



18 October 2011

**High Concentration of Shareholding  
in  
Zall Development (Cayman) Holding Co., Ltd. (Stock Code: 2098)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Zall Development (Cayman) Holding Co., Ltd. (“the Company”) in the hands of a limited number of shareholders as at 4 October 2011.

**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 4 October 2011, 13 shareholders held an aggregate of 517,309,000 Shares, representing 14.78% 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 99.78% of the issued Shares as at 4 October 2011. Therefore, only 7,691,000 Shares (representing 0.22% of the issued Shares) were held by other shareholders.

As at 4 October 2011, the shareholding structure of the Company was as follows:-

	<b>Number of Shares held (Shares)</b>	<b>% of total number of issued Shares (%)</b>
Yan Zhi (Note 1)	2,975,000,000	85.00
A group of 13 shareholders (Note 2)	517,309,000	14.78
Other shareholders	7,691,000	0.22
<b>Total</b>	<b>3,500,000,000</b>	<b>100.00</b>

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

Note 2: 469,141,000 Shares (representing 13.4% of the issued Shares) were held by 8 shareholders who initially obtained 454,220,000 Shares through the International Offering of the Company in July 2011.



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.

Share price of the Company closed at \$3.09 on its first day of listing and increased to \$3.40 on 17 October 2011, representing an increase of 18% from its IPO price, or an increase of 10% from its closing price on 13 July 2011 while the Hang Seng Index dropped 14% over the same period.

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