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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)

**EARLY PARTIAL REDEMPTION OF
USD100 MILLION 5.5% CONVERTIBLE BONDS DUE 2018**

SUPPLEMENTAL DEED

References are made to the announcements (the “**Announcements**”) of Zall Development Group Ltd. dated 11 June 2013, 19 June 2013 and 30 March 2015 in relation to the Bonds. Terms defined in the Announcements have the same meanings when used in this announcement unless otherwise stated.

Further to the announcement of the Issuer dated 30 March 2015, on 13 April 2015, the Supplemental Deed was executed and the Proposed Amendments became effective.

**EARLY PARTIAL REDEMPTION OF USD100 MILLION 5.5% CONVERTIBLE BONDS DUE
2018**

The Board announces that on 13 April 2015, the Issuer exercised its Early Redemption Right and elected to redeem the Bonds (the “**Early Redemption**”) on the Redemption Date, being 19 June 2015, in the principal amount of USD10,000,000 at an amount equal to the sum of (a) the Prescribed Redemption Amount (being an aggregate amount of USD11,594,440.50) and (b) interest accrued to the Redemption Date (being an aggregate amount of USD275,000).

Pursuant to the terms and conditions of the Bonds, the conversion right attaching to the Bonds to be redeemed may be exercised at any time up to the close of business on 12 June 2015. As at the date of this announcement, the Closing Price and Conversion Price are HK\$2.74 and HK\$2.72 per Share respectively. Bonds redeemed will be cancelled.

If the Sole Bondholder elects to convert its Bonds, based on the Fixed Exchange Rate and Conversion Price, a total of approximately 28,542,647 new Shares will be issued upon conversion of the Bonds, representing 0.82% of the Issuer's existing ordinary share capital as at the date of this announcement and 0.81% of the Issuer's ordinary share capital as enlarged by the allotment and issue of such new Shares.

As at the date of this announcement, the aggregate principal amount of Bonds outstanding is USD100,000,000. Following the Early Redemption, the aggregate principal amount of Bonds outstanding will be USD90,000,000.

The Early Redemption will be settled in cash from the internal resources of the Issuer. The Directors consider that the Early Redemption will enable the Issuer to improve its debt position and lower its financial gearing level and, as such, is in the interest of the Company and the Shareholders as a whole.

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

Hong Kong, 13 April 2015

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 Issuer; Mr. Fu Gaochao, as non-executive director of the Issuer; Ms. Yang Qiongzhen, Mr. Cheung Ka Fai and Mr. Peng Chi, as independent non-executive directors of the Issuer.