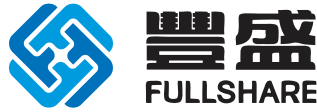


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## **Fullshare Holdings Limited**

### **豐盛控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00607)**

## **DISCLOSEABLE TRANSACTION**

### **THE ACQUISITION**

The Board wishes to announce that, on 12 August 2016, the Purchaser (being a wholly-owned subsidiary of the Company) and the Vendor entered into the Equity Transfer Agreement, pursuant to which the Purchaser has agreed to purchase and the Vendor has agreed to sell the Sale Interest at the Consideration (being a total of RMB17.5 million). On the same day, the Purchaser, the Vendor and Nanjing Construction also entered into the JV Agreement Confirmation, pursuant to which Nanjing Construction agreed to the Vendor assigning all of the rights and obligations of the Vendor under the Pre-Acquisition JV Agreement to the Purchaser.

The Sale Interest represents 35% of the total equity interests in the Target. According to the business licence of the Target, the Target is principally engaged in property development and operation, construction and design, property renovation, venue leasing and property management, which, upon Completion, shall be held as to 65% by Nanjing Construction and as to 35% by the Purchaser. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendor and Nanjing Construction is a third party independent of the Group and its connected persons.

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

# THE EQUITY TRANSFER AGREEMENT

## Date

12 August 2016

## Parties

- (i) the Purchaser, a wholly owned subsidiary of the Company
- (ii) the Vendor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and the ultimate beneficial owners of the Vendor are third parties independent of the Group and its connected persons. According to the Vendor, it is principally engaged in sales of building materials and household appliances, properties management, investment and assets management.

## Assets to be acquired

The Sale Interest, representing 35% of the total equity interests in the Target. As at the date of this announcement, the Target has a registered capital of RMB50 million, of which 65% is held by Nanjing Construction and 35% is held by the Vendor.

## Consideration

The Consideration is RMB17.5 million. The Consideration shall be payable by the Purchaser to the Vendor in cash within 20 Business Days after Completion. Payment of Consideration will be funded by its internal resources.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the registered capital contributed by the Vendor. The Board is of the view that the Consideration is fair and reasonable.

## Completion

Completion is not subject to any conditions precedent.

Parties to the Equity Transfer Agreement shall attend to the transfer registration procedures with the relevant governmental authorities within 20 Business Days after the date of the Equity Transfer Agreement.

Completion shall mean the day on which the newly updated business licence of the Target is obtained (the "Completion").

## Other terms

The Vendor shall, prior to Completion, provide to the Purchaser a written confirmation executed by the Target confirming the Target's acceptance to the terms of the Equity Transfer Agreement.

The Purchaser shall pay its share of the Initial Development Costs (as defined below) paid by the Vendor before Completion to the Vendor within 30 Business Days of the parties confirming such sum paid.

# THE JV AGREEMENT CONFIRMATION

## Date

12 August 2016

## Parties

- (i) the Vendor
- (ii) Nanjing Construction
- (iii) the Purchaser

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Nanjing Construction and the ultimate beneficial owners of Nanjing Construction are third parties independent of the Group and its connected persons. According to Nanjing Construction, it is principally engaged in property development, property sales, municipal engineering, land development, construction, housing repair and venue leasing.

## Purpose of entering into the JV Agreement Confirmation

The Purchaser, the Vendor and Nanjing Construction entered into the JV Agreement Confirmation, pursuant to which Nanjing Construction agreed to the Vendor assigning all of the rights and obligations of the Vendor under the Pre-Acquisition JV Agreement to the Purchaser.

## INFORMATION ON THE TARGET

The Target was established on 20 June 2016. According to the business licence of the Target, the Target is principally engaged in property development and operation, construction and design, property renovation, venue leasing and property management. Set out below are the principal terms of the JV Agreement:

### Corporate information and business scope of the Target

- |                        |   |   |
|------------------------|---|---|
| Place of establishment | : | PRC   |
| Purpose                | : | To develop a parcel of land situated on the West of Tianlongsi Station, Yu Hua Tai District, Nanjing, PRC (Land Lot No. 2015G54) (the " <b>Land Parcel</b> "), with site area of 46,550.22 sq.m. (the " <b>Project</b> ") |

## Registered capital and capital contribution post-Acquisition

Pursuant to the JV Agreement, the registered capital of the JV is RMB50 million. Upon Completion, the respective contributions made by each of the JV Parties to the registered capital of the Target will be as follows:

JV Parties	Form of contribution	Amount (RMB)	Equity Interests in the Target
Nanjing Construction	Cash	32,500,000	65%
Purchaser	Cash	17,500,000	35%
	<b>Total:</b>	<b>50,000,000</b>	<b>100%</b>

Pursuant to the JV Agreement, the total investment amount for the Project shall be RMB2 billion.

## The Land Parcel

On 8 December 2015, Nanjing Construction entered into a state-owned land use right transfer agreement with the Nanjing Municipal Bureau of Land and Resources. Nanjing Construction made contributions to the relevant costs of the initial development of the Project (including the land costs and relevant taxes, construction costs for the initial stage of the Project, fees related to the development and relevant capital interests) (“**Initial Development Costs**”). Pursuant to the JV Agreement, the Purchaser shall pay its share of Initial Development Costs in an amount of not less than RMB129,923,456 to the Target in proportion to its equity interests in the Target. Upon such payment, Nanjing Construction shall, within 7 Business Days, make a written application to Nanjing Municipal Bureau Land and Resources for the transferee of the land use right of the Project to be changed to the Target. As at the date of this announcement, the Purchaser’s share of Initial Development Costs has not been paid.

## The Project

The development plan of the Land Parcel will be determined by the JV Parties, with an initial plan to construct an overground commercial building consisted of three floors with approximately 40,000 sq.m.

## Sale and purchase of completed units

In the event that the Project involves construction of an overground commercial building (the “**Overground Commercial Building**”), the Purchaser shall enjoy pre-emptive rights in the purchase of the Overground Commercial Building on the same terms as those offered to the public according to market valuation. In the event the Overground Commercial Building cannot be sold within 6 months after obtaining the pre-sale permit, the Purchaser undertakes to purchase the same at the consideration calculated at the construction costs plus 15% premium. Construction costs shall include construction and installation costs, land costs, initial costs, administration costs, finance costs, taxation and other costs related to the construction of such an Overground Commercial Building. The Purchaser will undergo internal approval processes (such as to obtain board and shareholders’ approval) before fulfilling its obligation to purchase the unsold Overground Commercial Building at the construction costs plus 15% premium.

In the event that the Project involves construction of office premises, Nanjing Construction shall enjoy pre-emptive rights in the purchase of approximately 20,000 sq.m thereof (the “**Office Premises**”) on the same terms as those offered to the public according to market valuation. In the event the Office Premises cannot be sold within 6 months after obtaining the pre-sale permit, Nanjing Construction undertakes it shall purchase the same at the consideration calculated at the construction costs plus 15% premium. Construction costs shall include construction and installation costs, land costs, initial costs, administration costs, finance costs, taxation and other costs related to the construction of such an Overground Commercial Building.

### **Term**

The Target shall have a term of 10 years from the date of issue of its business licence (the “**JV Term**”).

If the Project is not completed before the expiry of the JV Term or the parties have agreed to continue and extend the JV Term, subject to shareholders’ resolutions, the parties may file relevant changes with the Industry and Commerce Administration Bureau six months before the expiry of the JV Term.

### **Operation and board composition**

The board of directors of the Target shall comprise of five directors. Nanjing Construction shall have the right to nominate three directors, one of which shall be the chairman of the board. The Purchaser shall have the right to nominate two directors.

In addition to exercising the voting rights as a shareholder, its right to appoint directors and supervisors in accordance with the JV Agreement, the Purchaser shall be entitled to appoint a representative to participate in management of certain matters. The daily management of the Target, however, will be fully delegated to the representatives appointed by Nanjing Construction. The Purchaser, as a financial investor shall not be entitled to appoint any further personnel to the Target. The Purchaser will not participate in the operation and management of the Target. Nanjing Construction shall be responsible for all the development operation and management of the Project.

### **Profit and loss sharing**

The JV Parties will be entitled to share the profits and bear the risks of the Target in proportion of their equity interests in the Target. If either JV Party makes a financing contribution on a ratio disproportionate to its respective equity interests in the Target, with the consent of the other party, the profits of the Project may be distributed according to the actual ratio on which the financing contribution is made or any other ratio as agreed by the JV Parties.

### **Pre-emptive rights**

Each of the JV Parties may transfer its equity interests in the Target to any third party subject to the consent or pre-emptive rights of the other JV Party.

## **Financing**

In addition to the contributions to the registered capital and the Initial Development Costs paid by the JV Parties, the Target shall be entitled to demand funding from the JV Parties in the event of additional capital requirement for development. Each of the JV Parties shall provide the requested capital in proportion to their respective equity interests in the Target within the timeframe as agreed unanimously in the shareholders' meeting.

## **Termination**

Failure to provide additional funding as set out in the paragraph headed "Financing" above within 7 Business Days will be deemed as a breach of the JV Agreement. The non-defaulting party shall have the right to terminate the JV Agreement and acquire all the equity interests in the Target held by the defaulting party. In such event, despite termination of the JV Agreement, the defaulting party shall continue to be obliged to undertake the purchase as set out in the paragraph headed "Sale and purchase of completed units" above. The non-defaulting party is also entitled to provide the additional funding on behalf of the defaulting party (the "**Advancement**"). The Advancement shall carry a 9% rate of interest per annum. Should the bank lending interest rate benchmark of the current year reaches or exceeds 7%, the Advancement shall follow such interest rate benchmark plus 50% thereon.

The JV Agreement can be terminated by mutual agreement. If either of the JV Party does not fulfil its obligations under the JV Agreement for more than 7 Business Days, the non-defaulting party shall have the right to terminate the JV Agreement, as well as to make a claim for damages for the loss suffered as a result of such default. Upon the receipt of the notice of termination, the non-defaulting party has the right to demand the defaulting party to pay penalty fees of RMB20,000 per day until the registration with the Industry and Commerce Administration Bureau is fully completed. The JV Agreement will also be terminated in the case where the Target is dissolved.

## **Financial information of the Target**

As informed by the Vendor, the unaudited financial information of the Target for the period from 20 June 2016 (being the date of establishment) to 31 July 2016 prepared in accordance with the generally accepted accounting principles in the PRC, is set out as follows:

	<b>For the period from 20 June 2016 (date of establishment to 31 July 2016 (RMB) unaudited</b>
Net loss before taxation	(69,762)
Net loss after taxation	(69,762)



“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday, a bank holiday or a public holiday) on which general enterprises are generally open for business in the PRC
“Company”	Fullshare Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board
“Completion”	completion of the Acquisition
“connected person”	has the meaning ascribed to it in Rule 1.01 and as extended under Rule 14A.11 of the Listing Rules
“Consideration”	RMB17.5 million, being the aggregate consideration payable for the Acquisition by the Purchaser to the Vendor
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 12 August 2016 entered into among the Vendor and the Purchaser in respect of the Acquisition
“Group”	the Company and its subsidiaries
“JV Agreement”	the Pre-Acquisition JV Agreement, as amended by the JV Agreement Confirmation
“JV Agreement Confirmation”	the confirmation to the Pre-Acquisition JV Agreement, entered into between the Vendor, Nanjing Construction and the Purchaser on 12 August 2016
“JV Parties”	Nanjing Construction and the Purchaser, each a JV Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“Nanjing Construction”	南京建設發展集團有限公司 (Nanjing Construction Development Group Company Limited*), a company established in the PRC and holds 65% of the total equity interests in the Target
“PRC”	the People’s Republic of China (which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)



“Pre-Acquisition JV Agreement”	the joint venture agreement dated 26 April 2016 entered into between the Vendor and Nanjing Construction in relation to the establishment of the Target
“Purchaser”	南京豐盛大族科技股份有限公司 (Nanjing Fullshare Dazhu Technology Company Limited*), a company established in the PRC with limited liability and a subsidiary of the Company
“Sale Interest”	35% of the total equity interests in the Target
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“sq.m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	南京建盛房地產開發有限公司 (Nanjing Jiansheng Real Estate Development Company Limited*), a company established in the PRC on 20 June 2016
“Vendor”	南京中閩實業投資發展有限公司 (Nanjing Zhonghe Shiye Investment Development Company Limited*), a company established in the PRC with limited liability, the legal and beneficial owner of 35% of the registered capital of the Target
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

On behalf of the Board  
**Fullshare Holdings Limited**  
**Ji Changqun**  
*Chairman*

Hong Kong, 12 August 2016

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

\* For identification only