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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)

**ALLOTMENT OF SHARES
AND
GRANT OF SHARE OPTIONS
PURSUANT TO THE ACQUISITION AGREEMENT**

INTRODUCTION

This announcement is made pursuant to Rule 17.06A of the Listing Rules. Reference is also made to the circular of the Company dated 15 February 2017 (the “**Circular**”), relating to the Acquisition. Terms used in this announcement, unless defined otherwise, shall have the same meanings as those defined in the Circular.

Pursuant to the Acquisition Agreement, the Company shall issue the Management Shares and grant the Management Options to the Core Management Team.

ALLOTMENT OF SHARES

On 22 December 2017, a total of 8,059,050 Shares were allotted to the Core Management Team pursuant to the Acquisition Agreement. The Management Shares are subject to the Lock-up Undertakings as described under the paragraph headed “Lock-up Undertakings by the Vendors” in the Circular and shall be released in accordance with the mechanism as described in the sub-paragraph headed “Release from the Lock-Up Undertakings – II. Released from the Lock-up Undertakings for Vendor D” in the Circular.

GRANT OF SHARE OPTIONS

On 22 December 2017, a total of 45,667,950 options to subscribe for Shares (the “**Share Options**”) were granted to the Core Management Team pursuant to the Acquisition Agreement. Details of the Share Options granted are as follows:

- Date of Grant : 22 December 2017 (the “**Date of Grant**”)
- Exercise price : HK\$8.48, which represents no less than the highest of (i) the closing price of HK\$8.48 per Share as stated in the Stock Exchange’s daily quotations sheet on the Date of Grant; (ii) the average closing price of HK\$8.25 per Share as stated in the Stock Exchange’s daily quotations sheet for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of the Share
- Number of Shares to be allotted upon exercise of all the Share Options granted : 45,667,950 Shares
- Exercise period : From the date when the exercise conditions are met to 21 December 2027
- Exercise conditions : The Share Options granted shall be exercisable upon fulfillment of certain financial performance targets set out in the respective letters of grant. For further details of the financial performance targets, please refer to the paragraph headed “Management Shares and Management Option” in the Circular
- Cancellation : Any Share Option granted is subject to cancellation (i) in accordance with the terms of the Acquisition Agreement; or (ii) upon a member of the Core Management Team resigns voluntarily from the Project Company, whereas any Share Option granted to him/her which have not become exercisable shall be cancelled automatically

None of the member of the Core Management Team is a Director, chief executive or substantial shareholder of the Company or their respective associate (as defined under the Listing Rules).

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

Hong Kong, 22 December 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.