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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)**

**TERMINATION OF DISCLOSEABLE TRANSACTION  
AND  
SUBSCRIPTION OF SHARES**

This announcement is made pursuant to Rule 14.36 under the Listing Rules. Reference is made to the Company's announcement dated 6 April 2016 (the "**Previous Announcement**") in relation to the acquisition of interest in Zall Fintech Co., Ltd\* (深圳卓爾智聯科技有限公司, "**Zall Fintech**", formerly known as Sinocan International Technologies Co., Ltd and previously defined as "**Sinocan Tech**" in the Previous Announcement). Capitalised terms used herein shall have the same meanings as those defined in the Previous Announcement unless otherwise specified.

**TERMINATION AGREEMENTS**

On 27 February 2017, the parties to the JPL Agreement, Sinocan Agreement and Subscription Agreement (the "**Previous Agreements**") entered into three termination agreements (the "**Termination Agreements**") respectively pursuant to which the parties thereto agreed to terminate the JPL Agreement, Sinocan Agreement and Subscription Agreement respectively and they shall have no claim against each other in respect of any liabilities and obligations under the respective Previous Agreements.

As certain conditions precedents in the Previous Agreements have not been fulfilled, after careful consideration and negotiations, the parties to the Previous Agreement mutually agreed to terminate the Transactions. The Board considers that the entering into of the Termination Agreements is in the interests of the Company and its Shareholders as a whole and would have no material adverse impact on the financial and operational position of the Group.

\* *for identification purpose only*

## NEW SUBSCRIPTION AGREEMENT

Following the execution of the Termination Agreements, on 27 February 2017, Wuhan Zhuo Futong Technology Co., Ltd\* (武漢卓付通科技有限公司, “**Zhuo Futong**”), a wholly-owned subsidiary of the Company, entered into a subscription agreement (the “**New Subscription Agreement**”) with Zall Fintech pursuant to which Zhuo Futong agreed to subscribe for 2,500,000 shares in Zall Fintech and Zall Fintech agreed to allot and issue 2,500,000 shares to Zhuo Futong at a consideration of RMB12,500,000 (equivalent to approximately HK\$14,104,000).

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, as at the date of this announcement, Zall Fintech and its ultimate beneficial owner(s) are third party independent of the Company and its connected persons.

Given the background of Zall Fintech’s principal business activities in mobile payment system, touchscreen display system and intelligent POS terminal solution, the Board is of the view that the investment in Zall Fintech under the New Subscription Agreement can enhance the Group’s business development in the areas of e-commerce and financial services.

The Directors consider that the terms of the New Subscription Agreement were entered into on normal commercial terms following arm’s length negotiations between the parties and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the New Subscription Agreement is below 5%, the entering into of the New Subscription Agreement does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

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

Hong Kong, 27 February 2017

*As at the date of this announcement, the Board comprises Mr. Yan Zhi, Dr. Gang Yu, Mr. Cui Jinfeng, Mr. Wang Chuang and Mr. Peng Chi, as executive directors of the Company; Mr. Cheung Ka Fai, Mr. Wu Ying and Mr. Wei Zhe, David, as independent non-executive directors of the Company.*