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

References are made to the announcements of Zall Development Group Ltd. (the “**Issuer**”) dated 11 June 2013, 19 June 2013, 30 March 2015, 13 April 2015, 12 June 2015 and 10 July 2015 in relation to the Bonds (the “**Announcements**”). Unless otherwise stated, terms used herein shall have the same meanings as defined in the Announcements.

**EARLY REDEMPTION OF USD 100 MILLION 5.5% CONVERTIBLE BONDS DUE 2018**

The Board announces that on 24 July 2015, the Issuer exercised the Further Redemption Right and elected to redeem all the Bonds outstanding (the “**Early Redemption**”) on 31 July 2015 (the “**Redemption Date**”) in the principal amount of USD90,000,000 at an amount equal to the sum of (a) the Prescribed Redemption Amount (being an aggregate amount of USD105,287,999) and (b) interest accrued up to the Redemption Date (being an aggregate amount of USD577,500).

As at the date of this announcement, the Closing Price and Conversion Price are HK\$3.08 and HK\$2.55 per Share respectively. Upon redemption of the outstanding Bonds on the Redemption Date, Bonds redeemed will be cancelled.

As at the date of this announcement, the aggregate principal amount of Bonds outstanding is USD90,000,000. The Company will use its internal resources and other financings to satisfy the payment of the redemption of the remaining Bonds. 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, 24 July 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.*