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**US\$100,000,000  
5.5% CONVERTIBLE BONDS DUE 2018  
(THE "BONDS")  
CONVERTIBLE INTO ORDINARY SHARES OF**

**ZALL** *Development*

**Zall Development Group Ltd.**

**卓爾發展集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2098)**

**ADJUSTMENT TO CONVERSION PRICE**

**The Company announces that the Conversion Price will be adjusted from HK\$3.0799 per Share to HK\$2.72 per Share with effect from 19 June 2014 as a result of the Conversion Price reset mechanism provisions under the terms and conditions of the Bonds.**

Reference is made to the announcements of the Company dated 11 June 2013, 19 June 2013 and 21 June 2013. Unless otherwise defined, capitalised terms used in this announcement have the meaning ascribed to them in the Company's announcement dated 11 June 2013.

The terms and conditions of the Bonds provided, among others, that the Conversion Price may be reset on the first anniversary of the Closing Date, being 19 June 2014 (the “**Reset Date**”). On the Reset Date, if the arithmetical average of the volume weighted average price of the Shares for each of the 30 consecutive Trading Days immediately prior to such date (which shall be translated into US Dollars from Hong Kong Dollars at the prevailing rate) is less than the Conversion Price (which shall be translated into US Dollars at the Fixed Exchange Rate) on such date, then the Conversion Price will be adjusted downward in accordance with a specified formula, provided that any such adjustment shall be limited such that the adjusted Conversion Price shall not be less than 80% of the initial Conversion Price.

As the arithmetical average of the volume weighted average price of the Shares for each of the 30 consecutive Trading Days immediately prior to the Reset Date is less than the Conversion Price on such date, the Conversion Price has been adjusted from HK\$3.0799 per Share to HK\$2.72 per Share with effect from the Reset Date.

As at the date of this announcement, the total outstanding principal amount of the Bonds is US\$100,000,000. Based on the new Conversion Price of HK\$2.72 per Share, the maximum number of Shares to be issued by the Company upon full conversion of the Bonds has been increased from 252,073,119 Shares to 285,426,470 Shares.

By order of the Board of  
**Zall Development Group Ltd.**  
**Yan Zhi**  
*Chairman*

Hong Kong, 18 June 2014

*As at the date of this announcement, the Board comprises Mr. Yan Zhi, Mr. Cui Jinfeng, Mr. Fang Li and Ms. Wang Danli, as executive Directors of the Company; Mr. Fu Gaochao, as non-executive Director of the Company; Ms. Yang Qiongzhen, Mr. Cheung Ka Fai and Mr. Peng Chi, as independent non-executive Directors of the Company.*