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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 INCENTIVE SHARES AND VKC CONSULTANCY SERVICE CONSIDERATION SHARES

References are made to the circular of the Company dated 15 February 2017 (the “**Circular**”), relating to the Acquisition, and the announcement of the Company dated 27 April 2018 (the “**Announcement**”), relating to the fulfillment of the Target Performance for the financial year ended 31 December 2017. Terms used in this announcement, unless defined otherwise, shall have the same meanings as those defined in the Circular and the Announcement.

ALLOTMENT OF THE INCENTIVE SHARES AND THE VKC CONSULTANCY SERVICE CONSIDERATION SHARES

Pursuant to the Service Agreement, the Company shall issue the Incentive Shares, being 10,746,000 Shares, to Mr Wei, the executive Director and chief strategy officer of the Company, upon satisfaction by the Project Group of the Target Performance for any of the three financial years from 2017 to 2019.

Pursuant to the Consultancy Agreement, the Company shall issue the VKC Consultancy Service Consideration Shares, being 42,981,000 Shares, to VKC, a company controlled by Mr. Wei, upon satisfaction by the Project Group of the Target Performance for any of the three financial years from 2017 to 2019.

As disclosed in the Announcement, the Target Performance for the financial year ended 31 December 2017 has been satisfied. As such, the Company has allotted and issued the Incentive Shares and the VKC Consultancy Service Consideration Shares to Mr. Wei and VKC, respectively, on 8 May 2018 pursuant to the authority given under the Specific Mandate.

LOCK-UP ARRANGEMENT OF THE SHARES ALLOTTED

The Incentive Shares and the VKC Consultancy Service Consideration Shares are subject to a lock-up arrangement and shall be released in accordance with the mechanism as described under the paragraphs headed “Letter from the Board – Service Agreement” and “Letter from the Board – Consultancy Agreement” in the Circular.

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

Hong Kong, 8 May 2018

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.