

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

**RELEASE OF PLEDGE OF SHARES BY
CONTROLLING SHAREHOLDER**

This announcement is made by Zall Group Ltd. (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and part XIVA of the Securities and Futures ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 24 November 2016 in relation to the charging of 888,000,000 shares in the Company (the “**Charged Shares**”) by Zall Development Investment Company Limited, a company wholly owned by Mr. Yan Zhi (the “**Controlling Shareholder**”) in favor of Industrial Bank Co., Ltd. Hong Kong Branch (the “**Lender**”) as security for a term loan facility (the “**Loan**”) provided by the Lender to the Company.

On 31 May 2017, the Company has repaid the Loan in full to the Lender, and the Company has been notified by the Controlling Shareholder that the Charged Shares have been released and the relevant procedures for the release of the relevant share pledge have been completed on 31 May 2017.

As at the date of this announcement, the Controlling Shareholder holds 7,542,545,268 shares in the Company (representing approximately 70.19% of the total issued share capital of the Company).

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

By the order of the Board

Zall Group Ltd.

Yan Zhi

Co-chairman

Hong Kong, 31 May 2017

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