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Zall Group Ltd.

卓爾集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2098)

**SUPPLEMENTAL ANNOUNCEMENT TO INTERIM RESULTS
ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016**

Reference is made to the announcement of Zall Group Ltd. (the “Company”) dated 31 August 2016 (the “Results Announcement”) in relation to the interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2016. Unless otherwise defined, capitalised terms used in this announcement has the same meanings as those defined in the Results Announcement.

Set out below is the breakdown of the major investment of the Group as at 30 June 2016 and 31 December 2015.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Current assets		
Financial assets held for trading – listed equity security	2,000,655	1,083,176
Derivative financial instrument – warrant	14,303	—
	<u>2,014,958</u>	<u>1,083,176</u>

INVESTMENT PORTFOLIO

The Group discloses major investment as at 30 June 2016 and 31 December 2015 as follows:

Investment

As at 30th June 2016

Stock code	Name of investee company	Number of shares held	Effective shareholding interest	Acquisition cost <i>RMB'000</i>	Carrying amount as at 30 June 2016 <i>RMB'000</i>	Unrealised holding gain arising on revaluation for the six months ended 30 June 2016 <i>RMB'000</i>	Realised holding gain arising on revaluation for the six months ended 30 June 2016 <i>RMB'000</i>	Dividend received/receivable for the six-month ended 30 June 2016 <i>RMB'000</i>
607	Fullshare Holdings Limited	680,480,000	4.32%	734,920	2,000,655	917,479	—	6,805
Others					14,303	6,775	—	—
					<u>2,014,958</u>	<u>924,254</u>	<u>—</u>	<u>6,805</u>

As at 31st December 2015

Stock code	Name of investee company	Number of shares held	Effective shareholding interest	Acquisition cost <i>RMB'000</i>	Carrying amount as at 31 December 2015 <i>RMB'000</i>	Unrealised holding gain arising on revaluation for the year ended 31 December 2015 <i>RMB'000</i>	Realised holding gain arising on revaluation for the year ended 31 December 2015 <i>RMB'000</i>	Dividend received/receivable for the year ended 31 December 2015 <i>RMB'000</i>
607	Fullshare Holdings Limited	680,480,000	4.35%	734,920	1,083,176	348,358	540	—
					<u>1,083,176</u>	<u>348,358</u>	<u>540</u>	<u>—</u>

The performance and prospect of the Group's major investment during the period were detailed as follows:

1. FULLSHARE HOLDINGS LIMITED (“FULLSHARE”)

Fullshare is principally engaged in the property development, provision of green building services, investment and healthcare products and services business.

The Group held approximately 680,480,000 shares in Fullshare, representing approximately 4.32% of its entire issued share capital as at 30 June 2016 and recognised an unrealised gain of approximately RMB917,479,000 for the six months ended 30 June 2016. The carrying amount of investment in Fullshare accounts for 3.41% of the Group's total assets as at 30 June 2016. The Group believes that the Fullshare Group's growth momentum remains strong and expects the Group's investment in Fullshare to continue to generate return for the Group.

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

Hong Kong, 14 November 2016

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.