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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)**

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (the “**EGM**”) of Zall Development Group Ltd. (the “**Company**”) will be held at Suite 1606, 16/F, Two Exchange Square, Central, Hong Kong on Friday, 16 January 2015 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions as an ordinary resolutions of the Company by way of poll:

### **ORDINARY RESOLUTIONS**

**“THAT:**

- 1 (a) the sale and purchase agreement dated 22 October 2014 entered into among Zall Development (HK) Holding Company Limited (“**Zall Hong Kong**”), Zall Commerce Investment Company Limited (“**Zall Commerce**”) and Mr. Yan Zhi (“**Mr. Yan**”), pursuant to which (i) Zall Hong Kong agreed to sell the entire issued capital of Zhen An Properties Limited (“**Zhen An Cayman**”) to Zall Commerce; and (ii) Zall Hong Kong agreed to procure Zall Development (Wuhan) Company Limited (“**Zall Wuhan**”) to transfer 3% equity interest in Zhen An (Wuhan) Company Limited (“**Zhen An Wuhan**”), to Zall Commerce or its nominee at a total consideration of RMB586,000,000 (equivalent to approximately HK\$739,414,800) (the “**Disposal Agreement**”) (a copy of the Disposal Agreement marked “A” has been produced to the EGM and signed by the chairman of the EGM for the purpose of identification) and all the transactions contemplated thereunder and all other matters of and incidental thereto or in connection therewith be and are hereby approved, ratified and confirmed;
- (b) the side letter dated 24 December 2014 (the “**Side Letter**”) entered into among Zall Development Investment Company Limited (“**Zall Investment BVI**”), Mr. Yan Zhi (together with Zall Investment BVI, the “**Covenantors**”) and the Company, pursuant to which parties thereto agreed that upon completion of either or both the Disposal Agreement, and the Equity Swap Agreement (as defined below), the Covenantors shall enter into a deed of non-competition in favour of the Company (the “**Revised Deed**”) to provide a certain non-competition undertakings to the Group (a copy of the Side Letter enclosing a draft of Revised

Deed marked “B” has been produced to the EGM and signed by the chairman of the EGM for the purpose of identification), all transactions contemplated under the Side Letter (including the entering into of the Revised Deed in the form and substance as attached to the Side Letter) and all other matters of and incidental thereto or in connection therewith be and are hereby approved, ratified and confirmed; and

- (c) any one director of the Company be and is hereby authorized for and on behalf of the Company to, amongst other matters, sign, seal, execute, perfect, deliver, do or to authorise signing, executing, perfecting and delivering and doing all such documents, deeds, acts, matters and things as he/she may in his/her discretion consider necessary, expedient or desirable to give effect to and implement the terms of the Disposal Agreement, the Side Letter and the draft Revised Deed and to make and agree such variations of a minor or non-material nature in or to the terms of the Disposal Agreement, the Side Letter and the draft Revised Deed as he/she may in his/her discretion consider to be desirable and in the interests of the Company.
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- (a) the equity restructuring and swap agreement dated 22 October 2014 entered into between Zall Investment Group Company Limited (“**Zall Investment Group**”) and Zall Holdings Company Limited (“**Zall Holdings**”), pursuant to which Zall Investment Group conditionally agreed to transfer the entire equity interest in Wuhan Zall City Investment and Development Company Limited (“**Wuhan Zall City**”) to Zall Holdings and as a consideration, Zall Holdings conditionally agreed to (i) transfer the entire equity interest in Wuhan Zhong Bang Financial Investment Company Limited, Wuhan North Hankou Guarantee Investment Company Limited and Wuhan Zall Inland Port Center Investment Company Limited and pay (ii) RMB15,200,000, to Zall Investment Group, and all the transactions contemplated thereunder (the “**Equity Swap Agreement**”) (a copy of the Equity Swap Agreement marked “C” has been produced to the EGM and signed by the chairman of the EGM for the purpose of identification) and all other matters of and incidental thereto or in connection therewith be and are hereby approved, ratified and confirmed;
  - (b) the Side Letter entered into among the Covenantors and the Company, pursuant to which parties thereto agreed that upon completion of either or both the Disposal Agreement and the Equity Swap Agreement, the Covenantors shall enter into the Revised Deed to provide certain non-competition undertakings to the Group, all transactions contemplated under the Side Letter (including the entering into of the Revised Deed in the form and substance as attached to the Side Letter), and all other matters of and incidental thereto or in connection therewith be and are hereby approved, ratified and confirmed; and
  - (c) any one director of the Company be and is hereby authorized for and on behalf of the Company to, amongst other matters, sign, seal, execute, perfect, deliver, do or to authorise signing, executing, perfecting and delivering and doing all such documents, deeds, acts, matters and things as he/she may in his/her discretion consider necessary, expedient or desirable to give effect to and implement the terms of the Equity Swap Agreement, the Side Letter and the draft Revised Deed and to make and agree such variations of a minor or non-

material nature in or to the terms of the Equity Swap Agreement, the Side Letter and the draft Revised Deed as he/she may in his/her discretion consider to be desirable and in the interests of the Company.

3. conditional upon (i) resolution no. 1 above having been passed; and (ii) completion of the Disposal Agreement having taken place, the declaration and the distribution of a special dividend in the total amount of HK\$739,414,800 after completion of the Disposal Agreement by the Company be and are hereby approved, confirmed and ratified.”

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

Hong Kong, 31 December 2014

*Notes:*

- (1) A member entitled to attend and vote at the above EGM 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 EGM 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 EGM (or any adjourned meeting thereof) if they so wish.
- (4) The register of members of the Company will be closed from Wednesday, 14 January 2015 to Friday, 16 January, 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 EGM, 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, 13 January 2015.

*As at the date of this announcement, the Board comprises Mr. Yan Zhi, Mr. Cui Jinfeng, Mr. Fang Li and Ms. Wang Danli, as executive Directors; Mr. Fu Gaochao, as a non-executive Director; Ms. Yang Qiongzhen, Mr. Cheung Ka Fai and Mr. Peng Chi, as independent non-executive Directors.*