



22 May 2014

**High Concentration of Shareholding
in
Zall Development Group Ltd. (Stock Code: 02098)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Zall Development Group Ltd. (“the Company”) in the hands of a limited number of shareholders as at 12 May 2014.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 12 May 2014, a group of 15 shareholders held an aggregate of 494,663,000 Shares, representing 14.13% of the issued Shares. Such shareholding, together with 2,975,000,000 Shares (representing 85.00% of the issued Shares) held by the Company’s Chairman, Mr. Yan Zhi, represented 99.13% of the issued Shares as at 12 May 2014. Therefore, only 30,337,000 Shares (representing 0.87% of the issued Shares) were held by other shareholders.

As at 12 May 2014, the shareholding structure of the Company was as follows:-

| | Number of Shares held (Shares) | % of total number of issued Shares (%) |
|----------------------------|---|---|
| Mr. Yan Zhi (Note 1) | 2,975,000,000 | 85.00 |
| A group of 15 shareholders | 494,663,000 | 14.13 |
| Other shareholders | 30,337,000 | 0.87 |
| Total | 3,500,000,000 | 100.00 |

Note 1: 2,975,000,000 Shares were held by Zall Development Investment Company Limited, which is wholly owned by Mr. Yan Zhi.



The Company was listed on the main board of the Stock Exchange of Hong Kong on 13 July 2011 by way of Hong Kong Public Offering and International Offering. 525,000,000 Shares, equivalent to 15% of the issued Shares, were offered at \$2.89 per Share.

The closing price of the Shares increased 12% from \$2.42 on 13 March 2014 to \$2.71 on 19 March 2014. Since then, the Shares traded in the range from \$2.58 to \$2.78 during the period from 20 March 2014 to 21 May 2014, and closed at \$2.73 on 21 May 2014.

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