
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Zall Group Ltd., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED CHANGE OF COMPANY NAME;
DECLARATION OF FINAL DIVIDEND;
RENEWAL OF
GENERAL MANDATES TO ISSUE SHARES AND
TO BUY BACK SHARES;
RE-ELECTION OF DIRECTORS;
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting to be held at Suite 2101, 21/F, Two Exchange Square, Central, Hong Kong on Wednesday, 30 May 2018 at 10:30 a.m. is set out on pages 18 to 22 of this circular. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting. The completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

27 April 2018

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

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|---------------------------|--|
| “Annual General Meeting” | the annual general meeting of the Company to be held at Suite 2101, 21/F, Two Exchange Square, Central, Hong Kong on Wednesday, 30 May 2018 at 10:30 a.m., for the purpose of considering and if thought fit, approving the resolutions proposed in this circular, or any adjournment thereof, notice of which is set out on pages 18 to 22 of this circular |
| “Articles of Association” | the articles of association of the Company as amended, modified or otherwise supplemented from time to time |
| “Board” | the board of Directors |
| “Companies Law” | the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands |
| “Company” | Zall Group Ltd. (卓爾集團股份有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares are listed on the main board of Stock Exchange |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Issue Mandate” | a general and unconditional mandate to be granted to the Directors to allot, issue, and otherwise deal with new Shares with a total number not exceeding 20% of the total number of Shares in issue as at the date of passing of the relevant resolutions |
| “Latest Practicable Date” | 20 April 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |

DEFINITIONS

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|-----------------------------------|---|
| “PRC” | the People’s Republic of China, but shall not include Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this circular |
| “Proposed Change of Company Name” | the proposed change of the English name of the Company from “Zall Group Ltd.” to “Zall Smart Commerce Group Ltd.” and the change of the dual foreign name of the Company from “卓爾集團股份有限公司” to “卓爾智聯集團有限公司” |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of HK\$0.00333 each of the Company |
| “Share Buy-back Mandate” | a general and unconditional mandate to be granted to the Directors to exercise the power of the Company to buy back Shares up to a maximum of 10% of the total number of Shares in issue as at the date of passing the relevant resolutions |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “substantial shareholder(s)” | has the same meaning ascribed to it under the Listing Rules |
| “Takeovers Code” | The Codes on Takeovers and Mergers and Share Buy-backs |
| “%” | per cent. |

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Yan Zhi

(Co-chairman and Chief Executive Officer)

Dr. Gang Yu *(Co-chairman)*

Mr. Wei Zhe, David

Mr. Cui Jinfeng

Mr. Peng Chi

Registered Office:

Cricket Square

Hutchins Drive

P. O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Independent Non-executive Directors:

Mr. Cheung Ka Fai

Mr. Wu Ying

Mr. Zhu Zhengfu

Principal Place of

Business in Hong Kong:

Suite 2101, 21st Floor

Two Exchange Square

Central

Hong Kong

27 April 2018

To the Shareholders

Dear Sir/Madam

**PROPOSED CHANGE OF COMPANY NAME;
DECLARATION OF FINAL DIVIDEND;
RENEWAL OF
GENERAL MANDATES TO ISSUE SHARES AND
TO BUY BACK SHARES;
RE-ELECTION OF DIRECTORS;
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the notice of the Annual General Meeting and information regarding the special and ordinary resolutions to be proposed at the Annual General Meeting to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions. The resolutions to be proposed at the Annual General Meeting include, inter alia, (i) Proposed Change of Company Name; (ii) declaration

LETTER FROM THE BOARD

of final dividend; (iii) the renewal of the Issue Mandate and the Share Buy-back Mandate; (iv) the extension of the Issue Mandate to include Shares bought back pursuant to the Share Buy-back Mandate; and (v) the re-election of retiring Directors.

PROPOSED CHANGE OF COMPANY NAME

References are made to the announcement of the Company dated 29 March 2018 in relation to the Proposed Change of Company Name.

Subject to certain conditions as set out in the paragraph headed “Conditions of the Proposed Change of Company Name” below, the Board proposes to change the English name of the Company from “Zall Group Ltd.” to “Zall Smart Commerce Group Ltd.” and to change the dual foreign name of the Company from “卓爾集團股份有限公司” to “卓爾智聯集團有限公司”.

Conditions of the Proposed Change of Company Name

The Proposed Change of Company Name is subject to the fulfillment of the following conditions:

- (a) the passing of a special resolution by the Shareholders to approve the Proposed Change of Company Name at the forthcoming Annual General Meeting; and
- (b) the Registrar of Companies in the Cayman Islands granting the approval for the use of the proposed new English and dual foreign names by the Company.

Subject to the satisfaction of the above conditions, the Proposed Change of Company Name will take effect from the date of issue of the certificate of incorporation on change of name by the Registrar of Companies in the Cayman Islands. The Company will then carry out the necessary filing procedures with the Companies Registry in Hong Kong.

Reasons for the Proposed Change of Company Name

The Board considers that the Proposed Change of Company Name can better reflect the strategic direction and business focus of the Group and provide a clearer corporate identity and image of the Company. Therefore, the Board is of the opinion that the Proposed Change of Company Name is beneficial to the business development of the Group and in the interests of the Company and the Shareholders as a whole.

Effects of the Proposed Change of Company Name

The Proposed Change of Company Name will not affect any rights of the existing Shareholders. All existing share certificates in issue bearing the present name of the Company shall continue to be evidence of title to such shares and valid for trading, settlement and registration purposes. Accordingly, there will not be any arrangement for exchange of the existing share certificates. Once the Proposed Change of Company Name becomes effective, share certificates will be issued under the new name of the Company.

LETTER FROM THE BOARD

The Company expects its shares in its new English name and the new dual foreign name as soon as the Proposed Change of Company Name becomes effective and the filing procedures in Hong Kong have been fulfilled. Further announcement(s) will be made by the Company to inform the Shareholders on the results of the Annual General Meeting, the effective date of the Proposed Change of Company Name and the change of stock short names of the Company for trading of its shares on the Main Board of the Stock Exchange as and when appropriate.

DECLARATION OF FINAL DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT AND CLOSURE OF REGISTER OF MEMBERS

The Board recommended the payment of a final dividend of HK2.58 cents per share for the year ended 31 December 2017 (corresponding period in 2016: Nil) out of the share premium account of the Company. The payment of the aforesaid final dividend is subject to approval by the Shareholders at the forthcoming annual general meeting of the Company and, if approved by the Shareholders, will be paid on or before 31 July 2018. Further information regarding the distribution of final dividend, including the relevant record dates, book close dates and payment date will be announced in due course.

Under section 34(2) of the Companies Law, the share premium account may be applied by a company in paying dividends to members provided that no dividend may be paid to members out of the share premium account unless, immediately following the date on which the dividend is proposed to be paid, the company shall be able to pay its debts as they fall due in the ordinary course of business. The Board confirms that with respect to payment of the final dividends out of share premium account, the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which the final dividend was proposed to be paid.

The final dividends are intended to be paid out entirely of the share premium account pursuant to Article 134 of the Articles of Association and in accordance with the Companies Law. As at 31 December 2017, based on the audited consolidated financial statements of the Company, the amount standing to the credit of the share premium account was approximately RMB4,362.8 million. The Board proposed to use an amount of approximately HK\$300 million (equivalent to approximately RMB250.8 million) standing to the debit of the share premium account for the payment of the final dividends. Following such payment there will be a remaining balance of approximately RMB4,112.0 million standing to the credit of the share premium account.

Reasons for the payment of final dividends out of the share premium account

The Board considers it is unnecessary to maintain the share premium account at its current level. The Directors consider that the declaration and proposed payment of the final dividends out of the share premium account is in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

Effect of the payment of final dividends out of the share premium account

The payment of the final dividends out of the share premium account does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares.

The payment of the final dividends out of share premium account will not affect the underlying business, operations or management of the Company or the proportionate interests of the Shareholders, other than related expenses incurred which are immaterial.

Save as the aforesaid expenses, the Directors consider that the payment of final dividends out of share premium account will not have a material adverse effect on the financial position of the Company.

The payment of the final dividends out of the share premium account is conditional upon, inter alia, the following being fulfilled:

- (a) the passing of an ordinary resolution by the Shareholders to approve the payment of the final dividends out of the share premium account; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, and immediately after the final dividends are paid will be, unable to pay its liabilities as they become due in the ordinary course of business.

Further information regarding the distribution of final dividend, including the relevant record dates, book close dates and payment date will be announced in due course.

RENEWAL OF GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the annual general meeting of the Company held on 18 May 2017, resolutions were passed granting general mandates to the Directors (i) to allot, issue and deal with Shares with a total number not exceeding 20% of the total number of Shares of the Company in issue as at the date of passing of the relevant resolutions and, (ii) to buy back Shares with a total number not exceeding 10% of the total number of Shares of the Company in issue as at the date of passing of the relevant resolutions. Such general mandates will expire at the conclusion of the forthcoming Annual General Meeting.

At the Annual General Meeting, separate ordinary resolutions will be proposed:

- (a) to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with Shares not exceeding 20% of the total number of Shares in issue as at the date of passing the resolution. The Issue Mandate will end on the earliest of (i) the date of the next annual general meeting, (ii) the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws, or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company. Based on

LETTER FROM THE BOARD

11,628,004,800 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued or bought back prior to the date of the Annual General Meeting, the Directors will be authorised to issue up to 2,325,600,960 Shares under the Issue Mandate;

- (b) to grant the Share Buy-back Mandate to the Directors to exercise all powers of the Company to buy back issued Shares subject to the criteria set out in this circular. Under such Share Buy-back Mandate, the maximum number of Shares that the Company may buy back shall not exceed 10% of the total number of Shares in issue as at the date of passing the resolution. As at the Latest Practicable Date, the number of Shares in issue was 11,628,004,800 Shares. Subject to the passing of the proposed ordinary resolution approving the granting of the Share Buy-back Mandate and assuming no further Shares are issued or bought back prior to the Annual General Meeting, the Company would be allowed under the Share Buy-back Mandate to buy back a maximum of 1,162,800,480 Shares. The Share Buy-back Mandate will end on the earliest of (i) the date of the next annual general meeting, (ii) the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws, or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company; and
- (c) subject to the passing of the aforesaid ordinary resolutions of the Issue Mandate and the Share Buy-back Mandate, to extend the number of Shares to be issued and allotted under the Issue Mandate by an additional number representing such number of Shares bought back under the Share Buy-back Mandate.

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution to renew the grant of the Share Buy-back Mandate at the Annual General Meeting.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 84(1) of the Articles of Association, at each annual general meeting, one third of the Directors shall retire from office by rotation. Accordingly, each of Mr. Yan Zhi, Dr. Gang Yu, Mr. Wei Zhe, David and Mr. Wu Ying will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election as Directors at the Annual General Meeting.

At the Annual General Meeting, ordinary resolutions will be proposed to re-elect Mr. Yan Zhi, Dr. Gang Yu and Mr. Wei Zhe, David as executive Directors and Mr. Wu Ying as independent non-executive Directors. The biographical details of such Directors to be re-elected are set out in Appendix II to this circular.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

The Company will convene the Annual General Meeting at Suite 2101, 21/F, Two Exchange Square, Central, Hong Kong on Wednesday, 30 May 2018 at 10:30 a.m. at which resolutions will be proposed for the purpose of considering and if thought fit, approving the resolutions set out in the notice of the Annual General Meeting as set out on pages 18 to 22 of this circular.

A form of proxy for use in connection with the Annual General Meeting is enclosed herewith. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked. Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the Annual General Meeting will be by poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that (i) Proposed Change of Company Name; (ii) Declaration of Final Dividend; (iii) the renewal of the Issue Mandate and the Share Buy-back Mandate and (iv) the extension of the Issue Mandate to include Shares bought back pursuant to the Share Buy-back Mandate; and (v) the re-election of retiring Directors are in the best interests of the Company as well as its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

GENERAL INFORMATION

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, no Shareholder is required to abstain from voting on the resolutions to be proposed at the Annual General Meeting.

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully
By Order of the Board
Yan Zhi
Co-chairman

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Share Buy-back Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

1. SHARES IN ISSUE

As at the Latest Practicable Date, there was a total of 11,628,004,800 Shares in issue. Subject to the passing of the resolution granting the Share Buy-back Mandate and on the basis that no further Shares are issued or bought back during the period from the Latest Practicable Date to the date of the Annual General Meeting, the Company will be allowed under the Share Buy-back Mandate to buy back a maximum of 1,162,800,480 Shares, being 10% of the total number of Shares in issue as at the date of the passing of the relevant resolution at the Annual General Meeting.

2. REASONS FOR SHARE BUY BACK

The Directors have no present intention to buy back any Shares but consider that the ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as a whole as such buy back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earning per Share and will only be made when the Directors believe that such a buy back will benefit the Company and the Shareholders as a whole.

As compared with the financial position of the Company as at 31 December 2017 (as disclosed in its latest audited financial statements for the year ended 31 December 2017), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed buy back were to be carried out in full during the proposed buy back period. In the circumstances, the Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would have a material adverse impact on the working capital or gearing ratio of the Company.

3. FUNDING OF BUY BACK

The Company is empowered by its Articles of Association to buy back its Shares. In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules, the Companies Law, the laws of the Cayman Islands and any other applicable laws. Under the laws of the Cayman Islands, payment for a share buy back by the Company may only be made out of profits, the share premium account or the proceeds of a new issue of Shares made for such purpose or out of capital of the Company. The amount of premium payable on a buy back of Shares may only be paid out of either or both of the profits or out of the share premium of the Company or out of capital of the Company.

In addition, under the laws of the Cayman Islands, payment out of capital by a company for the purchase by a company of its own shares is unlawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business. In accordance with the laws of the Cayman Islands, the shares so bought back would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

4. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates, have any present intention to sell any Shares to the Company in the event that the Share Buy-back Mandate is granted by the Shareholders.

No core connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Share Buy-back Mandate is granted by the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy backs pursuant to the Share Buy-back Mandate and in accordance with the Listing Rules, the Articles of Association and the laws of the Cayman Islands.

6. EFFECT OF TAKEOVERS CODE

A buy back of Shares by the Company may result in an increase in the proportionate interest of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Zall Development Investment Company Limited was beneficially interested in 6,605,545,268 Shares, representing approximately 56.81% of the total number of Shares in issue. In the event that the Directors exercise in full the power to buy back the Shares which is proposed to be granted pursuant to the Share Buy-back Mandate, the shareholding of Zall Development Investment Company Limited would be increased to approximately 63.12% of the then total number of Shares in issue. In the opinion of the Directors, such increase would not give rise to an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code, and accordingly, the Directors are not aware of any other consequences which would arise under the Takeovers Code as a result of any purchase of its Shares by the Company. The Company has no intention to exercise the Share Buy-back Mandate to such extent that it would give rise to an obligation to make a mandatory offer under the Takeovers Code or result in the amount of shares held by the public being reduced to less than 15% of the issued share capital of the Company.

7. SHARE BOUGHT BACKS BY THE COMPANY

The Company had not bought back any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

8. SHARE PRICES

During each of the previous 12 months up to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

| | Price per Share | |
|---|------------------------|-----------------------|
| | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
| 2017 | | |
| April | 4.99 | 4.26 |
| May | 4.76 | 4.15 |
| June | 5.75 | 3.30 |
| July | 4.96 | 4.52 |
| August | 5.29 | 4.73 |
| September | 5.77 | 4.90 |
| October | 6.25 | 5.36 |
| November | 7.29 | 6.21 |
| December | 8.79 | 6.88 |
| 2018 | | |
| January | 10.48 | 8.26 |
| February | 10.40 | 9.15 |
| March | 11.26 | 8.59 |
| April (up to the Latest Practicable Date) | 11.76 | 10.00 |

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

The biographical details of the Directors proposed to be re-elected at the Annual General Meeting are set out as follows:

Executive Directors

Mr. Yan Zhi (閻志), aged 45, is the co-chairman of the Board, the chief executive officer of the Company, an executive Director and the founder of the Group. He is primarily responsible for the formulation of the Group's overall business and investment strategies, as well as supervising its project planning, business and operation management. He has approximately 13 years of experience in the commercial property and wholesale shopping mall industries, as well as approximately 22 years of experience in business management in various industries. Mr. Yan has been appointed as a non-executive director and the chairman of CIG Yangtze Ports PLC, a company previously listed on the GEM of the Stock Exchange (the listing has been transformed to the Main Board of the Stock Exchange since 29 January 2018 with stock code: 1719), since 21 November 2011. Mr. Yan has also been appointed as a director of LightInTheBox Holding Co., Ltd., a company listed on the New York Stock Exchange since 30 March 2016.

Mr. Yan received a master's degree in business administration for senior executives from Wuhan University (武漢大學) in February 2008 and his executive master of business administration degree at Cheung Kong Graduate School of Management (長江商學院) in 2013.

Mr. Yan was appointed as a Director on 16 December 2010 and was re-designated as an executive Director on 20 June 2011 and co-chairman of the Board on 17 August 2015.

Mr. Yan is not connected with any director, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Yan is interested in 6,662,158,268 Shares, representing approximately 57.29% of the issued share capital of the Company. Save as disclosed, Mr. Yan does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Yan has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Yan has entered into a service contract with the Company for a term of three years commencing from 13 July 2017. Mr. Yan is entitled to receive salaries of HK\$1,280,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities, and to prevailing market conditions. Mr. Yan shall also be entitled to discretionary bonus, share options under the share option scheme of the Company and other incentives as determined by the remuneration committee of the Company from time to time with reference to the remuneration policy of the Company. The total amount of director's remuneration of Mr. Yan for the year ended 31 December 2017 was approximately RMB1,086,000. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in respect of Mr. Yan and there are no other matters that need to be brought to the attention of the Shareholders in relation to his reelection.

Dr. Gang Yu (于刚), aged 58, is a co-founder and chairman emeritus of Yihaodian, a leading e-commerce company in China. Dr. Yu has extensive experience in E-commerce and operation and logistics management. Prior to founding Yihaodian, he was Vice President, Worldwide Procurement at Dell Inc. Dr. Yu also served as Vice President, Worldwide Supply Chain Operations at Amazon.com. Prior to joining Amazon, Dr. Yu served as the Jack G. Taylor Chair Professor in Business in the Department of Management Science and Information Systems at the McCombs School of Business, the University of Texas at Austin, Director of the Center for Management of Operations and Logistics, and co-Director of the Center for Decision Making under Uncertainty. Dr. Yu is also the founder, former Chairman and chief executive officer of CALEB Technologies Corporation. Dr. Yu obtained his bachelor degree in science from Wuhan University in 1982 and his master degree in science from Cornell University in 1985. Dr. Yu received his PhD from the Wharton School of Business, University of Pennsylvania in 1990. Dr. Yu has been appointed as a director of LightInTheBox Holding Co., Ltd., a company listed on the New York Stock Exchange since 30 March 2016.

Dr. Yu was appointed as an executive Director and co-chairman of the Board on 17 August 2015.

Dr. Yu is not connected with any director, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Dr. Yu is interested in 112,890,840 Shares, representing approximately 0.97% of the issued share capital of the Company. Save as disclosed, Dr. Yu does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Dr. Yu has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

Dr. Yu has entered into a service contract with the Company for a term of three years commencing from 17 August 2015. Dr. Yu is entitled to receive salaries of RMB1,200,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities, and to prevailing market conditions. Dr. Yu shall also be entitled to discretionary bonus, share options under the share option scheme of the Company and other incentives as determined by the remuneration committee of the Company from time to time with reference to the remuneration policy of the Company. The total amount of director's remuneration of Dr. Yu for the year ended 31 December 2017 was approximately RMB1,200,000. He is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in respect of Dr. Yu and there are no other matters that need to be brought to the attention of the Shareholders in relation to his re-election.

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

Mr. Wei Zhe, David (衛哲), aged 47, has over 17 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 FinanceAsia magazine in 2010. Mr. Wei is also a non-executive director of PCCW Limited, Zhong Ao Home Group Limited and JNBY Design Limited, 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.

Mr. Wei was appointed as an independent non-executive Director on 11 April 2016 and was re-designated as an executive Director and chief strategy officer on 28 June 2017.

Mr. Wei is not connected with any director, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Wei is interested in 142,890,000 Shares, representing approximately 1.23% of the issued share capital of the Company. Save as disclosed, Mr. Wei does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Wei has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Wei has entered into a service agreement with the Company with a term commencing from 28 June 2017 to 31 December 2019. Mr. Wei is entitled to receive salaries of RMB1,200,000 per annum, which is determined by the Board with reference to his experience, duties and responsibilities, and to prevailing market conditions. In addition, 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 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 of the Company dated 15 February 2017. Mr. Wei shall also be entitled to discretionary bonus, share options under the share option scheme of the Company and other incentives as determined by the remuneration committee of the Company from

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

time to time with reference to the remuneration policy of the Company. The total amount of director's remuneration of Mr. Wei for the year ended 31 December 2017 was approximately RMB13,754,000, which included the director's salaries of approximately RMB807,000 and the equity-settled share based payment of approximately RMB12,947,000. He is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in respect of Mr. Wei and there are no other matters that need to be brought to the attention of the Shareholders in relation to his reelection.

Independent Non-Executive Directors

Mr. Wu Ying (吳鷹), aged 58, was appointed as an independent non-executive Director on 29 February 2016. Mr. Wu is currently the chairman of China Capital Group since October 2008. Prior to joining China Capital Group, Mr. Wu served as chairman and chief executive officer of UTStarcom (China) Co. Ltd for 13 years. Mr. Wu has extensive experience in telecommunication industry and venture capital investment. Mr. Wu obtained his bachelor degree in electronic engineering from the Beijing University of Technology in 1982 and obtained his master degree in electronic engineering from the New Jersey Institute of Technology in 1988. Mr. Wu is currently an independent non-executive Director of Zhong An Online P & C Insurance Co., Ltd. (眾安在綫財產保險股份有限公司) which is listed on the Stock Exchange, and chairman of the board of supervisors of Huayi Brothers Media Corporation Ltd. (華誼兄弟傳媒股份有限公司) which is listed on the Shenzhen Stock Exchange. Mr. Wu was an independent director of TCL Corporation Ltd. (TCL集團股份有限公司), which is listed on the Shenzhen Stock Exchange, for the period from September 2014 to April 2017.

Mr. Wu has entered into a letter of appointment with the Company with a term of three years commencing from 29 February 2016. Mr. Wu is entitled to receive salaries of HK\$480,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities, and to prevailing market conditions. Mr. Wu shall also be entitled to discretionary bonus, share options under the share option scheme of the Company and other incentives as determined by the remuneration committee of the Company from time to time with reference to the remuneration policy of the Company. The total amount of director's remuneration of Mr. Wu for the year ended 31 December 2017 was approximately RMB401,000. He is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

As at the Latest Practicable Date, Mr. Wu had no interests in the Shares within the meaning of Part XV of the SFO. Mr. Wu is independent from and not related to any other Directors, senior management or substantial shareholders of the Company. Save as disclosed above, Mr. Wu has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

NOTICE OF ANNUAL GENERAL MEETING

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)

Notice is hereby given that an Annual General Meeting (the “**Annual General Meeting**”) of Zall Group Ltd. (the “**Company**”) will be held at Suite 2101, 21/F, Two Exchange Square, Central, Hong Kong on Wednesday, 30 May 2018 at 10:30 a.m. for the following purposes:

SPECIAL RESOLUTION

To consider and, if thought fit, pass the following resolution (with or without modifications) as special resolution of the Company:

1. “**THAT** subject to the approval of the Registrar of Companies in the Cayman Islands, the English name of the Company be changed from “Zall Group Ltd.” to “Zall Smart Commerce Group Ltd.” and the dual foreign name of “卓爾智聯集團有限公司” be adopted as the Company’s new dual foreign name in place of “卓爾集團股份有限公司” with effect from the date of entry of the new English name and the new dual foreign name of the Company on the register of companies maintained by the Registrar of Companies in the Cayman Islands; and the directors of the Company (the “**Directors**”) be and are hereby authorised generally to do such acts and things and execute all documents (whether by hand, under seal or as a deed) or make such arrangements as they may consider necessary or expedient to effect the aforesaid change of name of the Company.”

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass the following resolutions (with or without modifications) as ordinary resolutions of the Company:

2. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company (the “**Auditors**”) for the year ended 31 December 2017;
3. To declare a final dividend of HK2.58 cents per share of the Company (the “**Shares**”) for the year ended 31 December 2017 out of the share premium account of the Company;
4. To re-elect:
 - (a) Mr. Yan Zhi as executive Director;
 - (b) Dr. Gang Yu as executive Director;

NOTICE OF ANNUAL GENERAL MEETING

(c) Mr. Wei Zhe, David as executive Director; and

(d) Mr. Wu Ying as independent non-executive Director;

each as a separate resolution;

5. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration;
6. To re-appoint KPMG as Auditors and authorise the Board to fix their remuneration;
7. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company (the “**Shares**”) and to make or grant offers, agreements and options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the share option scheme of the Company; (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company; (iv) any specific authority granted or to be granted by the shareholders of the Company in general meeting(s), shall not exceed 20% of the total number of Shares in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory outside Hong Kong).”;

8. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, including The Codes on Takeovers and Mergers and Share Buy-back and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;”
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to buy back its shares at a price determined by the Directors;
- (c) the total number of the Shares which are authorised to be bought back by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of Shares in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

NOTICE OF ANNUAL GENERAL MEETING

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.”; and
9. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the of the Company:

“**THAT** conditional upon the passing of resolutions nos. 7 and 8 above, the general mandate to the Directors pursuant to resolution no. 7 be and is hereby extended by the addition thereto of an amount representing the number of Shares bought back by the Company under the authority granted pursuant to the resolution no. 8, provided that such amount shall not exceed 10% of the total number of Shares in issue as at the date of passing this resolution.”

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

Hong Kong, 27 April 2018

Notes:

- (1) A member entitled to attend and vote at the above meeting may appoint one or, if he holds two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) Where there are joint holders of any Share, any one of such joint holder may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (3) In order to be valid, a form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof shall be deposited at the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. The proxy form will be published on the website of the Stock Exchange. The completion and return of the form of proxy shall not preclude a member from attending and voting in person at the Annual General Meeting (or any adjourned meeting thereof) if they so wish.
- (4) The register of members of the Company will be closed from Thursday, 24 May 2018 to Wednesday, 30 May 2018 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the entitlement to attend and vote at the forthcoming Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 23 May 2018.

NOTICE OF ANNUAL GENERAL MEETING

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