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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 registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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 or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of Fullshare Holdings Limited.



Fullshare Holdings Limited

豐盛控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00607)

**ISSUE OF NOTES UNDER SPECIFIC MANDATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the Extraordinary General Meeting of Fullshare Holdings Limited to be held at Unit 2526, Level 25, Admiralty Centre Tower 1, 18 Harcourt Road, Admiralty, Hong Kong on 18 October 2016 at 3:00 p.m. is set out in the Appendix to this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy 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 the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

29 September 2016

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DEFINITIONS

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

“Alternative Stock Exchange”	at any time where the Shares are not listed and traded on the Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed, quoted or dealt in;
“Announcement”	the announcement of the Company dated 7 September 2016 relating to, among other things, the Subscription Agreement, the Note Issue and the proposed grant of the Specific Mandate;
“Board”	the board of directors of the Company;
“business day”	a day (other than a Saturday or Sunday) on which commercial banks are open for business in Hong Kong
“Cash Account”	the cash account opened with Macquarie Bank Limited for receiving and holding the net subscription moneys of the Notes;
“Closing Date”	the fifth business day after the CP Satisfaction Date. This will not be later than 9 December 2016;
“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;
“connected person(s)”	has the meaning ascribed to it in Rule 1.01 and as extended under 14A.11 of the Listing Rules;
“Conversion Date”	the conversion date in respect of a Note on which a Noteholder submits an irrevocable notice of conversion to the Company;
“Conversion Notice”	a duly completed and signed notice of conversion;
“Conversion Period”	the period from and including the Issue Date to the close of business on the date falling one day prior to the Maturity Date, or, if a Note has been called for redemption by the Company before the Maturity Date, then the period from and including the Issue Date up to and including the close of business on the date no later than seven business days prior to the date fixed for redemption of the Note;

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“Conversion Price”	the price at which Shares will be issued upon exercise of a Conversion Right being 95% of the Volume Weighted Average Price of the Shares as traded on the Stock Exchange (or Alternative Stock Exchange) on the Trading Day immediately preceding the Conversion Date;
“Conversion Right”	the entitlement of each Noteholder to convert a Note into New Shares credited as fully paid at any time during the Conversion Period;
“CP Satisfaction Date”	the date on which all conditions precedent under the Subscription Agreement are satisfied;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be held at Unit 2526, Level 25, Admiralty Centre Tower 1, 18 Harcourt Road, Admiralty, Hong Kong on 18 October 2016 at 3:00 p.m., notice of which is set out in the Appendix to this circular;
“Floor Price”	the minimum Conversion Price, being initially HK\$3.00, subject to adjustments;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party”	a party who is independent of the Company and its connected persons and is not a connected person of the Company;
“Issue Date”	the date on which a sub-tranche of Notes are issued as specified in the relevant pricing supplement for that sub-tranche of Notes;
“Issue Price”	99 per cent. of the principal amount of the Notes;
“Latest Practicable Date”	26 September 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Market Disruption Trading Day”	<p>a Trading Day on which any of the following is satisfied or occurs:</p> <ul style="list-style-type: none">(a) the spot trading price of the Shares during such Trading Day is at any time less than 110% of the Floor Price;(b) the spot trading price of the Shares during such Trading Day has at any time decreased by 15% or more from the closing price of the Shares on the immediately preceding Trading Day; or(c) the total value of the Shares traded on-market on such Trading Day is less than HK\$24,000,000; <p>The daily value of Shares traded on-market is a component of the Committed Conversion Period definition. If all the conditions of a Committed Conversion Period are satisfied, the Subscriber may be obliged to subscribe for further Notes. The average daily value of the Company’s shares traded on-market over the 6 month period ended on 7 September 2016 was HK\$62,259,791 (“6 Month Daily Value”). As the 6 Month Daily Value represented 259.41% of the agreed value of Shares traded on-market as set out in the definition of Committed Conversion Period in the Subscription Agreement, the Company believed it was a reasonable condition that, based on historical trading values, may be likely to be satisfied.</p>
“Maturity Date”	the first anniversary of the Closing Date;
“Maximum Number of Shares”	the maximum total number of Shares to be issued pursuant to the exercise of conversion rights attached to the Notes which shall be 116,667,500 Shares, subject to adjustment;
“Mr. Ji”	Mr. Ji Changqun, the Chairman of the Board, Chief Executive Officer and executive Director of the Company;
“New Share(s)”	the Shares to be issued on conversion of the Notes;
“Note(s)”	the zero coupon convertible notes in principal amount of HK\$350,000,000 due 2017 to be issued in five sub-tranches, each sub-tranche in an aggregate principal amount of HK\$70,000,000;

DEFINITIONS

“Noteholder(s)”	the person in whose name a Note is registered;
“Note Issue”	the subscription and issue of the Notes;
“Qualified Trading Day”	<p>a Trading Day where all of the following requirements are satisfied:</p> <ul style="list-style-type: none">(i) the spot trading price of the Shares during such Trading Day is at all times more than 110% of the Floor Price;(ii) the spot trading price of the Shares during such Trading Day has at all times not decreased by 10% or more from the closing price of the Shares on the immediately preceding Trading Day;(iii) there are no Notes that have been converted, for which the New Shares on conversion of such Notes have not been delivered in accordance with the terms and conditions of the Notes (provided that this shall not apply if the Company or a Shareholder has agreed to lend, and the Subscriber has agreed to borrow, the New Shares on conversion of such Notes pursuant to the relevant stock borrowing and lending terms in line with the market practice);(iv) the total value of the Shares traded on-market on such Trading Day is more than HK\$24,000,000. For the avoidance of doubt, the total value of the Shares traded on-market does not include block trades or direct transactions;(v) the Subscriber does not know any material non-public information as of such Trading Day;(vi) the Subscriber is not prevented from exercising its right of conversion due to regulatory reasons, including, without limitation to, any Restriction Period (being any period of time specified in Rule A3 of Appendix 10 to the Listing Rules);(vii) all of the Company’s representations and warranties as set out in the Subscription Agreement remain true, accurate and correct, and the Subscriber has no reasonable reason to believe otherwise; and(viii) no Event of Default has occurred and is continuing;

DEFINITIONS

“Shares”	the ordinary shares of par value of HK\$0.01 each of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Specific Mandate”	the specific mandate to be sought for Shareholders at the EGM to approve the issue of the Notes and the allotment of the New Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Macquarie Bank Limited, a company incorporated under the laws of Australia;
“Subscription Agreement”	the subscription agreement entered into between the Company and the Subscriber on 7 September 2016 in relation to the Notes;
“Trading Days”	a day when the Stock Exchange, or as the case may be, an Alternative Stock Exchange, is open for dealing business, provided that if no closing price is reported for one or more consecutive dealing days, such day(s) will be disregarded in any relevant calculation and be deemed to not have been a dealing day when ascertaining any period of dealing days;
“Volume Weighted Average Price”	in respect of the Shares on a Trading Day, as determined by Macquarie Bank Limited (as the “ Calculation Agent ”) with reference only to trading within the regular trading session of the Stock Exchange (or Alternative Stock Exchange) as published by Bloomberg at 5.00pm (Hong Kong time) on the relevant Trading Day on the Bloomberg page “VWAP” as determined by the Calculation Agent by selecting from the respective dropdown menus stated in the Subscription Agreement. Or, if such a price is not reported for any reason or is, in the Calculation Agent’s reasonable discretion erroneous, as reasonably determined by the Calculation Agent who is expected to consult with the Company with respect to such determination;
“%”	per cent.

LETTER FROM THE BOARD OF DIRECTORS



Fullshare Holdings Limited

豐盛控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00607)

Executive Directors:

Mr. Ji Changqun (*Chairman*)

Mr. Shi Zhiqiang

Mr. Wang Bo

Non-executive Director:

Mr. Eddie Hurip

Independent Non-Executive Directors:

Mr. Lau Chi Keung

Mr. Chow Siu Lui

Mr. Tsang Sai Chung

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal Place of

Business in Hong Kong:

Unit 2526, Level 25

Tower One, Admiralty Centre

18 Harcourt Road, Admiralty

Hong Kong

29 September 2016

To the Shareholders,

ISSUE OF NOTES UNDER SPECIFIC MANDATE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement.

The purpose of this circular is to provide the Shareholders with (i) information regarding the Subscription Agreement and the Specific Mandate which are the subject matters to be put forward to the Shareholders for the purpose of considering, and, if thought fit, passing the ordinary resolution at the EGM relating to the approval of the Subscription Agreement, the Note Issue and the Specific Mandate; and (ii) the notice of the EGM.

LETTER FROM THE BOARD OF DIRECTORS

THE SUBSCRIPTION AGREEMENT

Date: 7 September 2016 (after trading hours)

Parties: (i) the Company; and
(ii) the Subscriber

Subject matter: Pursuant to the Subscription Agreement, the Company has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe for the Notes in an aggregate amount of HK\$350,000,000 at the Issue Price. The Notes will comprise five sub-tranches. Each sub-tranche will be in an aggregate principal amount of HK\$70,000,000.

The first sub-tranche will be issued on the Closing Date which will be no later than 9 December 2016. The issuance of any Notes will occur within one year from the Closing Date, but not all five sub-tranches may be issued.

All Notes issued will either be converted or redeemed on or before the Maturity Date (which will be at its latest, 9 December 2017). If less than five sub-tranches are issued, only those issued Notes will be converted or redeemed.

Provided that in the opinion of the Subscriber (in its capacity as calculation agent) that no event of default or no event allowing early redemption has occurred, the Company is obliged to issue and the Subscriber is obliged to subscribe and pay for, within 5 Trading Days after conversion of all Notes of the immediately preceding sub-tranche, the next succeeding sub-tranche of Notes. The Subscriber has the right to subscribe and pay for (and the Company is obliged to issue) one or more sub-tranches of Notes on any Trading Day. If a sub-tranche is subsisting, any such subscription notice for an additional sub-tranche may only be given if the Company has given its prior written consent.

LETTER FROM THE BOARD OF DIRECTORS

The Company may declare a committed conversion period (the “**Committed Conversion Period**”) by delivering to the Subscriber a one prior Trading Day notice. The Committed Conversion Period is a period of 25 Qualified Trading Days during which the Subscriber shall convert all outstanding Notes of the sub-tranche currently held by the Subscriber with the earliest issue date. The Company may declare the next Committed Conversion Period at least three Trading Days after the completion of the immediately preceding Committed Conversion Period.

As the Company may declare a Committed Conversion Period under which the Subscriber shall convert all outstanding Notes of the currently held sub-tranche, and the Subscriber is obliged to subscribe and pay for the next sub-tranche of Notes, within 5 Trading Days after conversion of all Notes of the immediately preceding tranche, subject to the conditions required to declare a Committed Conversion Period, the Company has control over the timing of the issue of the remaining four sub-tranches of the Notes after the first sub-tranche is issued.

Before declaring a Committed Conversion Period, the Company will consider, amongst other things, whether it needs the funds to be generated from further issue of another sub-tranche upon the conversion of outstanding Notes, the then current share price and any dilutive effect the issue of New Shares will have on the existing shareholders of the Company.

After the Subscriber delivers a Conversion Notice to the Company, the Company may reject such conversion request (“**Conversion Rejection**”) at its sole discretion by issuing a notice. Such Conversion Rejection notice must be delivered by the Company to the Subscriber within 4 hours after the delivery of the Conversion Notice (if the Conversion Notice is delivered by the Subscriber to the Company before the close of the Stock Exchange on a Trading Day) or if the Conversion Notice is delivered by the Subscriber to the Company on or after the close of the Stock Exchange on a Trading Day, within 4 hours after the Stock Exchange opens on the following Trading Day.

LETTER FROM THE BOARD OF DIRECTORS

When determining whether to issue a Conversion Rejection notice or not, the Company will consider, amongst other things, the identity of the proposed new shareholder and whether they are likely to be speculative investors that may damage the value of the Company, the need for the funds to be generated from issue of another sub-tranche upon the conversion of the outstanding Notes, the then current share price and any dilutive effect the issue of New Shares will have on the existing shareholders of the Company.

If the Subscriber, at any time before the Company ceases to be entitled to make a Conversion Rejection, has determined to transfer all or part of the New Shares to be issued on conversion of a sub-tranche of Notes to an identified third-party purchaser, the Subscriber shall notify the Company the identity of the purchaser and the Company shall have the benefit of this information in determining whether to reject the conversion.

Conditions precedent:

The obligations of the Subscriber to subscribe and pay for the Notes are conditional on the following conditions:

- (1) at the CP Satisfaction Date and the closing date of each subsequent sub-tranche of Notes (“**Subsequent Closing Date**”):
 - (a) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct;

LETTER FROM THE BOARD OF DIRECTORS

The representations and warranties of the Company will be in relation to: due incorporation, validity of the Subscription Agreement, validity and status of the Notes, sufficiency of unissued share capital, validity of the New Shares when issued, preemptive rights, restrictions on the transfer of the Notes or the Shares, authorised capitalisation; the listing of its current issued Shares, compliance with applicable laws and Listing Rules, required actions or approvals; compliance of the Subscription Agreement and the transactions contemplated, default and conflicts, compliance with outstanding indebtedness, financial statements, accounting controls, outstanding guarantees and contingent payment obligations, its auditors, taxes or duties, litigation, investigation, Events of Default or Relevant Events, breach or defaults which would have a material adverse effect, accuracy of information supplied to the Subscriber, announcements of the Issuer since 1 January 2014, repurchase of Shares, fiduciary relationships, anti-money laundering, unlawful payments and sanctions.

LETTER FROM THE BOARD OF DIRECTORS

- (b) the Company having performed all of its obligations as under this Subscription Agreement (as described in this Circular) to be performed on or before such date. The Company's obligations include, but are not limited to, the following: (1) to use all reasonable endeavours to maintain the listing of the Shares on the Stock Exchange; (2) to publish all announcements that may be necessary; (3) to pay any relevant taxes or stamp duties; (4) to notify the Subscriber of anything which may render any warranty untrue or incorrect in any material respect; (5) to issue New Shares free and clear of all liens, claims, charges, security, encumbrances or like interests upon conversion of the Notes; (6) if between the date of the Subscription Agreement and the Closing Date or each Subsequent Closing Date, the Issuer or any person acting on its behalf, takes any action designed to, or which might reasonably be expected to cause or result in an adjustment under the Terms and Conditions, the Floor Price and the Maximum Number of Shares shall be adjusted in accordance with the Terms and Conditions; (7) not to take any action that would reduce the minimum conversion price of the Notes below a level that may be prescribed by applicable laws and regulations; (8) to use all reasonable endeavours to obtain all approvals and consents and promptly make all notifications and filings required in relation to the Notes and the New Shares; (9) not to use the proceeds for the financing of any person currently subject to any sanctions; (10) to consult with the Subscriber prior to issuing any announcement concerning the offering and distribution of the Notes; and (11) to furnish the Subscriber with each document filed with the Stock Exchange in relation to the Subscription Agreement and the Notes; and
- (c) there having been delivered to the Subscriber a certificate of a duly authorised officer of the Company in the form attached to the Subscription Agreement;

LETTER FROM THE BOARD OF DIRECTORS

- (2) after the date of the Subscription Agreement up to and at the CP Satisfaction Date and, in respect of the issue of any further Notes, at each Subsequent Closing Date, there shall not have occurred any change (nor any development or event involving a prospective change), in the condition, prospects, results of operations or general affairs of the Company which, in the opinion of the Subscriber, is material and adverse in the context of the issue and offering of the Notes;
- (3) on or prior to the CP Satisfaction Date, there shall have been delivered to the Subscriber copies of all consents and approvals required in relation to the issue of the Notes and performance of its obligations under the Subscription Agreement and the Notes (including the consents and approvals required from the Stock Exchange and the Shareholders);
- (4) on the CP Satisfaction Date, there having been delivered to the Subscriber a certificate of no default of a duly authorised officer of the Company in the form attached to the Subscription Agreement;
- (5) the Company having opened the Cash Account at the Subscriber (acting through its Hong Kong branch) for receiving and holding the net subscription moneys of the Notes and the execution and delivery (on or before the CP Satisfaction Date) of security arrangements in favour of the Subscriber in relation to the Notes including a charge over the Cash Account in a form satisfactory to the Subscriber;
- (6) the Stock Exchange having granted approval for listing of, and permission to deal in, the New Shares which may fall to be allotted and issued upon conversion of the Notes (or the Subscriber being reasonably satisfied that such approval will be granted);

LETTER FROM THE BOARD OF DIRECTORS

- (7) on or before the CP Satisfaction Date, there having been delivered opinions of legal advisers as to Cayman Islands law and as to Hong Kong law and such other resolutions, consents, authorities and documents relating to the issue of the Notes as the Subscriber may reasonably require, including, in respect of the Company: the certificate of incorporation, certificate(s) of incorporation on change of name (if any), memorandum and articles of association, register of directors, register of mortgages and charges, a certificate of good standing issued by the Registrar of Companies of the Cayman Islands and board resolutions authorising the execution of all the documents in connection to the issue of the Notes; and
- (8) on or before the CP Satisfaction Date, there being no occurrence of the following:
 - a. any indebtedness of the Company for moneys borrowed or raised becoming due and payable prior to its maturity due to any default (actual or potential) or event of default, any indebtedness is not paid when due (or within any applicable grace period) or the Company fails to pay when due any amount payable under a guarantee or indemnity in respect of any moneys borrowed or raised, provided that the amount of the relevant indebtedness, guarantee or indemnity equals or exceeds HK\$100,000,000 (or its equivalent); or
 - b. a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenues of the Company and is not discharged or stayed within 30 days.

The Subscriber may, at its discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of the above conditions.

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Closing Date:	the fifth business day after the CP Satisfaction Date. This will not be later than 9 December 2016.
Subscription of the first sub-tranche of Notes:	On the Closing Date, the Company shall issue, and the Subscriber shall subscribe for the first sub-tranche of the Notes in the aggregate principal amount of HK\$70,000,000.
Dealings in the New Shares:	<p>If after the exercise of a Conversion Right, the Subscriber has determined to transfer HK\$2,000,000 or more worth of New Shares to an identified third-party purchaser (“Block Trade”), the Subscriber will notify the Company of the identity of the purchaser of the Block Trade (“Block Trade Notice”). On receipt of such notice, the Company may reject the Block Trade at its sole discretion by giving written notice. The Company will, however, be deemed to have consented to the Block Trade where it does not reject within two hours of receipt of the Block Trade Notice (if the notice is delivered before the Stock Exchange closes) or within two hours after the Stock Exchange opens the following Trading Day (where the notice is delivered after the Stock Exchange closes).</p> <p>Furthermore, the Subscriber shall ensure that any sale of the New Shares on the Stock Exchange shall not exceed 15% of the total daily-traded volume of Shares. However, on a Market Disruption Trading Day, the Subscriber may sell on the Stock Exchange up to 30% of the total daily-traded volume of the Shares until its holding of New Shares has been disposed. In addition, the Subscriber may not sell any Shares unless the Subscriber has a presently exercisable and unconditional right to vest the Shares in the name of the purchaser or in any other manner short sell or lend any Shares to a third party/parties for the purposes of short selling; and without the Company’s prior written consent, the Subscriber may not create any derivative product in reference to any Shares.</p>

LETTER FROM THE BOARD OF DIRECTORS

- Termination: The Subscriber may, by notice to the Company given at any time prior to payment of the net subscription monies for the relevant sub-tranche of Notes to the Company terminate the Subscription Agreement in any of the following circumstances:
1. if there shall have come to the notice of the Subscriber any material breach of, or any event rendering untrue or incorrect in any material respect, any of the warranties and representations contained in the Subscription Agreement or any material failure to perform any of the Issuer's undertakings or agreements in the Subscription Agreement;
 2. if there shall have occurred any change (nor any development or event involving a prospective change) in the condition (financial or other), prospects, results of operations or general affairs of the Company, which is material and adverse in the context of the issue and offering of the Notes; and
 3. if any of the conditions precedent has not been satisfied or waived by the Subscriber on or prior to 9 December 2016 or the relevant Subsequent Closing Date.

PRINCIPAL TERMS OF THE NOTES

Details of the Notes are set out as follows:

- Issuer: The Company
- Principal amount: HK\$350,000,000 to be issued in five sub-tranches (with each sub-tranche in an aggregate principal amount of HK\$70,000,000).
- Interest rate: The Notes bear no interest.
- Issue Price: 99 per cent. of the principal amount of the Notes.
- Form: The Notes will be in registered form.

LETTER FROM THE BOARD OF DIRECTORS

- Status of the Notes: The Notes constitute direct, unconditional and unsubordinated obligations of the Company and shall at all times rank *pari passu* and without preference or priority among themselves.
- Maturity Date: The Notes will mature on the first anniversary of the Closing Date.
- Conversion: Subject to the terms and conditions of the Notes, each Note entitles the Noteholder to convert the Note into New Shares at any time during the Conversion Period at the Conversion Price, provided that no Conversion Right may be exercised at a Conversion Price lower than the Floor Price (which is subject to the adjustments described below).
- Conversion Price: The Conversion Price at which New Shares will be issued upon exercise of a Conversion Right will be 95% of the Volume Weighted Average Price of the Shares as traded on the Stock Exchange (or Alternative Stock Exchange) on the Trading Day immediately preceding the Conversion Date. In the event that the Volume Weighted Average Price is not reported by Bloomberg for any reason or is, in the Calculation Agent's reasonable discretion erroneous, it is expected that in practice, the Calculation Agent will determine the Volume Weighted Average Price in consultation with the Company.
- The Floor Price will be initially HK\$3.00 per Share, subject to the adjustments referred to below. This Floor Price represents:
- 1 a discount of approximately 32.13% over the closing price of HK\$4.42 per Share as quoted on the Stock Exchange on the date of the signing of the Subscription Agreement;
 - 2 a discount of approximately 30.56% over the average of the closing price of HK\$4.32 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the date of signing of the Subscription Agreement;

LETTER FROM THE BOARD OF DIRECTORS

- 3 a discount of approximately 26.11% over the average of the closing prices of HK\$4.06 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the date of signing of the Subscription Agreement; and
- 4 a discount of approximately 32.74% over the average of the closing prices of HK\$4.46 per Share as quoted on the Stock Exchange as at the Latest Practicable Date.

The Issue Price, Conversion Price and Floor Price were determined by the Company and the Subscriber through arm's length negotiations having regard to the prevailing market price of the Shares prior to the date of the Announcement and the business performance of the Group under the prevailing market conditions.

Number of New Shares:

Based on the Floor Price of HK\$3.00, and assuming that there will be no change in the issued share capital of the Company before the exercise of the Conversion Rights (other than the issue of the New Shares), upon the exercise of the Conversion Rights in full, a maximum number of 116,667,500 New Shares will be issued, representing approximately 0.73% of the existing issued share capital of the Company and approximately 0.73% of the issued share capital as enlarged by the conversion.

The maximum number of New Shares to be issued on exercise of the Conversion Rights was determined by dividing the principal amount of all five sub-tranches of the Notes (being HK\$350,000,000) by the initial Floor Price (of HK\$3.00) and rounding to the nearest multiple of 2,500 Shares.

LETTER FROM THE BOARD OF DIRECTORS

Adjustment to the Floor
Price:

The Floor Price sets a cap on the dilutive effect of the issue of New Shares. If the Company's share price falls below the Floor Price, the Subscriber cannot convert Notes into New Shares. On 7 September 2016, the date of the Subscription Agreement, the closing price of the Company's shares quoted on the Stock Exchange was HK\$4.42. HK\$3.00 represents a 32.13% discount over such closing price. After thorough negotiation with the Subscriber, it was agreed on the Floor Price of HK\$3.00 to provide sufficient flexibility to the Subscriber as well as adequate protection to the existing shareholders of the Company. The Floor Price is subject to adjustment based on the prescribed formulae as set out in terms and conditions of the Notes upon the occurrence of the following events:

- (a) any consolidation, subdivision or reclassification of the Shares;
- (b) capitalisation of profits or reserves;
- (c) a distribution of assets by the Company;
- (d) an issue of Shares by way of rights, options, warrants or other rights to Shareholders to subscribe for Shares at less than 95 per cent. of the market price per Share on the date of the announcement of the issue;
- (e) an issue of securities (other than Shares or options, warrants, or other rights to subscribe for, or purchase or otherwise acquire Shares) by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares);
- (f) an issue (other than as mentioned above) of Shares, options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares at a price per Share which is less than 95 per cent. of the market price on the date of the announcement on the terms of such issue;

LETTER FROM THE BOARD OF DIRECTORS

- (g) an issue of any securities arising from a conversion or exchange of other securities by the Company, any of its subsidiaries or any other person which carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at less than 95 per cent. of the market price per Share on the date of the announcement of the issue;
- (h) if there is any modification of the rights of conversion, exchange or subscription attaching to the securities mentioned above in (g) such that the consideration per Share has been reduced and is less than 95 per cent. of the market price per Share on the date of the announcement of the modification;
- (i) where the Company, any of its subsidiaries or any other person sells or distributes any securities in connection with an offer under which the Shareholders are entitled to participate in arrangements where those securities may be acquired by them; or
- (j) the Company or a Noteholder determines that an adjustment should be made to the Floor Price as a result of one or more events or circumstances not referred to above. The aim of any adjustment is to preserve the Floor Price in the context of other events which were not ascertainable at the signing of the Subscription Agreement. In the event any adjustment to the Floor Price is made, the Company will comply with the relevant requirements under the Listing Rules and other applicable laws, including but not limited to making further announcements or the seeking of shareholder's approval.

Adjustment to number of
New Shares:

If the Floor Price is adjusted, the Company shall, in consultation with the Subscriber (as calculation agent), adjust the Maximum Number of Shares accordingly in a similar manner as it adjusts the Floor Price, with a view to maintaining the economics of the Notes.

LETTER FROM THE BOARD OF DIRECTORS

Ranking of New Shares: The New Shares, when issued and fully paid, will rank pari passu with the fully paid Shares in issue except for any right excluded by mandatory provisions of applicable law.

Transferability: The Notes are transferable in whole or in part provided that any transfer of the Notes must be made with the prior written consent of the Board and no transfer of the Notes may be made to a connected person (as defined under the Listing Rules) of the Company or an associate (as defined under the Listing Rules) of any connected person of the Company.

No Noteholder may require the transfer of a Note to be registered (a) during the period of seven days ending on (and including) the dates for payment of any principal amount pursuant to the terms and conditions of the Notes; (b) after a Conversion Notice has been delivered with respect to a Note; or (c) a notice from the Noteholder to require the Company to redeem all but not part of a Noteholder's Notes following the occurrence of a Relevant Event (as defined below) pursuant to the terms and conditions of the Notes.

Maturity: The Company will redeem each Note at 99 per cent. of its principal amount on the Maturity Date, unless previously redeemed, converted or purchased and cancelled.

Redemption: (i) Redemption at Maturity Date

The Company will redeem each Note at 99 per cent. of its principal amount on the Maturity Date, unless previously redeemed, converted or purchased.

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(ii) Early redemption at the option of the Company

On giving not less than 10 business days' notice to the Noteholders, the Notes may be redeemed by the Company in whole at 99 per cent. of the total amount of the principal amount of the Notes.

(iii) Redemption for Relevant Event

Following the occurrence of any of the following events, (each, a “**Relevant Event**”) each Noteholder will have the option to require the Company to redeem all (but not part) of its Notes at 99 per cent. of their principal amount on giving not less than 10 business days' notice to the Company:

- (a) the price of the Shares is less than 110 per cent. of the Floor Price;
- (b) the lower of the 10-day or 3-month average daily traded value of the Shares is less than HK\$24,000,000;
- (c) the trading of the Shares is suspended, or has been suspended on the Stock Exchange (or on an Alternative Stock Exchange) at any time during the previous 20 trading days;
- (d) the Noteholders are of the opinion that the Company or any of its representatives has provided any inside information (as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) to the Noteholders. This is to ensure that any subsequent trading by the Subscriber of any acquired New Shares is in compliance with applicable laws; or
- (e) the Company fails to deliver any New Shares in accordance with the terms and conditions of the Notes.

LETTER FROM THE BOARD OF DIRECTORS

Events of Default:

Each of the following events is an event of default under the terms and conditions:

- (a) non-payment: the Company fails to pay the principal of any of the Notes when due and such failure continues for a period of two days;
- (b) failure to deliver Shares: any failure by the Company to deliver any Shares as and when the Shares are required to be delivered following conversion of the Notes where such failure is not remedied within 1 business day;
- (c) breach of other obligations: the Company does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Company by the Noteholders;
- (d) enforcement proceedings: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenues of the Company and is not discharged or stayed within 30 days;
- (e) winding-up: an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company, or the Company ceases to carry on all or substantially all of its business or operations (except for the purpose of a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Noteholders);

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- (f) insolvency: the Company is insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a substantial part of its debts, proposes or makes any agreement for the deferral or other readjustment of all of its debts, makes a general assignment or arrangement or composition with or for the benefit of the relevant creditors, a moratorium is agreed or declared in respect of or affecting all or any part of the debts of the Company or an administrator or liquidator is appointed;
- (g) authorisation and consents: any action, condition or thing at any time required to be taken, fulfilled or done in order to enable the Company to lawfully exercise its rights and perform and comply with its obligations under the Notes, to ensure those obligations are legally binding and enforceable and to make the Notes admissible in evidence in the courts of Cayman Islands or Hong Kong is not taken, fulfilled or done;
- (h) illegality: it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under any of the Notes; or
- (i) analogous events: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to the events in (d) to (g) above.

Modification: The Company may, with the written consent of the Noteholders, modify the terms and conditions of the Notes.

The Company will comply with the relevant requirements under the Listing Rules, including but not limited to making announcements and seeking shareholders' approval, in due course for the modification of the terms and conditions of the Notes.

LETTER FROM THE BOARD OF DIRECTORS

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge of the Directors and the Company, the following table illustrates the shareholding structure of the Company: (i) as at the Latest Practicable Date; and (ii) immediately following the conversion of the Notes in full at the Floor Price of HK\$3.00 per Share (assuming there being no other change in the shareholding structure and share capital of the Company from the Latest Practicable Date and up to the date of the conversion of the Notes in full), the shareholding structure of the Company shall be as follows:

Name of Shareholder	As at the Latest Practicable Date		Immediately following the conversion of the Notes in full at the Floor Price	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Magnolia Wealth International Limited (Note 1)	9,188,860,454	57.87%	9,188,860,454	57.45%
Mr. Ji (Note 1)	937,910,000	5.91%	937,910,000	5.86%
Mr. Shi Zhiqiang (Note 2)	2,780,000	0.02%	2,780,000	0.02%
Mr. Wang Bo (Note 2)	6,000,000	0.04%	6,000,000	0.04%
The Subscriber	–	–	116,667,500	0.73%
Other public Shareholders	<u>5,742,409,546</u>	<u>36.17%</u>	<u>5,742,409,546</u>	<u>35.90%</u>
Total:	<u>15,877,960,000</u>	<u>100.00%</u>	<u>15,994,627,500</u>	<u>100.00%</u>

Notes:

1. Magnolia Wealth is a company incorporated in the BVI, the entire issued share capital of which is beneficially owned by Mr. Ji. Mr. Ji is the Chairman of the Board and the Co-Chief Executive Officer and executive Director of the Company.
2. Mr. Shi Zhiqiang and Mr. Wang Bo are the executive Directors.

APPLICATION FOR LISTING

No listing of the Notes will be sought on the Stock Exchange or any other stock exchanges. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the New Shares upon conversion of the Notes.

USE OF PROCEEDS

The estimated gross and net proceeds of the issue of the Notes are expected to be HK\$346,500,000 and HK\$346,000,000, respectively. The Company intends to use the net proceeds of the issue of the Notes to finance any possible acquisitions or investments as and when opportunities arise and to the general working capital of the Group.

REASONS FOR AND BENEFITS OF THE ISSUE OF THE NOTES

The Notes are non-interest bearing in nature and the issue of the Notes will not have an immediate dilutive effect on the shareholding of the existing Shareholders. The Board considers that the issue of the Notes represents an appropriate means to raise additional funds for the Company while broadening the Shareholder and capital base of the Company.

LETTER FROM THE BOARD OF DIRECTORS

The Directors also consider that the terms of the Subscription Agreement were arrived at after arm's length negotiations between the Company and the Subscriber and that the terms of the Subscription Agreement (including the Issue Price, the Conversion Price and the Floor Price) are fair and reasonable and on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

SPECIFIC MANDATE TO ISSUE CONVERTIBLE NOTES AND NEW SHARES

The Subscription Agreement and the transactions contemplated thereunder, including the allotment and issue of the New Shares under the Specific Mandate, are subject to the approval of the Shareholders at the EGM.

EQUITY FUND RAISING ACTIVITY BY THE COMPANY IN THE LAST 12 MONTHS

Set out below is the fund raising activities conducted by the Company in the past 12 months prior to the Latest Practicable Date.

Date of announcement	Fund raising activity	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
17 December 2015	Placing of 448,717,500 new Shares at a price of HK\$1.56 per Share under general mandate	HK\$699,773,000	(i) Approximately HK\$454,500,000, is expected to be used to develop healthcare business, including mature merger and acquisition projects, and to finance any possible acquisitions or investments in the healthcare sector as and when opportunities arise; and (ii) approximately HK\$245,273,000, is expected to be used to supplement the general working capital of the Group and other business expenses	Used as intended
6 September 2016	Placing of 538,357,500 new Shares at a price of HK\$3.715 per Share under general mandate	HK\$1,999,500,000	(i) Develop and invest in property, healthcare industry and investment segment as and when appropriate; and (ii) supplement the general working capital of the Group for, among others, the payment of consideration for previously announced acquisitions	This placing has not been completed yet

LETTER FROM THE BOARD OF DIRECTORS

INFORMATION ON THE SUBSCRIBER

Macquarie Bank Limited

The Subscriber is Macquarie Bank Limited, a company incorporated under the laws of Australia.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties.

INFORMATION ON THE COMPANY

The Group is principally engaged in the property development, provision of green building services, investment, healthcare products and services business. Furthermore, as disclosed in the management discussion and analysis in the Company's annual report for the year ended 31 December 2015, the Group will expedite the development in healthcare business.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The notice of the EGM is set out in the Appendix to this circular.

There is enclosed a form of proxy for use at the EGM. A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote instead of himself. A proxy need not be a member of the Company. Whether or not you intend to be present at the EGM, you are requested to complete the form of proxy and return it to Tricor Standard Limited, the branch share registrar of the Company in Hong Kong, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). The completion and return of the form of proxy will not prevent you from attending and voting in person at the EGM should you so wish.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has any direct or indirect material interest in the Subscription Agreement, the Note Issue and the allotment and issue of the Conversion Shares and accordingly, no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM.

RECOMMENDATION

The Directors believe that that Subscription Agreement, the Note Issue and the Specific Mandate are in the best interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM.

By Order of the Board
Fullshare Holdings Limited
Ji Changqun
Chairman

**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 an extraordinary general meeting (the “**EGM**”) of Fullshare Holdings Limited (the “**Company**”) will be held at Unit 2526, Level 25, Admiralty Centre Tower 1, 18 Harcourt Road, Admiralty, Hong Kong on 18 October 2016 at 3:00 p.m., for the purposes of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION**“THAT**

- (a) the subscription agreement (the “**Subscription Agreement**”) dated 7 September 2016 between the Company and Macquarie Bank Limited (the “**Subscriber**”) to subscribe the zero coupon Notes in principal amount of HK\$350,000,000 due 2017 (the “**Notes**”), convertible into the ordinary shares of par value of HK\$0.01 each of the Company (each, a “**Share**”) on the terms and conditions of the Notes (the “**Note Conditions**”) contained therein and the performance of all the transactions contemplated thereunder and all other matters of and incidental thereto or in connection therewith be and are hereby generally and unconditionally approved, ratified and confirmed;
- (b) any one or more of the directors (the “**Directors**”) or the chief operating officer of the Company be and is/are hereby authorised to do all such acts and things and execute all such other or further documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the terms of, or the transactions contemplated by, the Subscription Agreement and all documents and deeds in connection therewith and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of the Note Conditions) as are, in the opinion of the Directors or the chief operating officer of the Company, in the interest of the Company and its shareholders as a whole;

APPENDIX I NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the Notes to be issued pursuant to the Subscription Agreement and the performance of all the transactions contemplated thereunder (including, without limitation, the issue and allotment of Shares upon exercise of the conversion rights attached thereto) and all other matters of and incidental thereto or in connection therewith be and are hereby generally and unconditionally approved; and
- (d) any one or more of the Directors be and is/are hereby authorised to allot and issue such number of Shares as may fall to be allotted and issued upon exercise of the conversion rights attached to the Notes on and subject to the Note Conditions.”

By Order of the Board
Fullshare Holdings Limited
Ji Changqun
Chairman

Hong Kong, 29 September 2016

Notes:

1. Every member entitled to attend and vote at the EGM is entitled to appoint one or more persons as their proxy to attend and vote on behalf of themselves. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other document of authority, if any, under which the form is signed, or a certified copy thereof, must be deposited with the Company's Hong Kong branch registrar, Tricor Standard Limited, the branch share registrar of the Company in Hong Kong, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be).
3. Completion and return of the form of proxy will not preclude shareholders of the Company from attending and voting in person at the meeting or any adjourned meeting or upon the poll concerned if the shareholders so wish. In such event, the instrument appointing the proxy shall be deemed to be revoked.