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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)

COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE

The Board is pleased to announce that completion of the Subscription took place on 16 June 2017 in accordance with the terms and conditions of the Subscription Agreement, and an aggregate of 357,141,000 new Shares have been allotted and issued by the Company to the Subscriber.

Reference is made to the announcement of the Company dated 31 May 2017 in relation to, among others, the allotment and issue of the Subscription Shares under the General Mandate (the “**Announcement**”). Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE

The Board is pleased to announce that all conditions of the Subscription Agreement have been fulfilled and completion of the Subscription took place on 16 June 2017 in accordance with the terms and conditions of the Subscription Agreement. An aggregate of 357,141,000 new Shares have been allotted and issued to the Subscriber, representing approximately 3.22% of the total issued Shares of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after completion of the Subscription.

The net proceeds from the Subscription is approximately HK\$1.5 billion, which is intended to be used by the Company to repay certain debts of the Group and as general working capital of the Group.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, the Subscriber and its ultimate beneficial owner(s) are independent of the Company and connected persons of the Company, and the Subscriber did not become a substantial shareholder (as defined in the Listing Rules) of the Company immediately upon completion of the Subscription.

EFFECT OF THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (a) immediately before Completion; and (b) immediately after Completion and as at the date of this announcement:

Shareholders	Immediately before Completion		Immediately after Completion and as at the date of this announcement	
	Number of Share	%	Number of Share	%
Zall Development Investment Company Limited and Mr. Yan Zhi (<i>Note 1</i>)	7,542,545,268	70.19	7,542,545,268	67.93
Rich Unicorn Holdings Limited (<i>Note 2</i>)	949,224,000	8.83	949,224,000	8.55
The Subscriber	—	—	357,141,000	3.22
Other public Shareholders	<u>2,253,808,482</u>	<u>20.98</u>	<u>2,253,808,482</u>	<u>20.30</u>
Total	<u>10,745,577,750</u>	<u>100.00</u>	<u>11,102,718,750</u>	<u>100.00</u>

Notes:

- As at the date of this announcement, Zall Development Investment Company Limited is a company wholly-owned by Mr. Yan Zhi, Mr. Yan Zhi is deemed to be interested in 7,542,545,268 Shares currently held by Zall Development Investment Company Limited. In addition, 56,613,000 Shares are held directly by Mr. Yan Zhi.
- As at the date of this announcement, Rich Unicorn Holdings Limited is a company wholly-owned by Fullshare Holdings Limited, which is in turn owned as to 58.76% by Magnolia Wealth International Limited, which in turn is wholly owned by Mr. Ji Changqun. Mr. Ji Changqun also directly owns 6% of Fullshare Holdings Limited.

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

Hong Kong, 16 June 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.