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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)

**(1) RESIGNATION OF NON-EXECUTIVE DIRECTOR;
(2) RE-DESIGNATION AS EXECUTIVE DIRECTOR;
(3) APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR; AND
(4) CHANGE OF COMPOSITION OF AUDIT COMMITTEE, REMUNERATION
COMMITTEE AND NOMINATION COMMITTEE**

The Board announces that, with effective from 11 April 2016:

- (i) Mr. Fu Gaochao has resigned as a non-executive Director and as a member of the Remuneration Committee;
- (ii) Mr. Peng Chi has been re-designated from an independent non-executive Director to an executive Director and as the chairman of the Remuneration Committee to as a member of the Remuneration Committee, and also resigned as a member of the Audit Committee and Nomination Committee; and
- (iii) Mr. Wei Zhe, David has been appointed as an independent non-executive Director, a member of Audit Committee, a member of the Nomination Committee and as chairman of the Remuneration Committee.

This announcement is made by Zall Development Group Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

RESIGNATION OF NON-EXECUTIVE DIRECTOR

The board (the “**Board**”) of Directors (the “**Directors**”) of the Company hereby announces that Mr. Fu Gaochao (“**Mr. Fu**”) has tendered his resignation as a non-executive Director and as a member of the remuneration committee of the Company (the “**Remuneration Committee**”) with effect from 11 April 2016 due to his retirement from the Group. Mr. Fu confirmed that he has no disagreement

with the Board and there are no matters with respect to his resignation that needs to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Board would like to take this opportunity to express its sincere gratitude to Mr. Fu for his invaluable contribution to the Company during the tenure of his service.

RE-DESIGNATION OF DIRECTOR

The Board further announces that Mr. Peng Chi (“**Mr. Peng**”) has been re-designated from an independent non-executive Director to an executive Director and from the chairman of the Remuneration Committee to a member of the Remuneration Committee with effect from 11 April 2016. Further, Mr. Peng has also resigned as a member of the audit committee of the Company (the “**Audit Committee**”) and nomination committee of the Company (the “**Nomination Committee**”) with effect from 11 April 2016. Mr. Peng will be responsible for the operation of commercial projects of the Group.

The biographical details of Mr. Peng is set out as below:

Mr. Peng Chi (彭池), aged 53, was appointed as an independent non-executive Director on 20 June 2011. Mr. Peng has over 17 years of experience in real estate development and management of large-scale infrastructure constructions. From May 1999 to present, Mr. Peng has been serving as a director of Ramada Hotel Xiamen Co., Ltd. (廈門長升大酒店有限公司). From July 2001 to March 2004, he was a director of Xiamen Rong Tai Real Estate Development Co., Ltd. (廈門榮泰房地產開發有限公司). From May 2004 to December 2006, Mr. Peng was the general manager of Hubei Jingdong Highway Construction and Development Co., Ltd. (湖北荊東高速公路建設開發有限公司). From May 2004 to present, Mr. Peng has been serving as a director of Wuhan Tianshi Property Development Co., Ltd. (武漢市天時物業發展有限責任公司). From January 2008 to present, Mr. Peng has been serving as a director of Hubei E’dong Yangtze River Highway Bridge Co., Ltd. (湖北鄂東長江公路大橋有限公司). Mr. Peng obtained a bachelor’s degree in history and literature from Hubei University (湖北大學) in July 1984.

The Company has entered into a service agreement with Mr. Peng in respect of his appointment as an executive Director for a term of three years commencing from 11 April 2016, pursuant to which he shall hold office until the next general meeting of the Company and be eligible for re-election at that meeting in according with the articles of association of the Company. He is entitled to an annual remuneration of HK\$200,000, which is determined by the Board based on the review and recommendation from the Remuneration Committee with reference to his duties and responsibilities within the Company, the Company’s performance and the prevailing market situation.

To the best knowledge of the Board and except as stated above, (i) Mr. Peng has not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the last three years, (ii) Mr. Peng has not held any other positions

in the Company and other members of the Group, and (iii) Mr. Peng does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company.

As at the date of this announcement, Mr. Peng does not have, and is not deemed to have any other interests or short positions in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (“SFO”).

Save as disclosed above, there is no matter relating to the re-designation and appointment of Mr. Peng that needs to be brought to the attention of the Stock Exchange and the shareholders of the Company nor any information that needs to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

The Board would like to extend its warm welcome to Mr. Peng for his new roles with the Company.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board is pleased to further announce that Mr. Wei Zhe, David (“Mr. Wei”) has been appointed as an independent non-executive Director, a member of Audit Committee, a member of the Nomination Committee and as chairman of the Remuneration Committee with effect from 11 April 2016.

The biographical details of Mr. Wei is set out as below:

Mr. Wei Zhe, David, aged 45, has over 15 years of experience in both investment and operational management in the People’s Republic of China. Prior to launching Vision Knight Capital (China) Fund I, L.P., a private equity investment fund in 2011, Mr. Wei was an executive director and chief executive officer of Alibaba.com Limited, a leading worldwide B2B e-commerce company, for about five years, where he successfully led the company through its initial public offering and listing on the Stock Exchange in 2007. Alibaba.com Limited was delisted in June 2012. Prior to Alibaba.com Limited, Mr. Wei was the president, from 2002 to 2006, and chief financial officer, from 2000 to 2002, of B&Q China, the then subsidiary of Kingfisher plc, a leading home improvement retailer in Europe and Asia. Under Mr. Wei’s leadership, B&Q China grew to become China’s largest home improvement retailer. From 2003 to 2006, Mr. Wei was also the chief representative for Kingfisher’s China sourcing office, Kingfisher Asia Limited. Prior to that, Mr. Wei served as the head of investment banking at Orient Securities Company Limited from 1998 to 2000, and as corporate finance manager at Coopers & Lybrand (now part of PricewaterhouseCoopers) from 1995 to 1998. Mr Wei was a non-executive director of HSBC Bank (China) Company Limited and The Hongkong and Shanghai Banking Corporation Limited and an independent director of 500.com Limited, and was also the vice chairman of China Chain Store & Franchise Association. He was voted as one of “China’s Best CEOs” by FinanceAsia magazine in 2010. Mr. Wei is also a non-executive director of PCCW Limited and Zhong Ao Home Group Limited, both of which are listed on the Stock Exchange, and an independent director of Leju Holdings Limited which is listed on the New York Stock Exchange and Shanghai M&G Stationery Inc. which is listed on the Shanghai Stock Exchange.

He holds a bachelor's degree in international business management from Shanghai International Studies University and has completed a corporate finance program at London Business School.

The Company has entered into a service agreement with Mr. Wei in respect of his appointment as an independent non-executive director for a term of three years commencing from 11 April 2016, pursuant to which he shall hold office until the next general meeting of the Company and be eligible for reelection at that meeting in accordance with the articles of association of the Company. He is entitled to an annual remuneration of HK\$480,000, which is determined by the Board from time to time based on the review and recommendation from the Remuneration Committee with reference to his duties and responsibilities within the Company, the Company's performance and the prevailing market situation.

To the best knowledge of the Board and except as stated above, (i) Mr. Wei has not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the last three years, (ii) Mr. Wei has not held any other positions in the Company and other members of the Group, and (iii) Mr. Wei does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company.

As at the date of this announcement, Mr. Wei does not have, and is not deemed to have any other interests or short positions in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Wei confirmed that he met the independence criteria as set out in Rule 3.13 of the Listing Rules. Save as disclosed above, there is no matter relating to the appointment of Mr. Wei that needs to be brought to the attention of the Stock Exchange and the shareholders of the Company nor any information that needs to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

The Board would like to extend a warm welcome to Mr. Wei on his appointment as the independent non-executive Director.

By order of the Board
Zall Development Group Ltd.
Yan Zhi
Co-chairman

Hong Kong, 11 April 2016

As at the date of this announcement, the Board comprises Mr. Yan Zhi, Dr. Gang Yu, Mr. Cui Jinfeng, Mr. Wang Chuang and Mr. Peng Chi as executive Directors; Mr. Cheung Ka Fai, Mr. Wu Ying and Mr. Wei Zhe, David as independent non-executive Directors.