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**ZALL 卓尔**

**Zall Group Ltd.**

**卓爾集團股份有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2098)**

## **CLARIFICATION ANNOUNCEMENT**

The board of directors (the “**Board**”) of Zall Group Ltd. (the “**Company**”) wishes to clarify with respect to certain matters concerning the respective roles and responsibilities of Mr. Yan Zhi (“**Mr. Yan**”) and Dr. Gang Yu (“**Dr. Yu**”) as Co-chairman of the Company (“**Co-Chairmen**”) under the articles of association of the Company (the “**Articles**”), The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Corporate Governance Code.

Among others, Article 63 of the Articles contemplates for the chairman of the Company to presides as the chairman at every general meeting of the Company, unless he chooses to retire from the chair. Rule B.8 of the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 of the Listing Rules also designates the chairman of the Company to receive and acknowledge a notification from a director of the Company (“**Director**”) for his dealing in the securities of the Company. Further, Paragraph A.2 of the Corporate Governance Code sets out certain roles and responsibilities of the chairman of the Company with respect to the Company’s corporate governance matters.

The Board wishes to clarify that since Dr. Yu’s appointment as a Co-Chairman (and Mr. Yan’s re-designation as Co-Chairman) in 2015, Mr. Yan and Dr. Yu have been serving clearly delineated functions within the Company and its subsidiaries (the “**Group**”). Mr. Yan has always been responsible for the off-line business operations of Group, including the responsibilities of a chairman of the Company under the Articles, the Listing Rules (including the Model Code) and the Corporate Governance Code, while Dr. Yu is responsible for the strategic development of the Group’s online business operations, including the promotion and implementation of the Group’s “Zall Cloud Market Plan”. There is also a clear understanding and expectation by Board and within the Company as to the separation roles and responsibilities of Mr. Yan and Dr. Yu within the Group.

In the same connection, the Company also proposes to amend the Articles such that the Articles would expressly contemplate for the appointment of two Co-Chairmen. The Company will update shareholders and potential investors of the Company in this regard by way of further announcement(s) in due course.

By order of the Board

**Zall Group Ltd.**

**Yan Zhi**

*Co-chairman*

Hong Kong, 14 September 2016

*As at the date of this announcement, the Board comprises Mr. Yan Zhi, Dr. Gang Yu, Mr. Cui Jinfeng, Mr. Wang Chuang and Mr. Peng Chi, as executive directors of the Company; Mr. Cheung Ka Fai, Mr. Wu Ying and Mr. Wei Zhe, David, as independent non-executive directors of the Company.*