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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)**

**(1) RE-DESIGNATION OF DIRECTOR; AND  
(2) CHANGE OF COMPOSITION OF AUDIT COMMITTEE,  
REMUNERATION COMMITTEE AND NOMINATION COMMITTEE**

The Board announces that, with effect from 28 June 2017:

- (i) Mr. Wei Zhe has been re-designated from an independent non-executive Director to an executive Director and has resigned as the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee;
- (ii) Mr. Zhu Zhengfu has been appointed as the chairman of the Remuneration Committee and a member of the Audit Committee; and
- (iii) Mr. Cheung Ka Fai has been appointed as a member of the Nomination Committee.

This announcement is made by Zall Group Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the circular of the Company dated 15 February 2017 (the “**Circular**”). Capitalised terms used but not otherwise defined herein shall, unless the context indicates otherwise, have the same meanings as that ascribed to them in the Circular.

**RE-DESIGNATION OF DIRECTOR**

As stated in the Circular, upon the First Completion, Mr. Wei Zhe, David (“**Mr. Wei**”) will be re-designated from an independent non-executive Director to an executive Director. Upon the First Completion on 28 June 2017, the Board is pleased to announce that Mr. Wei has been re-designated from an independent non-executive Director to an executive Director with effect from 28 June 2017. Further, Mr. Wei has resigned as the chairman of the remuneration committee of the Company (the

“**Remuneration Committee**”), and as a member of the audit committee of the Company (the “**Audit Committee**”) and nomination committee of the Company (the “**Nomination Committee**”) with effect from 28 June 2017.

The biographical details of Mr. Wei is set out as below:

Mr. Wei Zhe, David, aged 46, has over 16 years of experience in both investment and operational management in the People’s Republic of China. Prior to launching Vision Knight Capital (China) Fund I, L.P., a private equity investment fund in 2011, Mr. Wei was an executive director and chief executive officer of Alibaba.com Limited, a leading worldwide B2B e-commerce company, for about five years, where he successfully led the company through its initial public offering and listing on the Stock Exchange in 2007. Alibaba.com Limited was delisted in June 2012. Prior to Alibaba.com Limited, Mr. Wei was the president, from 2002 to 2006, and chief financial officer, from 2000 to 2002, of B&Q China, the then subsidiary of Kingfisher plc, a leading home improvement retailer in Europe and Asia. Under Mr. Wei’s leadership, B&Q China grew to become China’s largest home improvement retailer. From 2003 to 2006, Mr. Wei was also the chief representative for Kingfisher’s China sourcing office, Kingfisher Asia Limited. Prior to that, Mr. Wei served as the head of investment banking at Orient Securities Company Limited from 1998 to 2000, and as corporate finance manager at Coopers & Lybrand (now part of PricewaterhouseCoopers) from 1995 to 1998. Mr. Wei was a non-executive director of HSBC Bank (China) Company Limited and The Hongkong and Shanghai Banking Corporation Limited and an independent director of 500.com Limited, and was also the vice chairman of China Chain Store & Franchise Association. He was voted as one of “China’s Best CEOs” by Finance Asia magazine in 2010. Mr. Wei is also a non-executive director of PCCW Limited and Zhong Ao Home Group Limited, both of which are listed on the Stock Exchange, and an independent director of Leju Holdings Limited which is listed on the New York Stock Exchange and Shanghai M&G Stationery Inc. which is listed on the Shanghai Stock Exchange. Mr. Wei holds a bachelor’s degree in international business management from Shanghai International Studies University and has completed a corporate finance program at London Business School.

As an executive Director, Mr. Wei will be responsible for the E-commerce development services of the Group. As stated in the Circular, the Company has entered into the Service Agreement with Mr. Wei in respect of his appointment as an executive Director for a term commencing from 28 June 2017, being the First Completion Date, to 31 December 2019, the terms of which supersedes any prior service agreement entered into between the Company and Mr. Wei. Pursuant to the Service Agreement, Mr. Wei shall hold office until the next general meeting of the Company and be eligible for re-election at that meeting in according with the articles of association of the Company. He is entitled to an annual remuneration of RMB1,200,000, which is determined by the Board with reference to his duties and responsibilities within the Company, the Company’s performance and the prevailing market situation, and may be adjusted from time to time based on the review and recommendation from the Remuneration Committee. As set out in the Circular, the Company shall also issue 10,746,000 Incentive Shares to Mr. Wei to provide incentive for and to reward the

potential contribution of Mr. Wei to the Company and the Target Group, subject to the satisfaction of the Profit Target and in accordance with the terms of the Service Agreement (as further described in the Circular).

As at the date of this announcement, Mr. Wei is interested in an aggregate of 321,216,000 Shares (including the Incentive Shares). Save for the aforesaid, Mr. Wei does not have, and is not deemed to have any other interests or short positions in the Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

To the best knowledge of the Board and save as disclosed above, (i) Mr. Wei has not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the last three years, (ii) Mr. Wei has not held any other positions in the Company and other members of the Group, and (iii) Mr. Wei does not have any relationship with any Director, senior management or substantial or controlling shareholder of the Company.

Save as disclosed above, there is no matter relating to the re-designation and appointment of Mr. Wei that needs to be brought to the attention of the Stock Exchange and the Shareholder nor any information that needs to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

The Board would like to extend a warm welcome to Mr. Wei on his appointment as the executive Director.

#### **CHANGE OF COMPOSITION OF AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE**

The Board further announces that, upon the re-designation of Mr. Wei to an executive Director and the resignation of Mr. Wei as the chairman of the Remuneration Committee, and as a member of the Audit Committee and the Nomination Committee: (i) Mr. Zhu Zhengfu, an independent non-executive Director, has been appointed as the chairman of the Remuneration Committee and a member of the Audit Committee with effect from 28 June 2017; and (ii) Mr. Cheung Ka Fai, an independent non-executive Director has been appointed as a member of the Nomination Committee with effect from 28 June 2017.

Upon the abovementioned changes:

- (i) the Audit Committee comprises of three members, namely Mr. Cheung Ka Fai, an independent non-executive Director, as chairman, and Mr. Wu Ying and Mr. Zhu Zhengfu, both independent non-executive Directors, as members;
- (ii) the Nomination Committee comprises of three members, namely Mr. Wu Ying, an independent non-executive Director, as chairman, and Mr. Yan Zhi, an executive Director and co-chairman of the Company and Mr. Cheung Ka Fai, an independent non-executive Director, as members; and

(iii) the Remuneration Committee comprises of three members, namely Mr. Zhu Zhengfu, an independent non-executive Director, as chairman, and Mr. Wu Ying, an independent non-executive Director and Mr. Peng Chi, an executive Director of the Company, as members.

By order of the Board

**Zall Group Ltd.**

**Yan Zhi**

*Co-chairman*

Hong Kong, 28 June 2017

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