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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)



中國高速傳動設備集團有限公司*

China High Speed Transmission Equipment Group Co., Ltd.

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 658)

JOINT ANNOUNCEMENT

INSIDE INFORMATION MONTHLY PROGRESS UPDATE PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

This joint announcement is made by the respective board of directors of Fullshare Holdings Limited (“**Fullshare**”) and China High Speed Transmission Equipment Group Co., Ltd. (“**CHS**”, together with its subsidiaries, “**CHS Group**”), pursuant to Rule 3.7 of the Takeovers Code, and the Inside Information Provisions under Part XIVA of the SFO.

References are made to the joint announcements issued by Fullshare and CHS dated (i) 18 January 2018 and 14 February 2018 in relation to, among other things, the Proposed Offer and the Possible Disposal; (ii) 15 March 2018 in relation to, among other things, the possible change of transaction structure from a possible conditional voluntary partial cash offer for the issued shares of CHS to the Possible Transaction and the Possible Mandatory Offer; (iii) 16 April 2018, 25 May 2018 and 25 June 2018 in relation to the monthly update of the Possible Transaction and the Possible Mandatory Offer; (iv) 25 April 2018 in relation to, among other things, the Earnest Money Agreement and the Supplemental MOU; and (v) 30 June 2018 in relation to the Framework Agreement, the Possible Sale and Purchase, the Possible CHS Disposal and the publication of the Preliminary Restructuring Report by the Potential Offeror (collectively, the “**Joint Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Joint Announcements unless specified otherwise.

* For identification purpose only

Fullshare and CHS wish to update their respective shareholders and potential investors that as at the date of this joint announcement, as informed by the Potential Offeror and Five Seasons, (i) the discussions between Five Seasons and the Potential Offeror are still on-going; and (ii) save for the MOU, the Supplemental MOU, the Earnest Money Agreement and the Framework Agreement (each contains certain legally binding provisions as disclosed in the Joint Announcements), no commitment or any formal or legally binding agreement has been reached or entered into in respect of the material terms and conditions of the Possible Sale and Purchase as at the date of this joint announcement.

Preliminary Restructuring Report

As informed by the Potential Offeror, as at the date of this joint announcement, the Potential Offeror and its professional advisers are in the course of preparing the reply to the enquiry letter dated 9 July 2018 from the Shenzhen Stock Exchange relating to the Preliminary Restructuring Report of the Potential Offeror (Enquiry Letter [2018] No. 14)* (《關於對新光圓成股份有限公司的重組問詢函》(中小板重組問詢函(不需行政許可)[2018]第14號)).

Possible CHS Disposal

As disclosed in the joint announcement made by Fullshare and CHS dated 30 June 2018, pursuant to the Framework Agreement, Fullshare and Five Seasons have agreed to procure CHS to undertake the Possible CHS Disposal and completion of the Possible CHS Disposal is one of the conditions to completion of the Possible Sale and Purchase.

Fullshare and CHS would like to update their respective shareholders and potential investors that as at the date of this joint announcement, (i) Nanjing High Accurate Drive Equipment Manufacturing Group Co., Ltd.* (南京高精傳動設備製造集團有限公司) (“**NHAD**”), an indirect wholly owned subsidiary of CHS has entered into a sale and purchase agreement with Nanjing Jundi Electromechanical Equipment Limited* (南京駿迪機電設備有限公司) (“**Nanjing Jundi**”) regarding the disposal of its 75% equity interest in Beijing Zhongchuan Shougao Metallurgical Engineering & Equipment Co., Ltd.* (北京中傳首高冶金成套設備有限公司) (“**BZSM**”); (ii) NHAD has entered into a sale and purchase agreement with Datong Haode Equipment Leasing Limited* (大同市浩德設備租賃有限公司) (“**Datong Haode**”) regarding the disposal of its 15% equity interest in E’er Duo Si Shenchuan Mining Equipment Manufacturing Company Limited* (鄂爾多斯市神傳礦用設備製造有限公司) (“**E’er Duo Si Shenchuan**”); and (iii) Nantong Zhenhua Hongsheng Heavy Forgery Machine Corporation Ltd.* (南通市振華宏晟重型鍛壓有限公司) (“**Nantong Zhenhua**”), a company indirectly owned as to 95% equity interest by CHS, has entered into a building and land transfer agreement regarding the disposal of its land use rights located at Nantong City, Jiangsu Province together with the building thereon with Rugao Hongmao Heavy Forgery Machine Corporation Ltd.* (如皋市宏茂重型鍛壓有限公司) (“**Rugao Hongmao**”, together with Nanjing Jundi and Datong Haode, the “**Purchasers**”) (collectively, the “**First CHS Disposals**”).

The principal terms of each of the First CHS Disposals are summarized below:

Target Company:	BZSM	E'er Duo Si Shenchuan	Nantong Zhenhua
Date of agreement:	19 July 2018	25 July 2018	25 July 2018
Vendor:	NHAD	NHAD	Nantong Zhenhua
Purchaser:	Nanjing Jundi	Datong Haode	Rugao Hongmao
Subject matter:	Transfer of 75% equity interest in BZSM indirectly owned by CHS by the vendor to the purchaser (the “ BZSM Transfer ”)	Transfer of 15% equity interest in E'er Duo Si Shenchuan indirectly owned by CHS by the vendor to the purchaser	Transfer of the land use rights located at Nantong City, Jiangsu Province, the PRC together with the building thereon by the vendor to the purchaser
Consideration:	A nominal consideration of RMB1, payable upon signing of the sale and purchase agreement	RMB2,150,000, payable by the purchaser to vendor within 15 days after signing of the sale and purchase agreement	RMB104,000,000, of which RMB34,000,000 is payable within 7 days after signing of the building and land transfer agreement and the remaining RMB70,000,000 will be payable within 1 year after signing of the building and land transfer agreement
Completion of transfer:	On or before 31 October 2018	On or before 30 September 2018	On or before 31 December 2018
Others:	BZSM owed RMB10,000,000 to CHS Group as at the date of the agreement (the “ BZSM Accounts Payable ”). It was agreed that the BZSM Accounts Payable will be paid by the purchaser to the vendor within two years after the completion of the BZSM Transfer.	–	A deposit of RMB16,000,000 will be paid by the purchaser within 7 days upon signing of the building and land transfer agreement for the possible disposal of certain machinery and equipment by Nantong Zhenhua. Detailed terms and conditions of the possible disposal to be agreed.

To the best of the knowledge, information and belief of the directors of Fullshare and CHS having made all reasonable enquiries, each of Nanjing Jundi, Datong Haode and Rugao Hongmao and their respective ultimate beneficial owner(s) is (i) not a connected person (as defined under the Listing Rules) of Fullshare or CHS; (ii) not a shareholder of CHS; and (iii) independent of each of the other Purchasers and their respective ultimate beneficial owner(s).

Since all the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of the First CHS Disposals are below 5% for both Fullshare and CHS, each of the First CHS Disposals does not constitute a notifiable transaction for either Fullshare or CHS under Chapter 14 of the Listing Rules.

Upon completion of the First CHS Disposals, (i) CHS will cease to hold any equity interest in BZSM and E'er Duo Si Shenchuan; and (ii) Nantong Zhenhua will continue to be indirectly held as to 95% by CHS.

Save as disclosed above, CHS has not yet entered into any definitive agreements in respect of the Possible CHS Disposal as at the date of this joint announcement. Further announcement(s) setting out the progress of the Possible CHS Disposal will be made by Fullshare and CHS as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be) and Fullshare and CHS will also make an update announcement on a monthly basis as well as when any definitive agreement for the Possible CHS Disposal is entered into.

POSSIBLE MANDATORY OFFER

Subject to the entering into the formal sale and purchase agreement, if the Possible Sale and Purchase materialises and is completed, it will result in a change in control of CHS and the Possible Mandatory Offer to be made under Rule 26.1 of the Takeovers Code.

MONTHLY ANNOUNCEMENTS

Further announcement(s) setting out the progress of the Possible Sale and Purchase and the Possible Mandatory Offer will be made by Fullshare and CHS as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be) and in any event on a monthly basis until announcement of firm intention to make the offers under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the offers is made.

CAUTION

There is no assurance that the Possible Sale and Purchase will materialise. If the completion of the Possible Sale and Purchase takes place, the Potential Offeror will make a Possible Mandatory Offer pursuant to Rule 26.1 of Takeovers Code for the securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of CHS. Even if a formal sale and purchase agreement is entered into among Fullshare, Five Seasons and the Potential Offeror, but if the conditions set out therein cannot be satisfied, the formal sale and purchase agreement may or may not be consummated. As at the date of this joint announcement, there is no assurance that there will be a general offer under Rule 26.1 of Takeovers Code for the securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of CHS.

Shareholders and potential investors of Fullshare and CHS should exercise caution when dealing in the securities of Fullshare or of CHS, and if they are in any doubt about their position, they should consult their professional adviser(s).

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, 2 August 2018

As at the date of this joint announcement, the executive directors of Fullshare are Mr. Ji Changqun, Mr. Wang Bo and Ms. Du Wei; 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 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.

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