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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Zall Development (Cayman) Holding Co. Ltd., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**ZALL Development**  
**Zall Development (Cayman) Holding Co., Ltd.**  
卓爾發展(開曼)控股有限公司  
*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 2098)

**RENEWAL OF  
GENERAL MANDATE TO ISSUE SHARES AND  
TO REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS,  
PROPOSED CHANGE OF COMPANY NAME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of the Company to be held at Level 10, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong on Tuesday, 8 May 2012 at 3 p.m. is set out on pages 11 to 14 of this circular. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting. The completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Annual General Meeting”	the annual general meeting of the Company to be held at Level 10, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong on Tuesday, 8 May 2012 at 3 p.m., for the purpose of considering and if thought fit, approving the resolutions proposed in this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company as amended, modified or otherwise supplemented from time to time
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the Board of Directors
“Company”	Zall Development (Cayman) Holding Co., Ltd. (卓爾發展(開曼)控股有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue, and otherwise deal with new Shares and other securities with an aggregate nominal amount not exceeding the sum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolutions, and the aggregate nominal value of the share capital of the Company repurchased by the Company (if any)
“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 People’s Republic of China
“Latest Practicable Date”	23 March 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“PRC”	the People’s Republic of China, but shall not include Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this circular
“Proposed Change of Company Name”	the proposed change of name of the Company to “Zall Development Group Ltd.” “卓爾發展集團有限公司”
“Repurchase Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to repurchase Shares in the capital of the Company up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolutions
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent.



**Zall Development (Cayman) Holding Co., Ltd.**

卓爾發展（開曼）控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2098)**

*Executive Directors:*

Mr. Yan Zhi (*Chairman and Chief Executive Officer*)

Mr. Cui Jinfeng

Mr. Fang Li

Ms. Wang Danli

*Registered Office:*

Cricket Square

Hutchins Drive

P. O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Non-executive Director:*

Mr. Fu Gaochao

*Principal Place of Business in Hong Kong:*

Suite 1606, 16th Floor

Two Exchange Square

Central

Hong Kong

*Independent Non-executive Directors:*

Ms. Yang Qiongzhen

Mr. Cheung Ka Fai

Mr. Peng Chi

2 April 2012

*To the Shareholders*

Dear Sir/Madam

**RENEWAL OF  
GENERAL MANDATE TO ISSUE SHARES AND  
TO REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS,  
PROPOSED CHANGE OF COMPANY NAME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting for (i) the renewal of the General Mandate and the Repurchase Mandate; (ii) the extension of the General Mandate to include Shares repurchased pursuant to the Repurchase Mandate; (iii) the re-election of retiring Directors; and (iv) the Proposed Change of Company Name.

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## LETTER FROM THE BOARD

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### RENEWAL OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

By a written resolution passed by the shareholders of the Company on 20 June 2011, resolutions were passed giving general mandates to the Directors (i) to allot and issue Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company as at the date of passing of the relevant resolutions and (ii) to repurchase shares in the capital of the Company up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolutions. Such general mandates will expire at the conclusion of the forthcoming Annual General Meeting.

At the Annual General Meeting, separate ordinary resolutions will be proposed:

- (a) to grant the General Mandate to the Directors to exercise the powers of the Company to allot and issue Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company as at the date of passing the resolution. The General Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company;
- (b) to grant the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase issued Shares subject to the criteria set out in this circular. Under such Repurchase Mandate, the maximum number of Shares that the Company may be repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution. As at the Latest Practicable Date, the number of Shares in issue was 3,500,000,000 Shares. Subject to the passing of the proposed ordinary resolution approving the granting of the Repurchase Mandate and no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 350,000,000 Shares, being 10% of the entire issued share capital of the Company as at the date of passing of the resolution in relation thereof. The Repurchase Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company; and
- (c) subject to the passing of the aforesaid ordinary resolutions of the General Mandate and the Repurchase Mandate, to extend the number of Shares to be issued and allotted under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution to renew the grant of the Repurchase Mandate at the Annual General Meeting.

### RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 84(1) of the Articles of Association, each of Mr. Cui Jinfeng, Ms. Wang Danli and Mr. Cheung Ka Fai will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election as Directors at the Annual General Meeting.

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## LETTER FROM THE BOARD

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At the Annual General Meeting, ordinary resolutions will be proposed to re-elect Mr. Cui Jinfeng and Ms. Wang Danli as executive Directors and Mr. Cheung Ka Fai as an independent non-executive Director. The biographical details of such Directors to be re-elected as required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

### **PROPOSED CHANGE OF COMPANY NAME**

#### **Proposed Change of Company Name**

The Board proposes to change the name of the Company from “Zall Development (Cayman) Holding Co., Ltd.” to “Zall Development Group Ltd.” and the Chinese name of the Company from “卓爾發展(開曼)控股有限公司” to “卓爾發展集團有限公司” (“Proposed Change of Company Name”). Such proposal is subject to the passing of a special resolution by the Shareholders and the Registrar of Companies in the Cayman Islands granting approval for the use of the new name.

#### **Reasons for the Proposed Change of Company Name**

The Company is a developer and operator of large-scale, consumer product-focused wholesale shopping malls in PRC. The Board considers that the deletion of administration region in the Cayman Island from the Company’s name will avoid misunderstandings of the Company’s business presence, which will benefit the Group’s business development as a whole. The Board is of the view that the Proposed Change of Company Name will clearly benefit the Company’s business development and is in the best interests of the Company and its shareholders as a whole.

#### **Conditions of the Proposed Change of Company Name**

The Proposed Change of Company Name is subject to the following:

- (1) the passing of a special resolution by the Shareholders to approve the Proposed Change of Company Name at the Annual General Meeting; and
- (2) the granting of the approval for the Proposed Change of Company Name by the Registrar of Companies in the Cayman Islands.

The relevant filing with the Registrar of Companies in the Cayman Islands will be made after the passing of the special resolution at the Annual General Meeting. The Company will carry out the necessary filing procedures with the Companies Registry in Hong Kong under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) upon the Proposed Change of Company Name becoming effective.

#### **Effects of the change of Company Name**

The Proposed Change of Company Name will not affect any rights of the existing Shareholders. All existing share certificates in issue bearing the present name of the Company shall continue to be evidence of title to such shares and valid for trading, settlement and registration purposes. There will not be any arrangement for exchange of the existing share certificates. Once the Proposed Change of Company Name becomes effective, new share certificates will be issued under the new name of the Company.

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## LETTER FROM THE BOARD

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### ANNUAL GENERAL MEETING

The Company will convene the Annual General Meeting at Level 10, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong on Tuesday, 8 May 2012 at 3 p.m. at which resolutions will be proposed for the purpose of considering and if thought fit, approving the resolutions set out in the notice of the Annual General Meeting as set out on pages 11 to 14 of this circular.

A form of proxy for use in connection with the Annual General Meeting is enclosed herewith. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked. Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the Annual General Meeting will be by poll.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

### RECOMMENDATION

The Directors consider that the renewal of the General Mandate and the Repurchase Mandate, the re-election of retiring Directors and the Proposed Change of Company Name are in the best interests of the Company as well as its Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully  
By Order of the Board  
**Yan Zhi**  
*Chairman*



This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, there was a total of 3,500,000,000 Shares in issue. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased during the period from the Latest Practicable Date to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 350,000,000 Shares, being 10% of the issued share capital of the Company as at the date of the passing of the relevant resolution at the Annual General Meeting.

### **2. REASONS FOR SHARE REPURCHASE**

The Directors have no present intention to repurchase any Shares but consider that the ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earning per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

As compared with the financial position of the Company as at 31 December 2011 (as disclosed in its latest audited financial statements for the year ended 31 December 2011), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchase were to be carried out in full during the proposed repurchase period. In the circumstances, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would have a material adverse impact on the working capital or gearing ratio of the Company.

### **3. FUNDING OF REPURCHASE**

The Company is empowered by its memorandum and articles of association to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and laws of the Cayman Islands. Under the laws of the Cayman Islands, payment for a share repurchase by the Company may only be made out of profits or the proceeds of a new issue of Shares made for such purpose or out of capital of the Company. The amount of premium payable on a repurchase of Shares may only be paid out of either the profits or out of the share premium of the Company or out of capital of the Company.

In addition, under the laws of the Cayman Islands, payment out of capital by a company for the purchase by a company of its own shares is unlawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business. In accordance with the laws of the Cayman Islands, the shares so repurchased would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

#### **4. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

#### **5. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the Articles of Association and the laws of the Cayman Islands.

#### **6. EFFECT OF TAKEOVERS CODE**

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Zall Development Investment Company Limited was beneficially interested in approximately 85% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase the Shares which is proposed to be granted pursuant to the Repurchase Mandate, the shareholding of Zall Development Investment Company Limited would be increased to approximately 94.44% of the then issued share capital of the Company, and such increase would not give rise to an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code. The Company has no intention to exercise the Repurchase Mandate to such extent that it would give rise to an obligation to make a mandatory offer under the Takeovers Code or result in the amount of shares held by the public being reduced to less than 15% of the issued share capital of the Company.

#### **7. SHARE REPURCHASES BY THE COMPANY**

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

**8. SHARE PRICES**

During the period from 13 July 2011 to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2011</b>		
July ( <i>Note</i> )	3.24	2.91
August	3.23	2.88
September	3.45	3.15
October	3.50	3.08
November	3.43	3.12
December	3.50	3.22
<b>2012</b>		
January	3.67	3.11
February	3.25	2.67
March (up to the Latest Practicable Date)	3.35	3.08

*Note:* Shares of the Company were listed on the Stock Exchange on 13 July 2011.

The biographical details of the Directors proposed to be re-elected at the Annual General Meeting are set out as follows:

**Mr. Cui Jinfeng** (崔錦鋒), aged 33, was appointed an executive Director on 20 June 2011. He is the deputy chief executive officer of Zall Development (Wuhan) Co., Ltd.. He joined the Group in July 2005 and is primarily responsible for the overall day-to-day management of our projects in Beijing, Tianjin, Shenyang and Changsha. Mr. Cui has over seven years of experience in the wholesale market and commercial property industries. He currently serves as a representative of the People's Congress of Huangpi District, Wuhan City (武漢市黃陂區人民代表大會代表), a member of Standing Committee of Wuhan People's Political Consultative Conference (武漢市人民政治協商會議) and an executive director of Association of Wuhan Real Estate Enterprises (武漢市房地產企業協會). Mr. Cui was recognized as one of the "Top 10 Outstanding Young Entrepreneurs of Hubei Province" (湖北省十大優秀青年企業家) in 2010. Mr. Cui received a diploma in motor vehicle manufacturing and maintenance from Jiangnan University (江漢大學) in June 2000. Mr. Cui is currently studying for his master's degree in business administration at The Chinese University of Hong Kong.

**Ms. Wang Danli** (王丹莉), aged 34, was appointed an executive Director on 20 June 2011. Ms. Wang joined the Group in June 2010 as an assistant to our chief executive officer, and is primarily responsible for our corporate finance, investor relations and legal affairs. Ms. Wang has over 12 years of experience in equity financing, financial management, merger and acquisition and asset management. Prior to joining the Group, Ms. Wang was an assistant general manager in the investment banking department of Changjiang Financing Services Co., Ltd. (長江證券承銷保薦有限公司) since July 1999, focusing on corporate finance transactions and other financial and compliance advisory matters. Ms. Wang received a bachelor's degree in engineering from Shanghai Jiao Tong University (上海交通大學) in July 1999 and a diploma in finance from Wuhan University (武漢大學) in June 2003. She also obtained a certificate of qualification for securities underwriting and issuance from Securities Association of China (中國證券業協會) in September 2007. Ms. Wang is currently studying for her master's degree at CEIBS (中歐國際工商學院).

**Mr. Cheung Ka Fai** (張家輝), aged 37, was appointed an independent non-executive Director on 20 June 2011. Mr. Cheung has over 14 years of experience in auditing, accounting and finance. Prior to joining the Group, Mr Cheung worked as an auditor at Deloitte Touche Tohmatsu and served as the financial controller and company secretary of two companies listed on the GEM Board of the Stock Exchange. Mr. Cheung has been serving as the chief financial officer and company secretary of Huscoke Resources Holdings Limited, a company listed on the Main Board of the Stock Exchange from June 2008 to present and an executive director of Huscoke Resources Holdings Limited from October 2009 to present. Mr. Cheung is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. He obtained a bachelor's degree in accountancy from the Hong Kong Polytechnic University in November 1997 and a master's degree in business administration from the University of Bradford in January 2008.

### Others

There is no other information relating to the above Directors that is required to be disclosed pursuant to Rule 13.51(2) sub-paragraphs (h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.



**Zall Development (Cayman) Holding Co., Ltd.**

卓爾發展（開曼）控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2098)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Zall Development (Cayman) Holding Co., Ltd. (the “**Company**”) will be held at Level 10, World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong on Tuesday, 8 May 2012 at 3 p.m. for the following purposes:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company for the year ended 31 December 2011;
2. To declare a final dividend of HK3 cents per share for the year ended 31 December 2011 to the shareholders of the Company;
3. To re-elect the following Directors:
  - (a) Mr. Cui Jinfeng as executive Director;
  - (b) Ms. Wang Danli as executive Director; and
  - (c) Mr. Cheung Ka Fai as independent non-executive Director;
4. To authorise the board of Directors to fix the Directors’ remuneration;
5. To re-appoint KPMG as auditors of the Company and authorise the board of Directors to fix their remuneration;

**SPECIAL BUSINESS**

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”); or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory outside Hong Kong).”;

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued shares in the capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) the aggregate nominal amount of shares of the Company which are authorised to be purchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:
- “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.”; and
8. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions nos. 6 and 7 above, the general mandate to the Directors pursuant to resolution no. 6 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company purchased by the Company under the authority granted pursuant to the resolution no. 7, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

9. To consider and, if thought fit, pass the following resolution as a special resolution of the Company:

“**THAT**

- (a) subject to and conditional upon approval of the Registrar of Companies in the Cayman Islands, the proposed change of the name of the Company from “Zall Development (Cayman) Holding Co., Ltd.” to “Zall Development Group Ltd.” and the Chinese name of the Company from “卓爾發展(開曼)控股有限公司” to “卓爾發展集團有限公司” be and is hereby approved; and
- (b) any director of the Company be and is hereby authorised to do all such acts and execute all such documents to give effect to the Proposed Change of Company Name.”

Yours faithfully  
By Order of the Board  
**Yan Zhi**  
*Chairman*

Hong Kong, 2 April 2012

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## NOTICE OF ANNUAL GENERAL MEETING

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**Notes:**

- (1) A member entitled to attend and vote at the above meeting may appoint one or, if he holds two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) Where there are joint holders of any Share, any one of such joint holder may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (3) In order to be valid, a form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof shall be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. The proxy form will be published on the website of the Stock Exchange.
- (4) The register of members of the Company will be closed from Friday, 4 May 2012 to Tuesday, 8 May 2012 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the entitlement to attend and vote at the forthcoming Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 3 May 2012.

*As at the date of this notice, the board of Directors comprises eight members, of which Mr. Yan Zhi, Mr. Cui Jinfeng, Mr. Fang Li and Ms. Wang Danli are the executive Directors; Mr. Fu Gaochao is the non-executive Director; and Ms. Yang Qiongzhen, Mr. Cheung Ka Fai and Mr. Peng Chi are the independent non-executive Directors.*