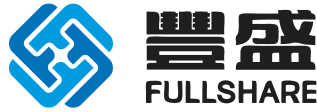


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Fullshare Holdings Limited

豐盛控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00607)

CLARIFICATION ANNOUNCEMENT AND RESUMPTION OF TRADING

This announcement is made by Fullshare Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) further to the announcement of the Company dated 25 April 2017 with respect to a report (the “**Report**”) recently issued by Glaucus Research Group California, LLC (“**GRGC**”) which contains allegations against the Company, and is published by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) to refute and/or clarify the allegations made in the Report. Save as disclosed in this announcement, after having made reasonable enquiries with respect to the Company, the Company confirms that it is not aware of any information which must be announced to avoid a false market in the Company’s securities or any inside information that needs to be disclosed under the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

SUMMARY

The Report disclosed that GRGC has a short interest in the shares of the Company (the “Shares”) and therefore may realize significant gains in the event that the price of the Shares declines. As such, the board (the “Board”) of directors of the Company (the “Directors”) would like to emphasize that shareholders of the Company and potential investors should exercise extreme caution in reading the Report and that its allegations should be read in light of the significant gains GRGC stands to realize.

Apart from the above, the Company has no further information on the identity of GRGC. The management of the Company has no record of being contacted by GRGC before and after the Report is published.

The Company denies all of the allegations against the Company in the Report.

As explained in detail below, the Report comprises statements which are misleading, biased, selective, inaccurate and incomplete as well as groundless allegations and irresponsible speculations. The unfounded statements also show that GRGC does not understand the disclosure requirements and thresholds under the Listing Rules and the identification of related party transactions under Hong Kong Financial Reporting Standards (“**HKFRSs**”).

The Company believes that GRGC’s ultimate aims are to drive down the price of the Shares, undermine the Company’s reputation and therefore make a huge windfall profit. The Company is consulting its legal advisers and will consider taking legal actions against GRGC.

It is the Company’s shareholders communication policy to maintain on-going dialogue with its shareholders and potential investors. In light of the defects of the Report as set out above, the Company would like to invite GRGC and its director of research Mr. Soren Aandahl to visit our Nanjing headquarter to have a better understanding of our corporate strategy, business layout and operations.

CLARIFICATIONS

The Company’s responses to GRGC’s allegations are set out in the following:

1. Allegation: Intraday trading patterns indicate stock manipulation

The Company’s response

This allegation against the Company is a groundless accusation and attempts to materially mislead investors. The Company strongly refutes having manipulated its stock price in any manner.

The Company and the Directors have confirmed that they have not carried out any action and are not involved in any event, directly or indirectly, to manipulate the price of the Shares.

Trading strategies of the investing public are market-orientated and are not within the control of the Company. In addition, the Report refers to a trading period that runs from 14 November 2016 to 21 April 2017 (the “**Period**”). However, the share price of the Company has begun to decrease in the later part of November 2016, and the closing price of the Shares decreased from HK\$4.13 per Share on 30 November 2016 to HK\$3.66 per Share on 1 December 2016 after the Company began to issue a substantial number of new Shares from 30 November 2016 (amongst all, 2,782,627,679 new Shares were issued on 30 November 2016, representing approximately 16.68% of the then existing total issued Shares) at the implied issue price of HK\$2.99 per Share (representing a discount of approximately 29.98% to the closing market price of HK\$4.27 per Share on 29 November 2016) to meet acceptances of its share exchange offer for the shares of China High Speed Transmission Equipment Group Co., Ltd. (stock code: 658) (“**CHS**”). The Company is of the view that the commencement date of the Period is selected by GRGC to pose an impression of loss making in investing in the Shares, without mentioning important facts such as the issue of a large number of new Shares by the Company during the Period.

The Company considers that simply using the comparison of different trading strategies in respect of the Shares in the deliberately selective Period is completely inappropriate. Further, the Report wrongfully compares the hypothetical gains and losses of adopting different trading strategies for the Shares against the shares of certain other selective Hong Kong listed companies in the real estate/property segment. The Company has already well diversified its businesses across new energy, tourism, healthcare, property and investment. For example, Bloomberg Terminal categorizes the Company in the renewable energy equipment segment after the Company's successful takeover of CHS in December 2016. Such comparisons in the Report are obviously unfair and biased, and are an intentional ploy to mislead the investing public.

2. Allegation: Manipulation of Zall's stock artificially inflates Fullshare's reported income

The Company's response

The Company would like to emphasize again that this is a completely groundless accusation against the Company. The Company strongly refutes having manipulated the stock price of any company (including Zall Group Ltd. (stock code: 2098) ("**Zall**")) in any manner.

The Company and the Directors have confirmed that they have not carried out any action and are not involved in any event, directly or indirectly, to manipulate the price of the shares of Zall.

Furthermore, the Company prepared its consolidated financial statements according to the HKFRSs. Since early 2015, the Company has proactively engaged in its investment business, which is in fact one of the principal businesses of the Group as disclosed in the annual reports of the Company for the years ended 31 December 2015 and 2016 (the "**2015 Annual Report**" and "**2016 Annual Report**" respectively). The Company maintains a diversified portfolio of investment in listed equities and unlisted financial products or private equities. It is common that the trading performance of equity investment is market driven. The net effect of the fair value change in Zall's share contributed approximately 90.21% to the net profit of the Group for the year ended 31 December 2016 instead of 108% as stated in the Report. The performance of the investment in Zall has also been disclosed in the 2016 Annual Report, including the information relating to the unrealized holding gain arising on revaluation for the said year. The Group believes that Zall's growth momentum remains strong and expects the Group's investment in Zall to continue to generate a return for the Group.

As at 31 December 2016, the Company has pledged part of its investment in Zall (being 380,000,000 Zall's shares, representing the value of approximately RMB2,052 million based on the closing price of Zall's shares on 30 December 2016) as collateral for a short term loan of approximately RMB302 million. As disclosed in the audited consolidated financial statements of the Company for the year ended 31 December 2016, the net assets and the cash and cash equivalents of the Group amounted to approximately RMB26,179 million and RMB3,864 million respectively as at 31 December 2016. The amount of such short term loan secured by the above-mentioned Zall's shares is insignificant compared with the Group's net assets and cash and cash equivalents as at 31 December 2016. The Group considers the "poised to crash" situation as described in the Report is a sheer exaggeration and is aimed at creating panic and making a huge profit for GRGC itself.

Zall has published a clarification announcement on 26 April 2017 in which Zall also refuted manipulation of Zall's share price, and responded that the Report completely neglected Zall's efforts in its strategic and business transformation in the last three years.

3. Allegation that the Shares and the Company are over-valued

The Company's response

It is highly biased and inappropriate for GRGC to compare the "adjusted Company's 2016 EBIT (earnings before interests and taxes) from its continuing operations" as quoted in the Report with the Company's recent market capitalization and come up with a multiple of 431 in the Report, implying the Shares and the Company are over-valued because it makes no mention of (a) the P/E ratio, (b) the Company's takeover of CHS and (c) the Company's impressive growth with diversified businesses over the last few years.

(a) P/E ratio

As disclosed in the 2016 Annual Report, the Company's consolidated profit for the year attributable to the owners of the parent was of approximately RMB3,105 million (equivalent to approximately HK\$3,451 million) with a diluted earnings per share of RMB19.15 cents (equivalent to approximately HK\$21.28 cents). The Company's market capitalization as at 24 April 2017 (the trading date immediately before the release of the Report) was HK\$56,425 million (based on the closing price of HK\$2.86 per Share). The P/E ratio at that time was approximately 13 times.

(b) *The Company's takeover of CHS*

Additionally, the multiple of 431 in the Report ignores one very important fundamental fact – the Company's successful takeover of CHS in December 2016. CHS has been achieving a stable and significant profit level, and that was one of the reasons that the Company made a share exchange offer for CHS. As disclosed by CHS in its annual reports, its profit before tax levels was of RMB1,347 million for the year ended 31 December 2015 and RMB1,367 million for the year ended 31 December 2016. After the Company's successful takeover of CHS in December 2016, the financial information of CHS has been incorporated in the Company's consolidated financial statements since December 2016. However, when the Report sets out the multiple of 431, it deliberately omits to mention the high profit level of CHS and such consolidation of CHS's financial information in the Company's financial statements.

For illustration purpose only, if the 2016 EBIT of the Company stated in the Report and the 2016 profit before tax of CHS (as extracted from CHS's annual report for the year ended 31 December 2016) were combined, the total "operating profits" of the Group would be RMB1,499 million (equivalent to approximately HK\$1,666 million), implying that the Company's market capitalization of approximately HK\$56,425 million as at 24 April 2017 (the trading date immediately before the release of the Report) was a multiple of 33 times to the above total "operating profits".

(c) *The Company's impressive growth with diversified businesses over the last few years*

The Board also considers the Report gives a shortsighted conclusion on the valuation and prospects of the Company. It is a generally accepted market principle that a fast-growth company enjoys a high P/E ratio. The market price of any listed company usually reflects a large variety of factors and the potential growth of that company is one of the most important factors. The fact is that the Company has achieved rapid and impressive growth with diversified businesses after the reverse takeover completed in December 2013. The following are just a few examples to demonstrate such growth:

- The table below sets out certain indicators of the Company's rapid growth and expansion.

	As at 31 December 2016 (Audited) (million)	As at 31 December 2013 (Audited) (million)	Growth (approximately)
Consolidated total asset value	RMB48,295	RMB1,465	3,197%
Consolidated net assets (liabilities)	RMB26,179	RMB(195)	Absolute increment of RMB26,374 million
Market capitalization	HK\$71,419	HK\$549	12,909%

- As mentioned above, the Company has successfully taken over CHS by way of share exchange offer in December 2016. The Board expects that CHS will continue to substantially contribute to the consolidated profits of the Company.
- In recent years, the Company has successfully diversified its businesses and expanded its investments and operations in segments of high growth and promising prospects. The relevant acquisitions and investments were disclosed in the Company's annual and interim reports since 2013.

The Board is of a strong view that the misleading allegations and adverse comments on the value of the Company in the Report completely neglect the Company's efforts in the recent years in strategically developing and expanding the Company's businesses in order to respond to the changing economic environment, market demand and industry policy development. The Company has been accumulating experience and strengths to gradually develop its business segment. The successful major acquisitions and investments as previously disclosed by the Company also reflect the Company's commitment and effort in relation to the development of its operating businesses. The biased comments on the Company in the Report reveals that GRGC fails to understand the business model and development directions of the Group, undermines the positive results of the continuous efforts made by the Company's management and ignores the changes in market demand, policy trend and economic environment in China in recent years.

4. Allegations: Undisclosed related party disposals and acquisitions

The Company's response

The Company denies all of the allegations relating to the undisclosed related party disposals and acquisitions mentioned in the Report. The Company confirms that the counterparties of the alleged transactions in the Report are not connected persons of the Company at the time of the relevant transactions under Chapter 14A of the Listing Rules nor related parties as defined under Hong Kong Accounting Standard 24 (Revised) Related Party Disclosures. The terms of each of such transactions, including the relevant consideration of the transactions, were considered fair and reasonable and in the interests of the Company and its shareholders as a whole. The Company entered into such transactions after taking into account various factors and reasons as disclosed in the relevant announcements or circulars (if any) of the Company made pursuant to the disclosure requirements under Chapter 14 of the Listing Rules (where applicable).

The statements and descriptions in relation to the “related party relationship” with Mr. Ji Changqun (the ultimate controlling shareholder, co-chief executive officer and an executive Director of the Company) (“**Mr. Ji**”) and his family are completely fabricated and fictitious, and contain inaccurate and incomplete information. The allegations relating to the related party transactions which, in the opinion of GRGC, were entered into by the Company in favour of Mr. Ji and his family, are completely misleading and unfounded speculations.

- (1) Disposal of Fullshare Green Building Group Company Limited* (豐盛綠建集團有限公司) (“**Fullshare Green Building**”) to Jiasheng Construction Group Co., Ltd.* (嘉盛建設集團有限公司) (“**JCC**”) on 22 June 2016 (the “**Green Disposal**”):

As disclosed in the announcement of the Company dated 22 June 2016, the Green Disposal comprised only certain but not entire operating green buildings subsidiaries of the Group. The green building services disposed under the Green Disposal, including green construction services and energy station management services, involve long operating cycle, large initial investment cost as well as lower profit margin as compared with those green building services retained by the Group.

The Company would like to point out that revenue generated by Fullshare Green Building and its subsidiaries (“**Fullshare Green Building Group**”) accounted for approximately 57% and 24% of the turnover and profit of the green building services segment for the year 2015 respectively. The profit margin of the entire green building service segment of the Group during the year ended 31 December 2015 was approximately 44%, whereas the profit margin of the disposed Fullshare Green Building Group was only approximately 18%. In addition, the revenue and profit of the disposed Fullshare Green Building Group accounted for approximately 5% and 15% of the total revenue and total profit of the Group for the year ended 31 December 2015, instead of 9% and 63% respectively which are wrongfully quoted in the Report to exaggerate the value of the Fullshare Green Building Group and the impact of the Green Disposal. In addition, the consideration for the Green Disposal was determined with reference to, amongst others, the net asset value of Fullshare Green Building as well as the declared dividend by Fullshare Green Building. The allegations stating that Fullshare Green Building was the only material and the highest profit-margin subsidiary involved in the Company’s green building service segment and sold at massive discount are incorrect.

At the time of entering into the equity transfer agreement with JCC (as the purchaser), Mr. Ji Changbin and Mr. Ji Changrong, both being brothers of Mr. Ji in aggregate held less than 30% equity interest in JCC, and the other shareholders of JCC, including the largest shareholder holding approximately 42.5% in JCC, were third parties independent of the Company and were not connected persons of the Company under Chapter 14A of the Listing Rules at that time. JCC is not an associate of Mr. Ji and thus not constitutes a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Therefore, the transaction contemplated under the equity transfer agreement with JCC does not constitute connected transaction of the Company under Chapter 14A of the Listing Rules. In addition, JCC is not a related party as defined under Hong Kong Accounting Standard 24 (Revised) Related Party Disclosures.

For details of the transaction, including the reasons for disposal and the basis for determining the consideration, please refer to the announcement made by the Company in accordance with the requirements of Chapter 14 of the Listing Rules for this disposal on 22 June 2016.

- (2) Disposals of Jurong Dasheng Property Development Company Limited* (句容達盛房地產開發有限公司) and Jurong Dingsheng Property Development Company Limited* (句容鼎盛房地產開發有限公司) (collectively, “**Jurong Companies**”) to Nanjing Dongzhou Property Development Limited* (南京東洲房地產開發有限公司) (“**Nanjing Dongzhou**”) (as the purchaser) on 9 November 2015:

The Report alleges that Mr. Ji is the ultimate beneficiary of the sale of Jurong Companies because GRGC speculates that the consideration for purchase of Jurong Companies by Nanjing Dongzhou is financed by Nanjing Jiasheng Property Development Co., Ltd.* (南京嘉盛房地產開發有限公司) (“**JPD**”) and Nanjing Chuangsu Investment Co., Ltd.* (南京創蘇投資有限公司) (“**NCI**”), which in the opinion of GRGC, are companies connected to and are “likely” controlled by Mr. Ji.

The Company would like to clarify that (i) Mr. Ji only held approximately 7.97% equity interest in JPD at the time of entering into the relevant disposal agreements on 9 November 2015. Mr. Ji was not a director or senior management of JPD. JPD was therefore not a company controlled by Mr. Ji; and (ii) the ultimate beneficial owners of NCI are not relatives (as defined in Chapter 14A of the Listing Rules) of Mr. Ji. The lease of office by Nanjing Fullshare Industrial Holding Group Co., Ltd.* (南京豐盛產業控股集團有限公司) (“**Fullshare Private**”), a company owned as to more than 50% by Mr. Ji, is a normal commercial agreement between the parties. The engagement of supervisor depends on such person’s professional background and work experience, and the role of supervisor in a PRC company is not responsible for the operation of the company. Furthermore, the fact that one person holds a supervisor position in two different companies does not make the two companies related parties under Hong Kong Accounting Standard 24 (Revised) Related Party Disclosures. NCI is not a connected person of the Company under Chapter 14A of the Listing Rules at the time of the transaction and is not a company connected to or controlled by Mr. Ji.

For details of the transaction, including the reasons for disposal and the basis for determining the consideration, please refer to the announcement made by the Company pursuant to the requirements of Chapter 14 of the Listing Rules for this disposal on 9 November 2015.

To the best of Directors’ knowledge, information and belief, having made all reasonable enquiries, the financial arrangement of Nanjing Dongzhou with JPD or NCI mentioned in the Report is unrelated and irrelevant to the subject transaction. The accusation that Mr. Ji and his family were the ultimate beneficiaries and financed the transaction was fabricated and fictitious.

- (3) Disposal of Jiangsu Province Fullshare Property Development Limited* (江蘇省豐盛房地產開發有限公司) (“**Jiangsu Fullshare**”) to Nanjing Shanbao Investment Management Limited* (南京善寶投資管理有限公司) (“**Nanjing Shanbao**”) on 29 May 2015:

The Report alleges that Nanjing Jiangong Group Co., Ltd.* (南京建工集團有限公司) (“**Nanjing Jiangong**”), a company beneficially owned as to more than 50% by Mr. Ji’s brother, financed the disposal of Jiangsu Fullshare for Nanjing Shanbao. The statement is completely incorrect. As far as the Company is aware, the loan to Nanjing Shanbao advanced by Nanjing Jiangong of RMB378 million mentioned in the Report is for other business transaction(s) between Nanjing Shanbao and Nanjing Jiangong which is completely unrelated to the disposal of Jiangsu Fullshare. The accusation that Mr. Ji and his family were the ultimate beneficiaries and financed the transaction is fabricated and fictitious.

In addition, instead of “*rights to three potentially lucrative property developments in Jiangsu*” held by Jiangsu Fullshare as alleged in the Report, the Company would like to draw the attention of its shareholders to the Company’s circular dated 19 June 2015 that approximately 98% in terms of the total GFA (gross floor area) of the developed property project of Jiangsu Fullshare has been sold as at 31 December 2014 and reported as revenue of the Group for year 2014, and the 2% remaining part was not expected to contribute significant revenue to the Group. Extensive development costs of approximately RMB1,539 million and financings would be required for continuing development of the reserved land and the remaining undeveloped project of Jiangsu Fullshare. Considering the potential capital commitment as well as the diminishing return from the developed property project, the Company decided to dispose of Jiangsu Fullshare.

For further details of the transaction, including the reasons for disposal and the basis for determining the consideration, please refer to the announcement made by the Company for this disposal on 29 May 2015 and the circular of the Company dated 19 June 2015 in accordance with the requirements of Chapter 14 of the Listing Rules.

- (4) Disposal of Nanjing High Accurate Marine Equipment Co., Ltd. (“**Marine Equipment**”) to JCC on 23 February 2017:

The Company would like to emphasize that Marine Equipment has been in a net loss before the disposal. At the time of entering into the purchase agreement on 23 February 2017 in relation to the disposal of Marine Equipment, none of the shareholders of JCC (including Mr. Ji Xueshan) was a relative (as defined in Chapter 14A of the Listing Rules) of Mr. Ji, and all of them were third parties independent of the Company and were not connected persons of the Company under Chapter 14A of the Listing Rules. Therefore, JCC was not a connected person at the time of the transaction and the transaction contemplated under the purchase agreement did not constitute connected transaction of the Company under Chapter 14A of the Listing Rules. In addition, JCC is not a related party as defined under Hong Kong Accounting Standard 24 (Revised) Related Party Disclosures.

CHS has published a clarification announcement on 25 April 2017 in relation to the above transaction.

- (5) Disposal of Fudaksu Pte. Ltd, and its subsidiaries (“**Fudaksu JV**”) to Chinafair Investment Limited (“**Chinafair**”) in December 2016:

As the Group has developed a business similar to the business of Fudaksu JV, considering the then operating conditions of Fudaksu JV and the possible overlapping business with other existing business of the Group, the Company decided to dispose of Fudaksu JV. The terms of this disposal (including the consideration) are fair and reasonable to the Company and in the interests of the Company and its shareholders as a whole.

The ultimate beneficial owner of Chinafair is not a relative (as defined in Chapter 14A of the Listing Rules) of Mr. Ji nor a connected person of the Company under Chapter 14A of the Listing Rules, and Chinafair is not a company connected to or controlled by Mr. Ji. Chinafair was not a connected person at the time of the transaction and the transaction did not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules nor a notifiable transaction of the Company under Chapter 14 of the Listing Rules according to the then applicable percentage ratios (as defined under the Listing Rules) of the transaction. In addition, Chinafair is not a related party as defined under Hong Kong Accounting Standard 24 (Revised) Related Party Disclosures. The Company therefore did not make a separate announcement for this disposal, but the relevant information was disclosed in the 2016 Annual Report.

In addition, it is said in the Report that Nanjing Saiteng Trading Co., Ltd.* (南京賽騰貿易有限公司) (“**Nanjing Saiteng**”) is a subsidiary of Fullshare Private. Such statement is completely incorrect as the shareholder of Nanjing Saiteng is not a company connected to or controlled by Mr. Ji or his associate, and the information from the Fullshare Privates’ website quoted in the Report has been outdated. The statement in the Report stating that Fullshare Leisure Agricultural Development Company Limited* (豐盛(南京)休閒農業發展有限公司) is a subsidiary of Fullshare Private is not correct either, and such information is not even derived from any official or trustworthy authority.

- (6) Acquisition of Nanjing Tianyun Real Estate Development Company Limited* (南京天韻房地產開發有限公司) (“**Nanjing Tianyun**”) from Nanjing Tonglu Asset Management Limited (“**Tonglu**”) on 5 September 2014:

At the time of entering into the equity transfer agreement on 5 September 2014, Tonglu was a wholly-owned subsidiary of Nanjing Changfa Dushi Real Estate Development Co. Ltd.* (南京長發都市房地產開發有限公司) (“**Nanjing Changfa**”), and each of Tonglu and Nanjing Changfa was a party independent of the Company and not a connected person of the Company. Nanjing Changfa successfully bid the land subsequently held by Nanjing Tianyun in January 2010, and established Nanjing Tianyun. As far as the Company is aware, Nanjing Jiangong and Nanjing Changfa has a long history of business relationship in their ordinary and usual course of business. The shareholding changes in Nanjing Tianyun between Nanjing Changfa and Nanjing Jiangong were mainly due to the financing arrangement for a loan which was unrelated to the subject acquisition. After the repayment of the loan, the 95% shareholding in Nanjing Tianyun was transferred back to Nanjing Changfa’s wholly-owned subsidiary Tonglu. Due to further capital needs of Nanjing Changfa, it then sold 80% shareholding in Nanjing Tianyun to the Company at a consideration which was below the net asset value of Nanjing Tianyun, and the remaining 20% shareholding in Nanjing Tianyun was still held by Nanjing Changfa directly and indirectly through Tonglu.

The Company prepared its consolidated financial statements according to HKFRS. The calculation and recognition of the “gain on bargain purchase” of RMB237,978,000 in the consolidated financial statements of the Company for the year ended 31 December 2014 as a result of the acquisition of Nanjing Tianyun is audited and referenced to the valuation report dated 25 September 2014 as set out in the circular of the Company dated 25 September 2014. Nanjing Tianyun contributed net profit of RMB62,041,000 and RMB85,783,000 for the years ended 31 December 2015 and 2016 respectively.

For further details of the transaction, including the reasons for the acquisition and the basis for determining the consideration, please refer to the announcements made by the Company for this acquisition on 5 September 2014 and 15 October 2014 and the circular of the Company dated 25 September 2014 prepared in accordance with the requirements of Chapter 14 of the Listing Rules.

- (7) Acquisition of 35% equity interest in Nanjing Jiansheng Real Estate Development Company Limited* (南京建盛房地產開發有限公司) (“**Nanjing Jiansheng**”) from Nanjing Zhonghe Shiye Investment Development Company Limited* (南京中閩實業投資發展有限公司) (“**Nanjing Zhonghe**”) on 12 August 2016:

The acquisition of 35% equity interest in Nanjing Jiansheng was a parity acquisition at a consideration which was equivalent to the 35% registered capital of Nanjing Jiansheng.

At the time of entering into the equity transfer agreement with Nanjing Zhonghe, Nanjing Zhonghe was owned as to only approximately 18.18% by Mr. Ji Xuelong, who is not a relative (as defined in Chapter 14A of the Listing Rules) of Mr. Ji, and as to approximately 81.82% by NCI. As disclosed above, NCI is not a connected person of the Company under Chapter 14A of the Listing Rules and is not a company connected to or controlled by Mr. Ji. Therefore, Nanjing Zhonghe is not an associate of Mr. Ji and thus not constitutes a connected person of the Company. The transaction contemplated under the above equity transfer agreement does not constitute connected transaction of the Company under Chapter 14A of the Listing Rules. In addition, Nanjing Zhonghe is not a related party as defined under Hong Kong Accounting Standard 24 (Revised) Related Party Disclosures.

For further details of the transaction, including the reasons for the acquisition and the basis for determining the consideration, please refer to the announcement made by the Company for this acquisition on 12 August 2016 in accordance with the requirements of Chapter 14 of the Listing Rules.

The Company would like to emphasize that it never attempts to disregard shareholders' rights or any Hong Kong securities laws or Listing Rules or to secretly transfer profit or interest to Mr. Ji and his family. For the previous transactions with Mr. Ji and/or his associates which did constitute connected transactions, the Company has made announcements and circulars (where applicable) in accordance with the applicable requirements of the Listing Rules and the Stock Exchange, and has complied with the reporting, annual review and independent shareholders' approval requirements (where applicable) under Chapter 14A of the Listing Rules. The Company considers that such transactions with Mr. Ji and/or his associates are fair and reasonable and in the interests of shareholders as a whole, and certain transactions such as the acquisitions of the Shenzhen Anke High-Tech Company Limited* (深圳安科高技術股份有限公司) and its subsidiaries (the “**Anke Group**”) and Nanjing Fullshare Dazhu Technology Co., Ltd.* (南京豐盛大族科技股份有限公司) (“**Nanjing Fullshare Technology**”) have contributed positive profit after tax to the owners of the parent as set out below:

	For the year ended 31 December 2016 RMB'000	For the year ended 31 December 2015 RMB'000
Profit after tax from Nanjing Fullshare Technology	208,800	108,408
Profit after tax from Anke Group	9,679	1,586

The Company continues to review and monitor the internal control procedures of the Company and strengthen its corporate governance to ensure that all of the transactions of the Company shall be in compliance with the applicable requirements of the Listing Rules and other relevant laws and regulations.

(8) Misleading information relating to Fullshare Private in the Report

The Report states that Fullshare Private is a real estate company, which is inaccurate. As disclosed in Fullshare Private's bond prospectus issued by Fullshare Private in October 2016, the industry in which Fullshare Private is engaged is "E Construction – E48 Civil Engineering Construction" according to "Classification of National Economy Industries". Therefore, Fullshare Private is not a real estate company as stated in the Report. As Fullshare Private engages in infrastructure projects with government by IBR (Invest-Build-Return) model and PPP (Public-Private Partnership) model which may lead to high receivables to equity ratio, the description of Fullshare Private's financial position (e.g. the receivables to equity ratio) in the Report is misleading and biased by only extracting and listing the financial data from Fullshare Private's bond prospectus without explaining the business model of Fullshare Private and the industry in which Fullshare Private is engaged, which are also disclosed in the same bond prospectus. Furthermore, the establishment of long-term and sustainable strategic alliance with both JCC and Nanjing Jiangong as disclosed in the Fullshare Private's bond prospectus is conducted in and is part of the ordinary and usual course of business of each Fullshare Private, JCC and Nanjing Jiangong.

FURTHER ACTIONS TO BE TAKEN BY THE COMPANY

The Company will consider and adopt all reasonable measures to protect the interest of the shareholders of the Company, including share repurchase by the Company on the market under the effective repurchase mandate granted by the shareholders of the Company.

Mr. Ji as the ultimate controlling shareholder of the Company and the Chairman of the Board is confident of the current business development and prospect of the Group. Mr. Ji is willing and ready to provide any form of assistance or support advantageous to the Group.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The Board confirms that all the consolidated financial statements of the Company for the years ended 31 December 2014, 2015 and 2016 have been audited by the auditors of the Company which issued unqualified audit opinions of the Group's consolidated financial statements throughout all those years. As at the date of this announcement, the relevant auditors of the Company have not withdrawn or revised their unqualified audit opinions in their auditors' reports in respect of the Group's audited consolidated financial statements for the years ended 31 December 2014, 2015 and 2016.

OPINIONS OF DIRECTORS

All of the Directors, including the independent non-executive Directors, have reviewed the Report, the responses set out in this announcement and relevant evidence prepared by the Company as disclosed in this announcement, and discussed in detail among themselves and with the management of the Company. On this basis, all of the Directors consider that the allegations in the Report are unfounded and contain misrepresentations, misleading and false allegations and factual errors and they agree with the Company's responses to the allegations as set out in this announcement.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 10:56 a.m. on Tuesday, 25 April 2017 pending release of this announcement. The Company has applied to the Stock Exchange for resumption of trading in its shares on the Stock Exchange with effect from 9:00 a.m. on Thursday, 4 May 2017.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Fullshare Holdings Limited
Ji Changqun
Chairman

Hong Kong, 2 May 2017

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

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* *For identification purposes only*