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*The information set out below in this joint announcement is provided for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares in Fullshare Holdings Limited or China High Speed Transmission Equipment Group Co., Ltd.*



## JOINT ANNOUNCEMENT

### PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE AND RULE 13.09 OF THE LISTING RULES AND INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE AND RESUMPTION OF TRADING

This joint announcement is made pursuant to Rule 3.7 of The Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) by the respective board of directors of Fullshare Holdings Limited (“**Fullshare**”) and China High Speed Transmission Equipment Group Co., Ltd. (“**CHS**”).

## THE MEMORANDUM OF UNDERSTANDINGS

The respective board of directors of Fullshare and CHS would like to announce that, on 17 January 2018 (after trading hours), each of Five Seasons XVI Limited (“**Five Seasons**”) and Mr. Ji Changqun (“**Mr. Ji**”) entered into a memorandum of understanding (together, the “**MOUs**” and each a “**MOU**”) with an independent third party (the “**Potential Offeror**”) in relation to a possible conditional voluntary partial cash offer for more than 50% but not exceeding 75% of the issued shares of CHS (the “**Proposed Offer**”). The MOUs are non-legally binding save in respect of confidentiality, exclusivity and other general provisions and no terms of the Proposed Offer have been agreed among the parties as at the date of this joint announcement. The MOUs are on substantially the same terms except that each of the MOUs was made in respect of Five Seasons’ and Mr. Ji’s direct and indirect shareholding interest in CHS, respectively. Each of Five Seasons and Mr. Ji may consider to accept the Proposed Offer depending on the eventual terms of the Proposed Offer.

As at the date of this joint announcement, Five Seasons, a direct wholly-owned subsidiary of Fullshare, is directly holding 1,208,577,693 shares of CHS, representing approximately 73.91% of the entire issued share capital of CHS. Mr. Ji, the chairman of the board of directors of Fullshare, the chief executive officer and an ultimate controlling shareholder of Fullshare, is also personally interested in 17,890,000 shares of CHS, representing approximately 1.09% of the entire issued share capital of CHS as at the date of this joint announcement, indirectly through Glorious Time Holdings Limited, whose entire issued share capital is beneficially owned by Mr. Ji. Mr. Ji is deemed to be interested in an aggregate of 1,226,467,693 shares of CHS, representing approximately 74.99% of the entire issued share capital of CHS as at the date of this joint announcement. As a result, Five Seasons, Mr. Ji and Fullshare are the controlling shareholders of CHS.

The Potential Offeror is a company incorporated in the People's Republic of China, and it is an independent third party and not a connected person of Fullshare and CHS, respectively.

### **Exclusivity**

In consideration that the Potential Offeror is required to apply for regulatory approvals for the Proposed Offer, Five Seasons has agreed that during a six-month period from the date of the MOU (or such longer period as may be agreed by the parties) (the “**Relevant Period**”), save for the activities taken place prior to the Relevant Period which have been notified to the Potential Offeror and activities conducted by CHS in its ordinary course of business in relation to disposal of assets and businesses, it shall not directly or indirectly (a) sell, transfer, pledge or otherwise dispose of its shares in CHS or interest therein; or (b) participate in any negotiation with, provide any information to any party or enter into any agreement, arrangement, memorandum of understanding in respect of the disposal of its shares in CHS or the businesses or assets of CHS. Mr. Ji has given a similar exclusivity undertaking in respect of his direct and indirect shareholding interest in CHS in his MOU entered into with the Potential Offeror.

### **POSSIBLE DISPOSAL FOR FULLSHARE**

The board of directors of Fullshare would also like to announce that acceptance of the Proposed Offer (if materialised and completed) will involve disposal of shares in a subsidiary of Fullshare (“**Possible Disposal**”). The Possible Disposal (and its completion) will depend on and be subject to, among other things, the finalisation of the terms of the Proposed Offer by the Potential Offeror, the launch of the Proposed Offer by the Potential Offeror in compliance with the applicable laws and requirements under the Takeovers Code and the Proposed Offer becoming unconditional and completed. If the Possible Disposal proceeds and materialises, it may constitute a notifiable transaction for Fullshare under Chapter 14 of the Listing Rules. Fullshare will make further announcement(s) in accordance with the Listing Rules as and when appropriate when there is any material development on the Possible Disposal.

**Shareholders and potential investors of Fullshare and CHS should be aware that the Potential Offeror may or may not proceed with the Proposed Offer. The discussions regarding the Proposed Offer or the Possible Disposal are at a preliminary and exploratory stage and they may or may not lead to the making of an offer for the shares of CHS or the Possible Disposal. Shareholders and potential investors of Fullshare and CHS are advised to exercise caution when dealing in the shares or other securities of Fullshare or CHS, and if they are in doubt about their positions, they should consult their professional adviser(s).**

## **MONTHLY UPDATE**

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made by CHS until an announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the Proposed Offer is made. Further announcement(s) will be made by CHS and Fullshare as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

As at the date of this joint announcement, CHS has 1,635,291,556 ordinary shares in issue. Save as disclosed above, CHS has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

## **DEALING DISCLOSURE**

For the purpose of the Takeovers Code, the offer period is deemed to commence on the date of this joint announcement, being 18 January 2018.

Associates (having the meaning ascribed thereto under the Takeovers Code, including persons holding 5% or more of a class of relevant securities) of CHS are reminded to disclose their dealings in the relevant securities of CHS under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **RESUMPTION OF TRADING OF FULLSHARE AND CHS**

At the request of Fullshare and CHS respectively, trading in the shares of Fullshare (stock code: 607) and the shares of CHS (stock code: 658) had respectively been halted with effect from 9:00 a.m. on 18 January 2018 pending the release of this joint announcement. Each of Fullshare and CHS has applied for resumption of trading in the shares of Fullshare and the shares of CHS on The Stock Exchange of Hong Kong Limited with effect from 9:00 a.m. on 19 January 2018 following the publication of this joint announcement.

By order of the Board  
**Fullshare Holdings Limited**  
**JI CHANGQUN**  
*Chairman*

By Order of the Board  
**China High Speed Transmission  
Equipment Group Co., Ltd.**  
**HU YUEMING**  
*Chairman*

Hong Kong, 18 January 2018

*As at the date of this joint announcement, the executive directors of Fullshare are Mr. Ji Changqun, Mr. Shi Zhiqiang, and Mr. Wang Bo; and the independent non-executive directors of Fullshare are Mr. Lau Chi Keung, Mr. Chow Siu Lui and Mr. Tsang Sai Chung.*

*As at the date of this joint announcement, the executive directors of CHS are Mr. Chen Yongdao, Mr. Wang Zhengbing, Mr. Zhou Zhijin, Mr. Hu Jichun and Ms. Zheng Qing; the non-executive directors of CHS are Mr. Hu Yueming and Mr. Yuen Chi Ping; and the independent non-executive directors of CHS are Dr. Chan Yau Ching, Bob, Ms. Jiang Jianhua, Mr. Jiang Xihe and Mr. Nathan Yu Li.*

*The directors of Fullshare jointly and severally accept full responsibility for accuracy of the information contained in this joint announcement (other than information relating to CHS) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by CHS) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*The directors of CHS jointly and severally accept full responsibility for accuracy of the information contained in this joint announcement (other than information relating to Fullshare and the MOUs) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by Fullshare) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

\* for identification purposes only