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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)



Zall Development Group Ltd.

卓爾發展集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2098)

**INSIDE INFORMATION
MEMORANDUM OF UNDERSTANDING
IN RELATION TO A POSSIBLE ACQUISITION/DISPOSAL**

**MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE
ACQUISITION/DISPOSAL**

This joint announcement is made by Fullshare and Zall Development pursuant to Rule 13.09(2) of the Listing Rules 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 Fullshare Board and Zall Development Board are pleased to announce that, after the trading hours on Thursday, 9 April 2015, Fullshare entered into the MOU with Zall Development in relation to the potential acquisition by Fullshare, and the potential disposal by Zall Development, of the 90% equity interest of the Target Companies. The terms and conditions of the Proposed Transaction under the MOU are subject to further negotiations between the parties thereof and the DD Review to be conducted by Fullshare and the structure of the Proposed Transaction and the terms of the Definitive Agreement having been agreed. Pursuant to the MOU, Fullshare have been granted a three-month exclusivity period to conduct the DD Review and negotiations with Zall Development for entering into the Definitive Agreement in relation to the Proposed Transaction.

If the Proposed Transaction contemplated under the MOU materialises, it may constitute a notifiable transaction of Fullshare and Zall Development under the Listing Rules. Further announcement(s) in relation to the Proposed Transaction will be made by Fullshare and Zall Development as and when appropriate in compliance with the Listing Rules.

There is no assurance that any transactions referred to in this joint announcement will materialise or eventually be consummated. The Fullshare Shareholders, the Zall Development Shareholders and potential investors should note that the Proposed Transaction is subject to, among other things, the signing of Definitive Agreement, the terms and conditions of which are yet to be agreed. The Proposed Transaction may or may not proceed and the final structure and terms of the Proposed Transaction, which are still subject to further negotiations between the parties, have yet to be finalised and may deviate from that set out in the MOU. The Fullshare Shareholders, the Zall Development Shareholders and potential investors are advised to exercise caution when dealing in the shares of Fullshare and Zall Development.

MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE ACQUISITION/DISPOSAL

This joint announcement is made by Fullshare Holdings Limited (“**Fullshare**”) and Zall Development Group Ltd. (“**Zall Development**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) 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**”).

The board (the “**Fullshare Board**”) of directors (the “**Fullshare Directors**”) of Fullshare and the board (the “**Zall Development Board**”) of directors (the “**Zall Development Directors**”) of Zall Development are pleased to announce that, after the trading hours on Thursday, 9 April 2015, a memorandum of understanding (the “**MOU**”) was entered into between Fullshare and Zall Development.

Pursuant to the MOU, Fullshare and Zall Development will enter into further negotiation regarding the possible acquisition by Fullshare, and the possible disposal by Zall Development, of the 90% equity interests of Zall Trading Development (Xiaogan) Limited* (卓爾商貿發展(孝感)有限公司), Zall Development (Xiaogan) Limited* (卓爾發展(孝感)有限公司) and Zall Development (Shenyang) Limited* (卓爾發展(瀋陽)有限公司), each being a wholly-owned subsidiary of Zall Development as at the date of this announcement (collectively, the “**Target Companies**”) (the “**Proposed Transaction**”). The Target Companies are interested in one tourism real estate project on a parcel of land located in Xiaogan, Hubei Province, China and one residential project in Shenyang, Liaoning Province, China (collectively, the “**Lands and Projects**”). Pursuant to the MOU, Fullshare and Zall Development will further negotiate with a view to entering into the definitive agreement and other ancillary legal documents to be entered into Fullshare and Zall Development with respect to the Proposed Transaction (the “**Definitive Agreement**”) on or before 9 July 2015. Subject to the finalization and entering of the Definitive Agreement and upon the completion of the Proposed Transaction, the Target Companies will become non-wholly-owned subsidiaries of Fullshare.

To the best of the Fullshare Directors’ knowledge, information and belief, Zall Development and its ultimate beneficial owners are third parties independent of Fullshare and its connected persons (as defined in the Listing Rules). Zall Development is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange.

To the best of the Zall Development Directors’ knowledge, information and belief, Fullshare and its ultimate beneficial owners are third parties independent of Zall Development and its connected persons (as defined in the Listing Rules). Fullshare is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are also listed on the Stock Exchange.

PRINCIPAL TERMS OF THE MOU

Total consideration of the Proposed Transaction

The MOU envisages that the consideration of the Proposed Transaction will, subject to further negotiation between Fullshare and Zall Development, be on normal commercial terms principally with reference to factors including the sum of the proportionate net asset values of 90% equity interests of the Target Companies as at 31 December 2014 based on the financial statements of the Target Companies as audited by the audit firm as designated by Fullshare, subject to a 10% upward adjustment.

As the net asset value of Zall Development (Shenyang) Limited as at 31 December 2014 attributable to 90% equity interest is approximately RMB534,000,000, it is expected that the consideration for the 90% equity interest in Zall Development (Shenyang) Limited will be approximately RMB587,000,000.

As the aggregate amount of net asset value of Zall Trading Development (Xiaogan) Limited and Zall Development (Xiaogan) Limited as at 31 December 2014 attributable to 90% equity interest is approximately RMB136,000,000, it is expected that the consideration for the 90% equity interest in Zall Trading Development (Xiaogan) Limited and Zall Development (Xiaogan) Limited will be approximately RMB149,000,000.

Based on the above, it is expected that the total consideration of the Proposed Transaction will be approximately RMB736,000,000, which is subject to further negotiation and determination between the parties and the entering of the Definitive Agreement. It is currently envisaged that the consideration for the Proposed Transaction may comprise of a cash consideration and/or issue of consideration shares by Fullshare.

Condition Precedents

Subject to the entering of the Definitive Agreement, condition precedents to the completion of the Proposed Transaction shall include, without limitation to, Fullshare and Zall Development having obtained the regulatory approvals and the approval of the shareholders of Fullshare (the “**Fullshare Shareholders**”) and the shareholders of Zall Development (the “**Zall Development Shareholders**”) (if necessary) in relation to the Proposed Transaction and other transactions contemplated under the Definitive Agreement.

Exclusivity

Pursuant to the MOU, Fullshare has been granted a three-month exclusive negotiation period (hereinafter referred to as “**Exclusive Negotiation Period**”), during which there will further negotiation between the parties in respect of the Proposed Transaction and Fullshare will arrange to conduct a due diligence review (the “**DD Review**”) on, among others, the financial, legal and valuation aspects of the Target Companies, the Lands and Projects and that the parties would not enter into any discussion with any other persons in respect of the Proposed Transaction.

The parties will endeavour to enter into the Definitive Agreement subject to the results of the DD Review. The entering into of the Definitive Agreement by the parties will be subject to the following conditions:

- (a) Fullshare being satisfied with the results of the DD Review, and there has been no change to such results which is not acceptable to Fullshare prior to the execution of the Definitive Agreement;
- (b) the structure of the Proposed Transaction and the terms of the Definitive Agreement having been agreed amongst the parties.

Reasons for Entering into the MOU

Fullshare and its subsidiaries (collectively, the “**Fullshare Group**”) is expanding its principal business activities into green building, green urban EPC (Engineering Procurement Construction), EMC (Energy Management Contract) services and property development in the PRC. With the Fullshare Group acquiring the 90% equity interest in the Target Companies, the Fullshare Group can enrich its property portfolio.

The Target Companies are principally engaged in residential and commercial property development in China. As set out in Zall Development’s interim report for the six months ended 30 June 2014 and Zall Development’s announcement dated 22 October 2014, Zall Development is adjusting its principal business activities and will concentrate its resources on the core business segment, i.e. the development and operating of large-scale consumer product-focused wholesale shopping malls and the related value-added business, such as warehousing, logistics, E-commerce and financial services. The Zall Development Directors consider that the entering into of the MOU is in the interests of Zall Development and its shareholders as a whole.

Nature of the MOU

The MOU does not constitute any legally binding commitment in respect of the Proposed Transaction, save and except that each party agrees to be legally bound by certain provisions relating to, among others, the Exclusive Negotiation Period, confidentiality obligations and the governing law. The Proposed Transaction is subject to further negotiation of the terms of the Definitive Agreement between the parties and the execution and completion of the Definitive Agreement, if any.

General

If the Proposed Transaction materialises, it may constitute a notifiable transaction of Fullshare and Zall Development under the Listing Rules. Further announcement(s) in relation to the Proposed Transaction will be made by Fullshare and Zall Development as and when appropriate in compliance with the Listing Rules.

There is no assurance that any transactions referred to in this joint announcement will materialise or eventually be consummated. The Fullshare Shareholders, the Zall Development Shareholders and potential investors should note that the Proposed Transaction is subject to, among other things, the signing of Definitive Agreement, the terms and conditions of which are yet to be agreed. The Proposed Transaction may or may not proceed and the final structure and terms of the Proposed Transaction, which are still subject to further negotiations between the parties, have yet to be finalised and may deviate from that set out in the MOU. In the event that the legally binding definitive agreement is signed, further announcement(s) will be made by Fullshare and Zall Development in compliance with the Listing Rules. The Fullshare Shareholders, the Zall Development Shareholders and potential investors are advised to exercise caution when dealing in the shares of Fullshare and Zall Development.

By order of the Board
Fullshare Holdings Limited
Ji Changqun
Chairman

By order of the Board
Zall Development Group Ltd.
Yan Zhi
Chairman

Hong Kong, 9 April 2015

As at the date of this joint announcement, the executive directors of Fullshare are Mr. Ji Changqun, Mr. Shi Zhiqiang, Mr. Wang Bo and Mr. Fang Jian; the non-executive directors are Mr. Eddie Hurip and Mr. Chen Minrui; and the independent non-executive directors 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 Zall Development are Mr. Yan Zhi, Mr. Cui Jinfeng, Mr. Fang Li and Ms. Wang Danli; the non-executive director is Mr. Fu Gaochao; the independent non-executive directors are Ms. Yang Qiongzhen, Mr. Cheung Ka Fai and Mr. Peng Chi.

* *For identification purposes only*