) (audited) | For the financial year ended 31 December 2013 (RMB'000) (audited) |
|-----------------------------|--|--|
| Net profits before taxation | 2,757,856 | 2,547,287 |
| Net profits after taxation | 1,610,724 | 1,629,020 |
| | As at 31 December 2014 (RMB'000) | As at 31 December 2013 (RMB'000) |
| Net assets | 8,562,140 | 6,889,154 |

Reasons for and benefit of the Sale and Purchase Agreement

The Group was principally engaged in the property development and provision of green building services. During the six months ended 30 June 2015, the Group commenced to engage in a new business segment in investment by dealing with a variety of financial products for strategic investment purpose including but not limited to listed and unlisted securities, bonds, funds, derivatives, structured and other treasury products. The Directors consider that the entering into the Sale and Purchase Agreement is in line with the investment strategy of the Group.

In addition, the Directors consider that it is in the interest of the Company and its Shareholders as a whole to retain more cash for general working capital and future business expansion of the Group after the completion of the Sale and Purchase Agreement and the allotment and issuance of the Consideration Shares. To settle the Consideration in full by the issue of Consideration Shares allows the Group to complete the Sale and Purchase Agreement without any cash outlay.

The Directors (excluding (i) Mr. Ji who have abstained from voting; and (ii) the independent non-executive Directors whose views will be provided after taking into account of the opinion and advice from the Independent Financial Adviser) consider that the terms of the Sale and Purchase Agreement 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 applicable percentage ratios as defined under the Listing Rules in respect of the Sale and Purchase Agreement are more than 5% but less than 25%, the Sale and Purchase Agreement constitutes a discloseable transaction of the Company and is subject to the announcement requirements under Chapter 14 of the Listing Rules.

Given Mr. Ji is a controlling Shareholder and an executive Director, Mr. Ji is regarded as a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Sale and Purchase Agreement also constitutes a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Ji is a connected person of the Company having a material interest in the Sale and Purchase Agreement, Mr. Ji and his associates will be required under the Listing Rules to abstain from voting on the relevant resolutions at the EGM.

Mr. Ji has abstained from voting on the board resolutions of the Company in relation to the Sale and Purchase Agreement.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee has been established to make recommendations to the Independent Shareholders regarding the Sale and Purchase Agreement and the transactions contemplated thereunder. Fortune Financial Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder.

DESPATCH OF CIRCULAR

The EGM will be convened for the Shareholders to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. A circular containing, among other things, (i) details of the Sale and Purchase Agreement; (ii) a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the EGM, will be despatched to the Shareholders of the Company on or before 4 November 2015.

Shareholders and potential investors should note that since the Sale and Purchase Agreement is subject to the fulfillment of a number of conditions precedent, it may or may not proceed to completion. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

| | |
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| “Board” | the board of Directors |
| “Business Day” | any day (excluding Saturdays, Sundays and public holidays in Hong Kong) on which licensed banks generally are open for business in Hong Kong |
| “Company” | Fullshare Holdings Limited 豐盛控股有限公司, a company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on the Main Board of the Stock Exchange |
| “Completion” | the completion of the Sale and Purchase Agreement in accordance with its terms and conditions |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |

| | |
|---------------------------------|--|
| “Consideration” | the consideration to the acquisition of the Sale Shares |
| “Consideration Shares” | 937,910,000 Shares to be allotted and issued to Mr. Ji (or his nominee(s)) at the issue price of approximately HK\$1.112 each upon Completion in consideration of the acquisition of the Sale Shares |
| “Director(s)” | the director(s) of the Company |
| “EGM” | the extraordinary general meeting of the Company to be convened for the purpose of, among other things, approving the Sale and Purchase Agreement and the allotment and issue of the Consideration Shares, the notice of which will be contained in a circular to be despatched to the Shareholders |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Board Committee” | an independent committee of the Board comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders on the Sale and Purchase Agreement and the transactions contemplated thereunder |
| “Independent Financial Adviser” | Fortune Financial Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder |
| “Independent Shareholders” | the Shareholders (other than Mr. Ji and his associates) who are not required to abstain from voting at the EGM |
| “Independent Third Party(ies)” | the third party(ies) independent of the Company and its connected persons and are not connected persons (as defined in the Listing Rules) of the Company |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Mr. Ji” | Mr. Ji Changqun, the Chairman of the Board and an executive Director |

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| “PRC” | the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Sale and Purchase Agreement” | the sale and purchase agreement dated 13 October 2015 entered into between Mr. Ji and the Company in relation to the sale and purchase of the Sale Shares and the allotment and issuance of the Consideration Shares |
| “Sale Shares” | 50,000 shares of the Target Company legally and beneficially owned by the Mr. Ji, representing the entire issued share capital of the Target Company |
| “Share(s)” | the ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholders” | the holders of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Rich Unicorn Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which as at the date of this Announcement is wholly owned by Mr. Ji |
| “Zall Development” | Zall Development Group Ltd., a company incorporated in the Cayman Islands whose shares are listed and traded on the Main Board of The Stock Exchange (Stock Code: 2098) |
| “Zall Shares” | <p>289,710,000 shares of Zall Development, representing approximately 8.15% of the issued share capital of Zall Development as of the date of the Announcement. If and to the extent that the Zall Shares have been converted, subdivided, consolidated, redeemed or event similar to any of the foregoing, the Zall Share shall have the following meaning:</p> <ul style="list-style-type: none"> (a) in case of conversion, subdivision or consolidation, the securities into which the Zall Shares have been converted, subdivided or consolidated; (b) in case of redemption, a sum of money equivalent to the proceeds of the redemption; and (c) in case of any event similar to any of the foregoing, the Zall Shares together with or replaced by a sum of money or securities equivalent to that received in respect of such securities resulting from such event |

“%”

per cent

By order of the Board
Fullshare Holdings Limited
JI Changqun
Chairman

Hong Kong, 13 October 2015

As at the date of this announcement, the executive Directors are Mr. JI Changqun (Chairman), Mr. SHI Zhiqiang, Mr. WANG Bo and Mr. FANG Jian; the non-executive Directors are Mr. Eddie HURIP and Mr. CHEN Minrui; and the independent non-executive Directors are Mr. LAU Chi Keung, Mr. CHOW Siu Lui and Mr. TSANG Sai Chung.