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SHARE ECONOMY GROUP LIMITED

(共享經濟集團有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1178)

SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE LAPSE OF THE SUBSCRIPTION AGREEMENT

Reference is made to the announcements of Share Economy Group Limited (the “**Company**”) respectively dated 28 October 2016, 16 December 2016, 23 December 2016, and 26 January 2017 and its circular dated 28 November 2016 (the “**Circular**”) in relation to, amongst others, the subscription of new shares of the Company under specific mandate. Capitalised terms used herein shall have the same meanings as those defined in the Circular unless otherwise stated.

Pursuant to the Subscription Agreement (as amended by the side letters entered into between the Company and the Subscriber, respectively, on 23 December 2016 and 26 January 2017), the conditions precedent of the Subscription shall be fulfilled on or before 28 February 2017 (the “**Long Stop Date**”).

On 28 February 2017, the Company was informed by the Subscriber that since the remittance of significant equity investment funds out of the PRC is restricted due to material changes in the regulatory policy of the PRC, the Subscription Price was eventually unable to be remitted cross-borderly and be in place upon the Long Stop Date such that the transaction was unable to be completed. Pursuant to the second side letter of the Subscription Agreement entered into between the Company and the Subscriber on 26 January 2017, the Subscriber undertook not to request any further extension of time for fulfilment of the conditions precedent to complete the Subscription. As such, the Subscription Agreement has lapsed and become null and void accordingly.

The Board considers that the lapse of the Subscription Agreement has no material adverse impact on the Group as a whole.

By Order of the Board
Share Economy Group Limited
Xu Zhifeng
Executive Director

Hong Kong, 1 March 2017

As at the date of this announcement, the Board comprises Mr. Tan Jiefu, Mr. Yip Tak Yin Parkson, Mr. Xu Zhifeng, Mr. Zhou Guohua and Mr. Wang Jingan as executive Directors; Mr. Chan Shun Yee as non-executive Director; and Mr. Su Rujia, Mr. Wong Tat Yan Paul and Dr. Wang Edward Xu as independent non-executive Directors.