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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)

- (1) RESIGNATION OF EXECUTIVE DIRECTOR AND MEMBER OF THE REMUNERATION COMMITTEE;**
(2) APPOINTMENT OF EXECUTIVE DIRECTOR AND CO-CHAIRMAN OF THE COMPANY; AND
(3) CHANGE OF COMPOSITION OF REMUNERATION COMMITTEE

RESIGNATION OF EXECUTIVE DIRECTOR AND MEMBER OF THE REMUNERATION COMMITTEE

The Board of the Company hereby announces that, with effect from 17 August 2015, Mr. Fang Li has resigned as an executive director of the Company and as a member of the Remuneration Committee due to his other business commitments which require more of his dedication and time commitment.

APPOINTMENT OF EXECUTIVE DIRECTOR AND CO-CHAIRMAN OF THE COMPANY

The Board is pleased to further announce the appointment of Dr. Gang Yu as an executive director and co-chairman of the Company with effect from 17 August 2015. Upon the appointment of Dr. Yu as executive director and co-chairman of the Company, Mr. Yan Zhi has been re-designated from the position of chairman to co-chairman of the Company with effect from 17 August 2015.

CHANGE OF COMPOSITION OF REMUNERATION COMMITTEE

The Board is pleased to further announce that, upon the resignation of Mr. Fang Li as a member of the Remuneration Committee, Mr. Fu Gaochao, an existing non-executive director of the Company, has been appointed as a member of the Remuneration Committee with effect from 17 August 2015.

This announcement is made by Zall Development Group Ltd. (the “**Company**”) pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

RESIGNATION OF EXECUTIVE DIRECTOR

The board of directors (the “**Board**”) of the Company hereby announces that, with effect from 17 August 2015, Mr. Fang Li (“**Mr. Fang**”) has resigned as an executive director of the Company and as a member to the remuneration committee of the Company (the “**Remuneration Committee**”) due to his other business commitments which require more of his dedication and time commitment.

Mr. Fang has confirmed to the Company that there is no disagreement with the Company in any respect and save as otherwise disclosed herein, there are no matters which need to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) in relation to his resignation.

The Board would also like to take this opportunity to express its gratitude to Mr. Fang for his contribution to the Company during his term of services.

APPOINTMENT OF EXECUTIVE DIRECTOR AND CO-CHAIRMAN OF THE COMPANY

The Board is pleased to further announce the appointment of Dr. Gang Yu (“**Dr. Yu**”) as an executive director and co-chairman of the Company with effect from 17 August 2015. Upon the appointment of Dr. Yu as executive director and co-chairman of the Company, Mr. Yan Zhi has been re-designated from the position of chairman to co-chairman of the Company with effect from 17 August 2015.

The biological details of Dr. Gang Yu are set out as follows:

Dr. Gang Yu, aged 56, is a co-founder and chairman emeritus of Yihaodian, a leading e-commerce company in China. Dr. Yu has extensive experience in E-commerce and operation and logistics management. Prior to founding Yihaodian, he was Vice President, Worldwide Procurement at Dell Inc. Dr. Yu also served as Vice President, Worldwide Supply Chain Operations at Amazon.com. Prior to joining Amazon, Dr. Yu served as the Jack G. Taylor Chair Professor in Business in the Department of Management Science and Information Systems at the McCombs School of Business, the University of Texas at Austin, Director of the Center for Management of Operations and Logistics, and co-Director of the Center for Decision Making under Uncertainty. Dr. Yu is also the founder, former Chairman and chief executive officer of CALEB Technologies Corporation. Dr. Yu obtained his bachelor degree in science from Wuhan University in 1982 and his master degree in science from Cornell University in 1985. Dr. Yu received his PhD from the Wharton School of Business, University of Pennsylvania in 1990.

Dr. Yu has entered into a service contract with the Company for a term of three years, and is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the memorandum and articles of association of the Company. Dr. Yu will receive emolument of RMB1,200,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities in the Company as well as the current market rate.

As at the date of this announcement, Dr. Yu is holding 53,448,000 shares of the Company, representing approximately 1.50% of the total issued share capital of the Company, pursuant to the share subscription agreement dated 6 August 2015 between the Company and Dr. Yu. Save as disclosed, Dr. Yu does not have any interest (within the meaning of Part XV of the Securities Futures Ordinance) in the securities of the Company.

Save as disclosed in this announcement, Dr. Yu held no other directorship in any listed public company in the last three years preceding the date of his appointment. Further, Dr. Yu does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

Dr. Yu has not been involved in any of the events under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters in relation to his appointment as an executive director that need to be brought to the attention of the shareholders of the Company or the Stock Exchange.

The Board would like to express its warmest welcome to Dr. Yu for joining the Company and act together as co-chairman with Mr. Yan Zhi.

CHANGE OF COMPOSITION OF REMUNERATION COMMITTEE

The Board is pleased to further announce that, upon the resignation of Mr. Fang Li as a member of the Remuneration Committee, Mr. Fu Gaochao, an existing non-executive director of the Company, has been appointed as a member of the Remuneration Committee with effect from 17 August 2015.

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

Hong Kong, 17 August 2015

As at the date of this announcement, the Board comprises Mr. Yan Zhi, Dr. Gang Yu, Mr. Cui Jinfeng 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.