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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 MANDATES TO ISSUE SHARES AND
TO BUY BACK SHARES,
RE-ELECTION OF DIRECTORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting to be held at Suite 1606, 16/F, Two Exchange Square, Central, Hong Kong on Friday, 29 May 2015 at 10:30 a.m. is set out on pages 13 to 16 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 Level 22, Hopewell Centre, 183 Queen's Road East, 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 Suite 1606, 16/F, Two Exchange Square, Central, Hong Kong on Friday, 29 May 2015 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, notice of which is set out on pages 13 to 16 of this circular
“Articles of Association”	the articles of association of the Company as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“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
“Director(s)”	the director(s) of the Company
“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
“Issue Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue, and otherwise deal with new Shares with a total number not exceeding 20% of the total number of Shares in issue as at the date of passing of the relevant resolutions
“Latest Practicable Date”	20 April 2015, 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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.01 each of the Company
“Share Buy-back Mandate”	a general and unconditional mandate to be granted to the Directors to exercise the power of the Company to buy back Shares in the capital of the Company up to a maximum of 10% of the total number of Shares in issue as at the date of passing the relevant resolutions
“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
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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

24 April 2015

To the Shareholders

Dear Sir/Madam

**RENEWAL OF
GENERAL MANDATES TO ISSUE SHARES AND TO BUY BACK SHARES,
RE-ELECTION OF DIRECTORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the notice of the Annual General Meeting and information regarding resolutions to be proposed at the Annual General Meeting for (i) the renewal of the Issue Mandate and the Share Buy-back Mandate; (ii) the extension of the Issue Mandate to include Shares bought back pursuant to the Share Buy-back Mandate; and (iii) the re-election of retiring Directors.

LETTER FROM THE BOARD

RENEWAL OF GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the annual general meeting of the Company held on 26 May 2014, resolutions were passed granting general mandates to the Directors (i) to allot and issue Shares with a total number not exceeding 20% of the total number of Shares of the Company in issue as at the date of passing of the relevant resolutions and, (ii) to buy back shares in the capital of the Company up to 10% of the total number of Shares of the Company in issue 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 Issue Mandate to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with Shares not exceeding 20% of the total number of Shares in issue as at the date of passing the resolution. The Issue 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 bought back prior to the date of the Annual General Meeting, the Directors will be authorised to issue up to 700,000,000 Shares under the Issue Mandate;
- (b) to grant the Share Buy-back Mandate to the Directors to exercise all powers of the Company to buy back issued Shares subject to the criteria set out in this circular. Under such Share Buy-back Mandate, the maximum number of Shares that the Company may buy back shall not exceed 10% of the total number of Shares in issue 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 Share Buy-back Mandate and no further Shares are issued or bought back prior to the Annual General Meeting, the Company would be allowed under the Share Buy-back Mandate to buy back a maximum of 350,000,000 Shares, being 10% of the total number of Shares in issue as at the date of passing of the resolution in relation thereof. The Share Buy-back 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 Issue Mandate and the Share Buy-back Mandate, to extend the number of Shares to be issued and allotted under the Issue Mandate by an additional number representing such number of Shares bought back under the Share Buy-back Mandate.

LETTER FROM THE BOARD

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 Share Buy-back 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, 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.

At the Annual General Meeting, ordinary resolutions will be proposed to re-elect Mr. Fang Li and Ms. Wang Danli as executive Directors, and Mr. Cheung Ka Fai 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 Suite 1606, 16/F, Two Exchange Square, Central, Hong Kong on Friday, 29 May 2015 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 13 to 16 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, Level 22, Hopewell Centre, 183 Queen's Road East, 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.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors 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 Issue Mandate and the Share Buy-back Mandate and (ii) the extension of the Issue Mandate to include Shares bought back pursuant to the Share Buy-back 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 Share Buy-back 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. SHARES IN ISSUE

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 Share Buy-back Mandate and on the basis that no further Shares are issued or bought back during the period from the Latest Practicable Date to the date of the Annual General Meeting, the Company will be allowed under the Share Buy-back Mandate to buy back a maximum of 350,000,000 Shares, being 10% of the total number of Shares in issue as at the date of the passing of the relevant resolution at the Annual General Meeting.

2. REASONS FOR SHARE BUY BACK

The Directors have no present intention to buy back 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 a whole as such buy back 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 buy back will benefit the Company and the Shareholders as a whole.

As compared with the financial position of the Company as at 31 December 2014 (as disclosed in its latest audited financial statements for the year ended 31 December 2014), 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 buy back were to be carried out in full during the proposed buy back period. In the circumstances, the Directors do not propose to exercise the Share Buy-back 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 BUY BACK

The Company is empowered by its Articles of Association to buy back its Shares. In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules, the Companies Law, the laws of the Cayman Islands and any other applicable laws. Under the laws of the Cayman Islands, payment for a share buy back 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 buy back 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 bought back would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

4. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

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

No core 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 Share Buy-back 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 buy backs pursuant to the Share Buy-back 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 buy back of Shares by the Company may result in an increase in the proportionate interest 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, representing approximately 85% of the total number of Shares in issue. In the event that the Directors exercise in full the power to buy back the Shares which is proposed to be granted pursuant to the Share Buy-back Mandate, the shareholding of Zall Development Investment Company Limited would be increased to approximately 94.44% of the then total number of Shares in issue. In the opinion of the Directors, such increase would not give rise to an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code, and accordingly, the Directors are not aware of any other consequences which would arise under the Takeovers Code as a result of any purchase of its Shares by the Company. The Company has no intention to exercise the Share Buy-back 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 BUY BACKS BY THE COMPANY

The Company had not bought back 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	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2014		
April	2.75	2.60
May	2.78	2.60
June	2.80	2.66
July	2.81	2.66
August	2.80	2.68
September	2.82	2.67
October	3.20	2.58
November	2.92	2.66
December	2.74	2.59
2015		
January	2.72	2.49
February	2.66	2.34
March	2.59	2.30
April (up to the Latest Practicable Date)	2.90	2.43

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

Executive Directors

Mr. Fang Li (方黎), aged 41, was appointed as an executive Director on 20 June 2011. He is 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 14 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. As at the Latest Practicable Date, save as disclosed above, Mr. Cui does not have any interests in the Shares which is required to be disclosed under Part XV of the SFO. Mr. Cui is not connected with any director, senior management or substantial shareholders of the Company.

Mr. Fang has entered into a service contract with the Company for a term of three years commencing from 13 July 2014. 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 2014 was RMB221,000. 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.

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in respect of Mr. Fang and there are no other matters that need to be brought to the attention of the Shareholders in relation to his re-election.

Ms. Wang Danli (王丹莉), aged 37, was appointed as an executive Director on 20 June 2011. Ms. Wang joined the Group in June 2010 as an assistant to the Group's chief executive officer, and is primarily responsible for the Group's financial management, corporate finance and investor relations. Ms. Wang has over 14 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 and a master degree at CEIBS (中歐國際工商學院) in 2013.

As at the Latest Practicable Date, Ms. Wang held share options in respect of 1,338,750 underlying Shares granted by the Company. As at the Latest Practicable Date, save as disclosed above, Ms. Wang does not have any interests in the Shares which is required to be disclosed under Part XV of the SFO. Ms. Wang is not connected with any director, senior management or substantial shareholders of the Company.

Ms. Wang has entered into a service contract with the Company with a term of three years commencing from 13 July 2014. Ms. Wang is entitled to receive salaries of RMB360,000 per annum which is determined by the Board with reference to her experience, duties and responsibilities, and to prevailing market conditions. Ms. Wang 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. Wang for the year ended 31 December 2014 was RMB479,000. 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.

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in respect of Ms. Wang and there are no other matters that need to be brought to the attention of the Shareholders in relation to her re-election.

Independent Non-Executive Director

Mr. Cheung Ka Fai (張家輝), aged 40, was appointed as an independent non-executive Director on 20 June 2011. Mr. Cheung has over 17 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 Growth Enterprise Market Board of the Stock Exchange. Mr. Cheung was 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 July 2012 and an executive director of Huscoke Resources Holdings Limited from October 2009 to July 2012. He has been serving as the chief financial

officer of Bonjour Holdings Limited, a company listed on the Main Board of the Stock Exchange from August 2012 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.

Mr. Cheung has entered into a letter of appointment with the Company with a term of three years commencing from 13 July 2014. Mr. Cheung is entitled to receive salaries of HK\$200,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities, and to prevailing market conditions. Mr. Cheung 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. Cheung for the year ended 31 December 2014 was RMB158,000 (equivalent to approximately HK\$200,000). 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.

As at the Latest Practicable Date, Mr. Cheung had no interests in the Shares within the meaning of Part XV of the SFO. Mr. Cheung is independent from and not related to any other Directors, senior management or substantial shareholders of the Company. Mr. Cheung has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules in respect of Mr. Cheung and there are no other matters that need to be brought to the attention of the Shareholders in relation to his re-election.

ZALL Development
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(Stock Code: 2098)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**Annual General Meeting**”) of Zall Development Group Ltd. (the “**Company**”) will be held at Suite 1606, 16/F, Two Exchange Square, Central, Hong Kong on Friday, 29 May 2015 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 2014;
2. To re-elect the following Directors:
 - (a) Mr. Fang Li as executive Director;
 - (b) Ms. Wang Danli as executive Director; and
 - (c) Mr. Cheung Ka Fai as independent non-executive Director;
3. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration;
4. To re-appoint KPMG as auditors of the Company (the “**Auditors**”) and authorise the Board to fix their remuneration;

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

5. 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 (the “**Shares**”) and to make or grant offers, agreements and options and rights of exchange or conversion 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;
- (c) the aggregate number of Shares 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 total number of Shares in issue 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

NOTICE OF ANNUAL GENERAL MEETING

“**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).”;

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 buy back Shares, subject to and in accordance with all applicable laws, including The Hong Kong Code on Share Buy-backs 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 buy back its shares at a price determined by the Directors;
- (c) the total number of the Shares which are authorised to be bought back by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of Shares in issue 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

NOTICE OF ANNUAL GENERAL MEETING

7. 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. 5 and 6 above, the general mandate to the Directors pursuant to resolution no. 5 be and is hereby extended by the addition thereto of an amount representing the number of Shares bought back by the Company under the authority granted pursuant to the resolution no. 6, provided that such amount shall not exceed 10% of the total number of Shares in issue as at the date of passing this resolution.”

Yours faithfully
By Order of the Board
Yan Zhi
Chairman

Hong Kong, 24 April 2015

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 Level 22, Hopewell Centre, 183 Queen's Road East, 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. The completion and return of the form of proxy shall not preclude a member from attending and voting in person at the Annual General Meeting (or any adjourned meeting thereof) if they so wish.
- (4) The register of members of the Company will be closed from Wednesday, 27 May 2015 to Friday, 29 May 2015 (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, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 26 May 2015.

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.