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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE DISPOSAL OF EQUITY
INTEREST IN SUBSIDIARIES**

THE ZALL SHENYANG EQUITY TRANSFER AND THE ZALL XIAOGAN EQUITY TRANSFER

Reference is made to the joint announcement of the Company and Fullshare dated 9 April 2015 in respect of the memorandum of understanding between the Company and Fullshare for the possible disposal of the Equity Interests.

On 24 June 2015 (after trading hours), Zall Hong Kong, an indirect wholly-owned subsidiary of the Company and Fullshare, entered into (i) the Zall Shenyang Equity Transfer Agreement, pursuant to which Zall Hong Kong has conditionally agreed to sell and Fullshare has conditionally agreed to purchase the Zall Shenyang Equity Interest, at the total consideration of RMB587 million which will be settled by way of allotment and issue of 543,517,500 Consideration Shares, credited as fully paid, at an issue price of HK\$1.35 per Consideration Share, and (ii) the Zall Xiaogan Equity Transfer Agreement, pursuant to which Zall Hong Kong has conditionally agreed to sell and Fullshare has conditionally agreed to purchase the Zall Xiaogan Equity Interest, at the total consideration of RMB149 million which will be settled by way of allotment and issue of 137,962,500 Consideration Shares, credited as fully paid, at an issue price of HK\$1.35 per Consideration Share.

IMPLICATIONS UNDER THE LISTING RULES

As one or more than one of the applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) in respect of the Equity Transfers are greater than 5% and all applicable percentage ratios are less than 25%, the Equity Transfers, in aggregate, constitutes a discloseable transaction of the Company and is therefore subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

Reference is made to the joint announcement of the Company and Fullshare dated 9 April 2015 in respect of the memorandum of understanding between the Company and Fullshare for the possible disposal of the Equity Interests.

On 24 June 2015 (after trading hours), Zall Hong Kong, an indirect wholly-owned subsidiary of the Company and Fullshare, entered into (i) the Zall Shenyang Equity Transfer Agreement, pursuant to which Zall Hong Kong has conditionally agreed to sell and Fullshare has conditionally agreed to purchase the Zall Shenyang Equity Interest, at the total consideration of RMB587 million which will be settled by way of allotment and issue of 543,517,500 Consideration Shares, credited as fully paid, at an issue price of HK\$1.35 per Consideration Share, and (ii) the Zall Xiaogan Equity Transfer Agreement, pursuant to which Zall Hong Kong has conditionally agreed to sell and Fullshare has conditionally agreed to purchase the Zall Xiaogan Equity Interest, at the total consideration of RMB149 million which will be settled by way of allotment and issue of 137,962,500 Consideration Shares, credited as fully paid, at an issue price of HK\$1.35 per Consideration Share.

Upon the Zall Shenyang Equity Transfer Completion and Zall Xiaogan Equity Transfer Completion, Zall Hong Kong will retain 10% equity interest in each of Zall Development Shenyang and Zall Development Xiaogan. Accordingly, the Target Companies will cease to be subsidiaries of the Company following the Equity Transfers.

The principal terms of the Equity Transfer Agreements are set out below:

PRINCIPLE TERMS OF THE ZALL SHENYANG EQUITY TRANSFER AGREEMENT

Date

24 June 2015

Parties

Vendor : Zall Hong Kong, a company established under the laws of Hong Kong and an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, Zall Hong Kong directly owns 100% equity interest in Zall Development Shenyang.

Purchaser : Fullshare Holdings Limited, a company incorporated in Cayman Islands with limited liability and listed on the Stock Exchange (stock code: 00607).

Assets to be disposed

Zall Hong Kong conditionally agreed to sell and Fullshare conditionally agreed to purchase the Zall Shenyang Equity Interest (being 90% of the equity interest in Zall Development Shenyang) free from all encumbrances together with all rights now or thereafter attaching thereto.

Consideration

The Zall Shenyang Equity Transfer Consideration is RMB587 million, which shall be satisfied within 3 Business Days after all Zall Shenyang Equity Transfer Payment Conditions have been fulfilled or waived (as the case may be) by way of allotment and issue of 543,517,500 Consideration Shares, credited as fully paid, at an issue price of HK\$1.35 per Consideration Share to Zall Hong Kong.

Basis of determining the consideration

The Zall Shenyang Equity Transfer Consideration was agreed between Zall Hong Kong and Fullshare based on 10% premium on the proportionate audited net asset value of 90% equity interests of Zall Development Shenyang as at 31 December 2014, having taken into account of the financial performance and business prospect of Zall Development Shenyang. The proportional net asset value of 90% equity interest of Zall Development Shenyang as at 31 December 2014 based on the audited financial statements was approximately RMB534,443,000.

Conditions for payment of the consideration

The payment of the consideration by Fullshare under the Zall Shenyang Equity Transfer Agreement is conditional upon fulfillment and/or waiver (as the case may be) of Zall Shenyang Equity Transfer Payment Conditions as set forth below:

- (i) Fullshare being reasonably satisfied with the results of the due diligence review on, among others, the financial and legal aspects of Zall Development Shenyang, the Shenyang Project Lands and the Shenyang Project Developments and there has been no material change to such findings which is unacceptable to Fullshare prior to the Zall Shenyang Equity Transfer Completion;
- (ii) Fullshare having received a legal opinion issued by the PRC lawyers as to the law of the PRC in relation to the Zall Shenyang Equity Transfer, the Shenyang Project Lands and the Shenyang Project Developments which is in all material respects reasonably satisfactory to Fullshare;
- (iii) Fullshare having published the relevant announcement and circular (if applicable) and obtained shareholders' approval (if applicable) pursuant to the Listing Rules in relation to the Zall Shenyang Equity Transfer Agreement, the Zall Shenyang Equity Transfer and other transactions contemplated under the Zall Shenyang Equity Transfer Agreement;
- (iv) the Company having published the relevant announcement and circular (if applicable) and obtained shareholders' approval (if applicable) pursuant to the Listing Rules in relation to the Zall Shenyang Equity Transfer Agreement, the Zall Shenyang Equity Transfer and other transactions contemplated under the Zall Shenyang Equity Transfer Agreement;
- (v) the Zall Shenyang Transaction Documents and the ancillary agreements and documents contemplated thereunder having been signed by the relevant parties thereto and originals of which having been provided to Fullshare;

- (vi) Zall Shenyang Equity Transfer Completion has taken place satisfactorily in the reasonable opinion of Fullshare;
- (vii) there has been no material adverse change in relation to the Shenyang Project Lands, the Shenyang Project Developments and Zall Development Shenyang;
- (viii) Zall Hong Kong's representations and warranties contained in the Zall Shenyang Equity Transfer Agreement and the Zall Shenyang Transaction Documents having remained true, accurate and not misleading;
- (ix) there having been no restriction, prohibition, injunction, invalidation or others which prevent (or seek to prevent) the Zall Shenyang Equity Transfer or other transactions contemplated under the Zall Shenyang Equity Transfer Agreement; and
- (x) Zall Hong Kong having complied with all of its obligations under the Zall Shenyang Equity Transfer Agreement and the Zall Shenyang Transaction Documents.

Fullshare may waive, in whole or in part, conditionally or unconditionally, conditions set out above except conditions in (iii) (iv) and (ix) which cannot be waived. As at the date of this announcement, conditions (iii) to (v) have been fulfilled.

Completion

The Zall Shenyang Equity Transfer Completion shall take place on 26 June 2015, after which Fullshare will appoint financial officers and other working group officers to Zall Development Shenyang. Zall Hong Kong will provide to Fullshare, among other things, the statutory records and other books and accounts (including financial statements) of Zall Development Shenyang and provide relevant shareholders' resolutions and board resolutions for change of authorized signatories of the bank accounts of Zall Development Shenyang as instructed by Fullshare.

Between the Zall Shenyang Equity Transfer Completion Date and date of completion of registration of the Zall Shenyang Equity Transfer with the relevant industry and commerce bureau (which should be completed within 6 months after the Zall Shenyang Equity Transfer Completion Date), Zall Development Shenyang will be subject to certain restrictive covenants in respect of its business and operation.

Termination

In the event of any material breach of the Zall Shenyang Equity Transfer Agreement which is not remedied within twenty (20) Business Days of the written notice given by the non-defaulting party to the defaulting party, the non-defaulting party shall have the right to terminate the Zall Shenyang Equity Transfer Agreement and the Zall Shenyang Transaction Documents and hold the defaulting party liable to all loss and damages suffered.

PRINCIPLE TERMS OF THE ZALL XIAOGAN EQUITY TRANSFER AGREEMENT

Date

24 June 2015

Parties

Vendor : Zall Hong Kong, a company established under the laws of Hong Kong and an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, Zall Hong Kong directly owns 100% equity interest in Zall Development Xiaogan.

Purchaser : Fullshare Holdings Limited, a company incorporated in Cayman Islands with limited liability and listed on the Stock Exchange (stock code: 00607).

Assets to be disposed

Zall Hong Kong conditionally agreed to sell and Fullshare conditionally agreed to purchase the Zall Xiaogan Equity Interest (being 90% of the equity interest in Zall Trading Xiaogan) free from all encumbrances together with all rights now or thereafter attaching thereto.

Consideration

The Zall Xiaogan Equity Transfer Consideration is RMB149 million, which shall be satisfied within 3 Business Days after all Zall Xiaogan Equity Transfer Payment Conditions have been fulfilled or waived (as the case may be) by way of allotment and issue of 137,962,500 Consideration Shares, credited as fully paid, at an issue price of HK\$1.35 per Consideration Share to Zall Hong Kong.

Basis of determining the consideration

The Zall Xiaogan Equity Transfer Consideration was agreed between Zall Hong Kong and Fullshare based on the sum of 10% premium on the proportionate audited net asset values of 90% equity interests of Zall Trading Xiaogan and Zall Development Xiaogan as at 31 December 2014 having taken into account of the financial performance and business prospect of Zall Trading Xiaogan and Zall Development Xiaogan. The financial statements of Zall Development Xiaogan for the year ended 31 December 2014 was not consolidated into the financial statements of Zall Trading Xiaogan for the year ended 31 December 2014 as Zall Development Xiaogan only became a subsidiary of Zall Trading Xiaogan since 8 June 2015.

The aggregated sum of the proportional net asset values of 90% equity interest of Zall Trading Xiaogan and Zall Development Xiaogan as at 31 December 2014 based on the respective audited financial statements was approximately RMB135,753,000. The financial statements of Zall Development

Xiaogan for the year ended 31 December 2014 was not consolidated into the financial statements of Zall Trading Xiaogan for the year ended 31 December 2014 as Zall Development Xiaogan only became a subsidiary of Zall Trading Xiaogan since 8 June 2015.

Conditions for payment of the consideration

The payment of the consideration by Fullshare under the Zall Xiaogan Equity Transfer Agreement is conditional upon fulfillment and/or wavier (as the case may be) of Zall Xiaogan Equity Transfer Payment Conditions as set forth below:

- (i) Fullshare being reasonably satisfied with the results of the due diligence review on, among others, the financial and legal aspects of, Zall Trading Xiaogan, Zall Development Xiaogan, the Xiaogan Investment Agreement, the Xiaogan Owned Project Lands, the Xiaogan Leased Project Lands and the development pursuant to the Xiaogan Investment Agreement and there has been no material change to such findings which is unacceptable to Fullshare prior to the Zall Xiaogan Equity Transfer Completion;
- (ii) Fullshare having received a legal opinion issued by the PRC lawyers as to the law of the PRC in relation to the Zall Xiaogan Equity Transfer, the Xiaogan Owned Project Lands, the Xiaogan Leased Project Lands and the development pursuant to the Xiaogan Investment Agreement which is in all material respects reasonably satisfactory to Fullshare;
- (iii) Fullshare having published the relevant announcement and/or circular (if applicable) and obtained shareholder's approval (if applicable) pursuant to the Listing Rules in relation to the Zall Xiaogan Equity Transfer Agreement, the Zall Xiaogan Equity Transfer and other transactions contemplated under the Zall Xiaogan Equity Transfer Agreement;
- (iv) the Company having published the relevant announcement and circular (if applicable) and obtained shareholders' approval (if applicable) pursuant to the Listing Rules in relation to the Zall Xiaogan Equity Transfer Agreement, the Zall Xiaogan Equity Transfer and other transactions contemplated under the Zall Xiaogan Equity Transfer Agreement;
- (v) the Zall Xiaogan Transaction Documents and the ancillary agreements and documents contemplated thereunder having been signed by the relevant parties thereto and originals of which having been provided to Fullshare;
- (vi) Zall Xiaogan Equity Transfer Completion has taken place satisfactorily in the reasonable opinion of Fullshare;
- (vii) there has been no material adverse change in relation to the Xiaogan Owned Project Lands, the Xiaogan Leased Project Lands, development pursuant to the Xiaogan Investment Agreement, Zall Trading Xiaogan and Zall Development Xiaogan;

- (viii) Zall Hong Kong's representations and warranties contained in the Zall Xiaogan Equity Transfer Agreement and the Zall Xiaogan Transaction Documents having remained true, accurate and not misleading;
- (ix) there having been no restriction, prohibition, injunction, invalidation or others which prevent (or seek to prevent) the Zall Xiaogan Equity Transfer or other transactions contemplated under the Zall Xiaogan Equity Transfer Agreement; and
- (x) Zall Hong Kong having complied with all of its obligations under the Zall Xiaogan Equity Transfer Agreement and the Zall Xiaogan Transaction Documents.

Fullshare may waive, in whole or in part, conditionally or unconditionally, conditions set out above except conditions in (iii), (iv) and (ix) which cannot be waived. As at the date of this announcement, conditions (iii) to (v) have been fulfilled.

Completion

The Zall Xiaogan Equity Transfer Completion shall take place on 26 June 2015, after which Fullshare will appoint financial officers and other working group officers to Zall Trading Xiaogan and appoint its representatives as directors of Zall Trading Xiaogan and Zall Development Xiaogan. Zall Hong Kong will provide to Fullshare, among other things, the statutory records and other books and accounts (including financial statements) of Zall Trading Xiaogan and Zall Development Xiaogan, and provide relevant shareholders' resolutions and board resolutions for change of authorized signatories of the bank accounts of Zall Trading Xiaogan and Zall Development Xiaogan as instructed by Fullshare.

Between the Zall Xiaogan Equity Transfer Completion Date and date of completion of registration of the Zall Xiaogan Equity Transfer with the relevant industry and commerce bureau (which should be completed within 6 months after the Zall Xiaogan Equity Transfer Completion Date), Zall Trading Xiaogan and Zall Development Xiaogan are subject to certain restrictive covenants in respect of their businesses and operations.

Termination

In the event of any material breach of the Zall Xiaogan Equity Transfer Agreement which is not remedied within twenty (20) Business Days of the written notice given by the non-defaulting party to the defaulting party, the non-defaulting party shall have the right to terminate the Zall Xiaogan Equity Transfer Agreement and the Zall Xiaogan Transaction Documents and hold the defaulting party liable to all loss and damages suffered.

GENERAL

Aggregate value of consideration

Zall Shenyang Equity Transfer Consideration

(RMB587 million, by way of allotment and issue of 543,517,500

Consideration Shares, credited as fully paid, at an issue price

of HK\$1.35 per Consideration Share) RMB587 million

Zall Xiaogan Equity Transfer Consideration

(RMB149 million, by way of allotment and issue of 137,962,500

Consideration Shares, credited as fully paid, at an issue price

of HK\$1.35 per Consideration Share) RMB149 million

Aggregate value of consideration **RMB736 million**

Information of the Group

The Company is a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board.

Zall Hong Kong is an indirect wholly-owned subsidiary of the Company which as at the date of this announcement directly wholly-owns the equity interest in Zall Development Shenyang and Zall Trading Xiaogan.

The Company is an investment holding company. The Group is a leading developer and operator of large-scale, consumer product-focused wholesale shopping malls, as well as commercial space provider, in PRC.

Information of Fullshare

Fullshare is a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board. Fullshare and its subsidiaries are principally engaged in the businesses of green building, green urban EPC (engineering procurement construction), EMC (energy management contract) services and property development in the PRC.

Save for Mr. Ji (the chairman, chief executive officer, executive director and controlling shareholder of Fullshare) indirectly holding approximately 8.25% of the shareholding interest in the Company, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Fullshare and its ultimate beneficial owners are third parties independent of the Company and its Connected Persons.

Information of Target Companies

The Target Companies are principally engaged in residential and commercial property development in PRC.

Zall Development Shenyang

Zall Development Shenyang is a direct wholly-owned subsidiary of Zall Hong Kong as at the date of this announcement. Zall Development Shenyang is the owner of the Shenyang Project Lands and currently undertaking the Shenyang Project Developments.

The total asset values and net asset values of Zall Development Shenyang as at 31 December 2014 based on the audited financial statements were approximately RMB1,096,605,000 and RMB593,825,000, respectively.

Set out below is a summary of the financial information of Zall Development Shenyang for the two financial years ended 31 December 2013 and 2014. The unaudited figures for the year ended 31 December 2013 have been prepared in accordance with HKFRS and the audited figures for the year ended 31 December 2014 have been extracted from the audited financial statements prepared in accordance with HKFRS.

	For the year ended	
	31 December	
	2013	2014
	unaudited	audited
	<i>RMB'000</i>	<i>RMB'000</i>
Loss before taxation	15,779	16,257
Loss after taxation	13,259	12,319

Zall Development Shenyang will cease to be a subsidiary of the Company upon the Zall Shenyang Equity Transfer Completion.

Zall Trading Xiaogan and Zall Development Xiaogan

Zall Trading Xiaogan is a direct wholly-owned subsidiary of Zall Hong Kong as at the date of this announcement. Zall Development Xiaogan has been directly wholly-owned by Zall Trading Xiaogan since 8 June 2015. The financial statements of Zall Development Xiaogan for the year ended 31 December 2014 was not consolidated into the financial statements of Zall Trading Xiaogan for the year ended 31 December 2014 as Zall Development Xiaogan only became a subsidiary of Zall Trading Xiaogan since 8 June 2015.

Zall Trading Xiaogan and Zall Development Xiaogan are interested in a tourism real estate project as stipulated under the Xiaogan Investment Agreement and currently own the Xiaogan Owned Project Lands and leased the Xiaogan Leased Project Lands pursuant to, among other things, the Xiaogan Investment Agreement.

The total asset values and net asset values of Zall Trading Xiaogan as at 31 December 2014 based on the audited financial statements were approximately RMB94,783,000 and RMB93,597,000, respectively.

Set out below is a summary of the financial information of Zall Trading Xiaogan for the period from date of incorporation on 26 September 2013 to 31 December 2013 and the financial year ended 31 December 2014. The unaudited figures for the period from date of incorporation to 31 December 2013 have been prepared in accordance with HKFRS and the audited figures for the year ended 31 December 2014 have been extracted from the audited financial statements prepared in accordance with HKFRS.

	For the period from date of incorporation to 31 December 2013 unaudited RMB'000	For the year ended 31 December 2014 audited RMB'000
Loss before taxation	6	6,396
Loss after taxation	6	6,396

The total asset values and net asset values of Zall Development Xiaogan as at 31 December 2014 based on the audited financial statements were approximately RMB106,405,000 and RMB57,239,000, respectively.

Set out below is a summary of the financial information of Zall Development Xiaogan for the period from date of incorporation on 21 February 2014 to 31 December 2014. The audited figures for the period from date of incorporation to 31 December 2014 have been extracted from the audited financial statements prepared in accordance with HKFRS.

	For the period from date of incorporation to 31 December 2014 audited RMB'000
Loss before taxation	3,682
Loss after taxation	2,761

Both Zall Trading Xiaogan and Zall Development Xiaogan will cease to be subsidiaries of the Company upon the Zall Xiaogan Equity Transfer Completion.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is adjusting its principal business activities and will concentrate its resources on the core business segment, i.e. the development and operating of large-scale consumer product-focused wholesale shopping malls and the related value-added business, such as warehousing, logistics, E-commerce and financial services. The Target Companies are being disposed because their principal business activities, being residential and commercial property development, are not in line with the Group's core business segment and future direction.

The terms of the Equity Transfer Agreements were determined after arm's length negotiations between the parties thereto and the Directors are of the view that the terms of the Equity Transfer Agreements, including the consideration which have been arrived at after arm's length negotiations, are on normal commercial terms and are fair and reasonable and in the interests of the Company and Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Upon the Zall Shenyang Equity Transfer Completion and the Zall Xiaogan Equity Transfer Completion, the Target Companies will cease to be subsidiaries of the Company and therefore their results, assets and liabilities will no longer be consolidated into the financial statements of the Company.

The Company expects to recognise a gain of approximately RMB65,804,000 arising from the Equity Transfers, being RMB52,557,000 arising from Zall Shenyang Equity Transfer and RMB13,247,000 arising from Zall Xiaogan Equity Transfer, respectively, calculated as follows:

	<i>RMB</i>
Carrying amount of net asset value of Zall Shenyang Equity Interest	534,443,000
Zall Shenyang Equity Transfer Consideration	587,000,000
Gain arising from Zall Shenyang Equity Transfer	52,557,000

	<i>RMB</i>
Carrying amount of net asset value of Zall Xiaogan Equity Interest	135,753,000
Zall Xiaogan Equity Transfer Consideration	149,000,000
Gain arising from Zall Xiaogan Equity Transfer	13,247,000

The consideration for the Equity Transfers, being 681,480,000 Consideration Shares are classified as available-for-sale securities and the Board currently has no intention to sell all or any part of the Consideration Shares.

IMPLICATIONS UNDER THE LISTING RULES

As one or more than one of the applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) in respect of the Equity Transfers are greater than 5% and all applicable percentage ratios are less than 25%, the Equity Transfers constitutes a discloseable transaction of the Company and is therefore subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday, bank holiday or public holiday) on which all licensed banks in Hong Kong and the PRC are open for business
“Company”	Zall Development Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares are listed on the Main Board under the stock code of 2098
“Consideration Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of Fullshare to be issued as consideration for Equity Transfers which will rank <i>pari passu</i> in all respects with all other ordinary shares of Fullshare in issue as at the date thereof
“Connected Person(s)”	bearing the same meaning and definition in the Listing Rules
“Directors”	the directors of the Company
“Equity Interests”	Zall Shenyang Equity Interest and Zall Xiaogan Equity Interest
“Equity Transfers”	Zall Shenyang Equity Transfer and Zall Xiaogan Equity Transfer
“Equity Transfer Agreements”	Zall Shenyang Equity Transfer Agreement and Zall Xiaogan Equity Transfer Agreement
“Fullshare”	Fullshare Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares are listed on the Main Board under the stock code of 607
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“HKFRS”	Hong Kong Financial Reporting Standards
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board of the Stock Exchange
“Mr. Ji”	Mr. Ji Changqun, the chairman, chief executive officer, executive director and controlling shareholder of Fullshare
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Shenyang Project Developments”	the residential property development on the Shenyang Project Lands
“Shenyang Project Lands”	the two pieces of lands located in Zaohua village of Zaohua county, Yuhong district, Shenyang, Liaoning province, the PRC (中國遼寧省瀋陽市于洪區造化鎮造化村) with a total site area of approximately 105,959 sq.m. and of a total gross floor area of approximately 209,779 sq.m. owned by and currently under development by Zall Development Shenyang
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Target Companies”	Zall Trading Xiaogan, Zall Development Xiaogan and Zall Development Shenyang
“Xiaogan Investment Agreement”	the investment agreement dated 6 July 2013 entered into between the Company and the people’s government of Xiaonan district of Xiaogan, Hubei province, the PRC (中國湖北省孝感市孝南區人民政府) pursuant to which the Company undertook a tourism real estate project in Yangdian country, Xiaonan district, Xiaogan, Hubei province, the PRC (中國湖北省孝感市孝南區楊店鎮) and its nearby region
“Xiaogan Owned Project Lands”	the land located in Zaohua village of Huangxiaonan road of Yangdian country, Xiaonan district, Xiaogan, Hubei province, the PRC (中國湖北省孝感市孝南區楊店鎮黃孝南路) owned and under development by Zall Trading Xiaogan and Zall Development Xiaogan pursuant to the Xiaogan Investment Agreement

“Xiaogan Leased Project Lands”	the land leased by Zall Trading Xiaogan and Zall Development Xiaogan in accordance with a collective-land sub-contracting and management agreement with Xiaogan city Fengruida Agricultural Joint Stock Co-operative* (孝感市豐瑞達農民土地股份合作社) pursuant to the Xiaogan Investment Agreement
“Zall Development Shenyang”	Zall Development (Shenyang) Limited* (卓爾發展 (瀋陽) 有限公司), a company established under the laws of the PRC, a direct wholly-owned subsidiary of Zall Hong Kong as at the date of this announcement
“Zall Development Xiaogan”	Zall Development (Xiaogan) Limited* (卓爾發展 (孝感) 有限公司), a company established under the laws of the PRC, a direct wholly-owned subsidiary of Zall Trading Xiaogan as at the date of this announcement
“Zall Hong Kong”	Zall Development (HK) Holding Company Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company
“Zall Shenyang Equity Interest”	90% of equity interest in Zall Development Shenyang
“Zall Shenyang Equity Transfer”	the transfer of Zall Shenyang Equity Interest
“Zall Shenyang Equity Transfer Agreement”	the sale and purchase agreement dated 24 June 2015 entered into between Zall Hong Kong and Fullshare in relation to the Zall Shenyang Equity Transfer
“Zall Shenyang Equity Transfer Completion”	completion of the Zall Shenyang Equity Transfer in accordance with the terms and conditions of the Zall Shenyang Equity Transfer Agreement
“Zall Shenyang Equity Transfer Completion Date”	the date on which the Zall Shenyang Equity Transfer Completion is to take place (i.e. 26 June 2015)
“Zall Shenyang Equity Transfer Consideration”	the total consideration payable by Fullshare for the Zall Shenyang Equity Transfer pursuant to the terms of the Zall Shenyang Equity Transfer Agreement, as set out under the paragraph “Consideration” under the section headed “Principle terms of the Zall Shenyang Equity Transfer Agreement” of this announcement

“Zall Shenyang Equity Transfer Payment Conditions”	the conditions upon fulfillment and/or wavier (as the case may be) which payment of Zall Shenyang Equity Transfer Consideration will be made, as set out under the paragraph “Conditions for payment of the consideration” under the section headed “Principle terms of the Zall Shenyang Equity Transfer Agreement” of this announcement
“Zall Shenyang Transaction Documents”	the Zall Shenyang Equity Transfer Agreement and any other related agreement(s) or document(s) entered into between the parties
“Zall Trading Xiaogan”	Zall Trading Development (Xiaogan) Limited* (卓爾商貿發展 (孝感) 有限公司), a company established under the laws of the PRC, a direct wholly-owned subsidiary of Zall Hong Kong as at the date of this announcement
“Zall Xiaogan Equity Interest”	90% of equity interest in Zall Trading Xiaogan
“Zall Xiaogan Equity Transfer”	the transfer of Zall Xiaogan Equity Interest
“Zall Xiaogan Equity Transfer Agreement”	the sale and purchase agreement dated 24 June 2015 entered into between Zall Hong Kong and Fullshare in relation to the Zall Xiaogan Equity Transfer
“Zall Xiaogan Equity Transfer Completion”	completion of the Zall Xiaogan Equity Transfer in accordance with the terms and conditions of the Zall Xiaogan Equity Transfer Agreement
“Zall Xiaogan Equity Transfer Completion Date”	the date on which the Zall Xiaogan Equity Transfer Completion is to take place (i.e. 26 June 2015)
“Zall Xiaogan Equity Transfer Consideration”	the total consideration payable by Fullshare for the Zall Xiaogan Equity Transfer pursuant to the terms of the Zall Xiaogan Equity Transfer Agreement, as set out under the paragraph “Consideration” under the section headed “Principle terms of the Zall Xiaogan Equity Transfer Agreement” of this announcement
“Zall Xiaogan Equity Transfer Payment Conditions”	the conditions upon fulfillment and/or wavier (as the case may be) which payment of Zall Xiaogan Equity Transfer Consideration will be made, as set out under the paragraph “Conditions for payment of the consideration” under the section headed “Principle terms of the Zall Xiaogan Equity Transfer Agreement” of this announcement

“Zall Xiaogan Transaction Documents”

the Zall Xiaogan Equity Transfer Agreement and any other related agreement(s) or document(s) entered into between the parties

“%”

per cent

By order of the Board of
Zall Development Group Limited
Yan Zhi
Chairman

Hong Kong, 24 June 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 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.

* *for identification purposes only*