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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 Group 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 Group Ltd.
卓爾發展集團有限公司
(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,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting to be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Monday, 13 May 2013 at 10:30 a.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 at 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

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 United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Monday, 13 May 2013 at 10:30 a.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 Group Ltd. (卓爾發展集團有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares 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”	3 April 2013, 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

DEFINITIONS

“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
“Repurchase Mandate”	a general and unconditional mandate to be granted 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
“United States”	the United States of America
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent.



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)

Executive Directors:

Mr. Yan Zhi (*Chairman and Chief Executive Officer*)
Mr. Cui Jinfeng
Mr. Fang Li
Ms. Wang Danli

Non-executive Director:

Mr. Fu Gaochao

Independent Non-executive Directors:

Ms. Yang Qiongzhen,
Mr. Cheung Ka Fai
Mr. Peng Chi

Registered Office:

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong:

Suite 1606, 16th Floor
Two Exchange Square
Central
Hong Kong

9 April 2013

To the Shareholders

Dear Sir/Madam

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

INTRODUCTION

The purpose of this circular is to give you notice of the Annual General Meeting and 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; and (iii) the re-election of retiring Directors.

RENEWAL OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 8 May 2012, resolutions were passed granting 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%

LETTER FROM THE BOARD

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. Based on 3,500,000,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be issued or repurchased prior to the date of the Annual General Meeting, the Directors will be authorised to issue up to 700,000,000 Shares under the General Mandate;
- (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, at each annual general meeting, one third of the Directors shall retire from office by rotation. Accordingly, each of Mr. Fang Li, Mr. Fu Gaochao and Ms. Yang Qiongzhen will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election as Directors at the Annual General Meeting.

LETTER FROM THE BOARD

At the Annual General Meeting, ordinary resolutions will be proposed to re-elect Mr. Fang Li as executive Director, Mr. Fu Gaochao as non-executive Director and Ms. Yang Qiongzhen as 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.

ANNUAL GENERAL MEETING

The Company will convene the Annual General Meeting at United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Monday, 13 May 2013 at 10:30 a.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, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that (i) the renewal of the General Mandate and the Repurchase Mandate and (ii) the extension of the General Mandate to include Shares repurchased pursuant to the Repurchase Mandate; and (iii) the re-election of retiring Directors are in the best interests of the Company as well as its Shareholders as a whole. 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 date of 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 2012 (as disclosed in its latest audited financial statements for the year ended 31 December 2012), 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 2,975,000,000 Shares or 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 each of the previous 12 months up to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2012		
April	3.12	3.00
May	3.47	3.01
June	3.43	3.17
July	3.32	2.97
August	3.28	3.04
September	3.21	3.13
October	3.21	3.07
November	3.18	3.09
December	3.15	3.02
2013		
January	3.13	2.94
February	3.14	2.96
March	3.07	2.76
April (up to the Latest Practicable Date)	3.03	2.97

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

Executive Director

Fang Li (方黎), aged 39, is an executive director of the Company. He is also the deputy chief executive officer of Zall Development (Wuhan) Co., Ltd., and the general manager of the Group's Wuhan Salon project. He joined the Group in June 2003 and is primarily responsible for the development of the Group's business and the designing of the Group's projects. Mr. Fang has over 12 years of experience in the media and advertising industry and real estate marketing. Mr. Fang received a graduate certificate in Chinese language and literature education from Hubei University of Education (湖北第二師範學院) (formerly known as Hubei Education College (湖北教育學院)) in June 1999. Mr. Fang completed an advanced course for business executives at Wuhan University (武漢大學) in June 2010 and is currently studying for his master's degree in business administration at Wuhan University.

As at the Latest Practicable Date, Mr. Fang held share options in respect of 1,190,000 underlying shares granted by the Company pursuant to Part XV of the SFO. Save as disclosed above, Mr. Fang is not connected with any director, senior management or controlling shareholders of the Company.

Mr. Fang entered a service contract with the Company for a term of three years commencing from 13 July 2011. Mr. Fang is entitled to receive salaries of RMB60,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities, and to prevailing market conditions. Mr. Fang shall also be entitled to discretionary bonus, share options under the share option scheme of the Company and other incentives as determined by the remuneration committee of the Company from time to time with reference to the remuneration policy of the Company. The total amount of director's remuneration of Mr. Fang for the year ended 31 December 2012 was RMB484,660. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

Non-Executive Director

Fu Gaochao (傅高潮), aged 57, is a non-executive director of the Company. He is the chairman of the supervisory committee of Zall Development (Wuhan) Co., Ltd.. Mr. Fu joined the Group in 1998 and has over eight years of experience in the commercial property and wholesale shopping mall industries, as well as experience in the news media industry. Mr. Fu received a diploma in business administration from Huazhong University of Technology (華中理工大學) (currently known as Huazhong University of Science and Technology (華中科技大學)) in 1993. Mr. Fu received an advanced business administration certificate (高級經營師資格證書) from Hubei Province Labour Bureau (湖北省勞動廳) in December 1999.

As at the Latest Practicable Date, Mr. Fu held share options in respect of 1,487,500 underlying shares granted by the Company pursuant to Part XV of the SFO. Save as disclosed above, Mr. Fu is not connected with any director, senior management or controlling shareholders of the Company.

Mr. Fu entered a service contract with the Company with a term of three years commencing from 13 July 2011. Mr. Fu is entitled to receive salaries of RMB81,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities, and to prevailing market conditions. Mr. Fu shall also be entitled to discretionary bonus, share options under the share option scheme of the Company and other incentives as determined by the remuneration committee of the Company from time to time with reference to the remuneration policy of the Company. The total amount of director's remuneration of Mr. Fu for the year ended 31 December 2012 was RMB583,440. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

Independent Non-Executive Director

Yang Qiongzen (楊瓊珍), aged 49, is an independent non-executive director of the Company. Ms. Yang has approximately 12 years of experience in corporate legal affairs. In March 2001, she co-founded Hubei Zhonghexin Law Firm (湖北中和信律師事務所) and has been serving as a partner from March 2001 to present. From December 2002 to November 2006, Ms. Yang was the secretary-general of the Economic Law Committee of Hubei Lawyers Association (湖北省律師協會經濟法委員會). Ms. Yang received a bachelor's degree in law from Zhongnan University of Economics and Law (中南財經政法大學) in July 1984 and a master's degree in law from Wuhan University (武漢大學) in July 1987.

Ms. Yang entered into a letter of appointment with the Company with a term of three years commencing from 13 July 2011. Ms. Yang is entitled to receive salaries of HK\$200,000 per annum which is determined by the Board with reference to her experience, duties and responsibilities, and to prevailing market conditions. Ms. Yang shall also be entitled to discretionary bonus, share options under the share option scheme of the Company and other incentives as determined by the remuneration committee of the Company from time to time with reference to the remuneration policy of the Company. The total amount of director's remuneration of Ms. Yang for the year ended 31 December 2012 was RMB162,170 (equivalent to approximately HK\$200,000). She is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

Others

Save as disclosed above, 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 Group Ltd.

卓爾發展集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2098)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Zall Development Group Ltd. (the “**Company**”) will be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Monday, 13 May 2013 at 10:30 a.m. for the following purposes:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following resolutions (with or without modifications) as ordinary resolutions of the Company:

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 2012;
2. To declare a final dividend of HK6 cents per share for the year ended 31 December 2012 to the shareholders of the Company;
3. To re-elect the following Directors:
 - (a) Mr. Fang Li as executive Director;
 - (b) Mr. Fu Gaochao as non-executive Director; and
 - (c) Ms. Yang Qiongzhen 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;
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

NOTICE OF ANNUAL GENERAL MEETING

offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;

- (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

NOTICE OF ANNUAL GENERAL MEETING

Period to procure the Company to purchase its shares at a price determined by the Directors;

- (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.”

Yours faithfully
By Order of the Board
Yan Zhi
Chairman

Hong Kong, 9 April 2013

NOTICE OF ANNUAL GENERAL MEETING

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 at 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 Thursday, 9 May 2013 to Monday, 13 May 2013 (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 Wednesday, 8 May 2013.

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; Ms. Yang Qiongzhen, Mr. Cheung Ka Fai and Mr. Peng Chi are the independent non-executive directors.

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)

ANNUAL GENERAL MEETING ON 13 MAY 2013
FORM OF PROXY

I/We¹ _____
of _____
being the registered holder(s) of² _____ shares (the “Shares”) of HK\$0.01 each in the share capital of Zall Development Group Ltd. (the “Company”), HEREBY APPOINT THE CHAIRMAN OF THE ANNUAL GENERAL MEETING (THE “Meeting”)³, or _____
of _____
as my/our proxy to attend and act for me/us and on my/our behalf at the Meeting to be held at 10:30 a.m. on Monday, 13 May 2013 at United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong (or at any adjournment thereof) for the purpose of considering, if thought fit, passing the resolutions as set out in the notice convening the Meeting and at the Meeting (or at any adjournment thereof) to vote for me/us and in my/our name(s) in respect of such resolutions as hereunder indicated, and, if no such indication is given, as my/our proxy thinks fit and on any other resolution properly put to the Meeting.

ORDINARY RESOLUTIONS		FOR ⁴	AGAINST ⁴
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 2012.		
2.	To declare a final dividend of HK6 cents per share for the year ended 31 December 2012 to the shareholders of the Company.		
3.	(a) To re-elect Mr. Fang Li as executive Director;		
	(b) To re-elect Mr. Fu Gaochao as non-executive Director; and		
	(c) To re-elect Ms. Yang Qiongzhen 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 grant a general mandate to the Directors to allot, issue and deal with shares of the Company not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.		
7.	To grant a general mandate to the Directors to purchase shares of the Company not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.		
8.	To extend the general mandate granted by resolution 6 by adding the shares purchased pursuant to the general mandate granted by resolution no. 7.		

Signature⁵ _____

Date _____

Notes:

- Full name(s) and address(es) must be inserted in **BLOCK CAPITALS**. The names of all joint registered holders should be stated.
- Please insert the number of Shares registered in your name(s) to which this proxy relates. If no number is inserted, this form of proxy will be deemed to relate to all Shares registered in your name(s).
- If any proxy other than the chairman of the Meeting is preferred, strike out “the chairman of the Meeting” and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALED BY THE PERSON WHO SIGNS IT.**
- IMPORTANT:** If you wish to vote for any resolution, tick the box marked “For”. If you wish to vote against any resolution, tick the box marked “Against”. Failure to tick a box will entitle your proxy to cast your vote at his/her discretion. Your proxy will also be entitled to vote at his/her discretion on any resolution properly put to the Meeting other than referred to the notice convening the Meeting.
- This form of proxy must be signed by you or your attorney duly authorized in writing or, in the case of a corporation, must be either executed under its common seal or under the hand of an officer, attorney or other person duly authorized.
- In order to be valid, this form of proxy together with the power of attorney or other authority (if any) under which it is signed or a certified copy of such power of authority, must be deposited at the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding of the Meeting or the adjourned Meeting.
- In the case of joint registered holders of any Shares, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such Shares as if he/she was solely entitled thereto; but if more than one of such joint registered holders is present at the Meeting, either personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such Shares shall alone be entitled to vote in respect thereof.
- The proxy need not be a member of the Company but must attend the Meeting in person to represent you.
- Completion and return of this form will not preclude you from attending and voting at the Meeting if you so wish. If you attend and vote at the Meeting, the authority of your proxy shall be deemed to be revoked.