

**ZALL DEVELOPMENT (CAYMAN) HOLDING COMPANY LTD:  
NUMBERS PROVE – A LOGICAL FALLACY**

As **TARGET** () has stated on numerous occasions, figures can, more often than not, prove something or entirely nothing, or, in the alternative, obfuscate part, or all of the entire truth.

And, then, along has come Zall Development (Cayman) Holding Company Ltd ([ ]) (Code: 2098, Main Board, The Stock Exchange of Hongkong Ltd), a property developer, operating, exclusively, in the People's Republic of China (PRC).

This Company published its Global Offering Prospectus on June 30, 2011, Offering 525 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from \$HK2.89 to \$HK3.57.

When all of the applications from prospective shareholders for shares in the Company were tallied, Management determined that the Offer Price would be \$HK2.89, the lowest level of the Indicative Offer Price Range.

This Company, the trading of its shares on The Stock Exchange of Hongkong Ltd, having commenced last Wednesday-week (July 13, 2011), stated that the \$HK1.44 billion, being the Net Proceeds of the **Initial Public Offering (IPO)**, would be utilised for the following purposes:

- About \$HK720 million *'to finance the development of our projects under development and held for future development ...'*;
- About \$HK576 million *'to finance certain projects for future development under relevant master, cooperation or investment agreements ...'*; and,
- About \$HK144 million to be used as Working Capital and other general corporate purposes.

The Company had Offered 52.50 million Shares to Hongkong investors and they were taken up in full, with Hongkong investors, applying for 2.60 million more Shares than were being Offered.

The International Offered Share Tranche of 472.50 million Shares, however, was only subscribed to the extent of about 90 percent.

At the Offer Price Per Share of \$HK2.89, the Adjusted Net Tangible Asset Value Per Share was about \$HK1.00.

Therefore, prospective investors had to be willing to pay a premium of exactly \$HK1.89 Per Share over the Adjusted Net Tangible Asset Value Per Share for the privilege of owning some of the equity of this Company.

Paying \$HK1.89 per share is quite a hefty premium to pay for these shares, all things considered, in this medium's opinion.

**The History**

According to the Global Offering Prospectus of Zall Development (Cayman) Holding Company Ltd, it was on or about October 23, 1998, that Mr Yan Zhi (), at the age of about 25 years, conceived of the idea of establishing Zall Development (Wuhan) Company Ltd (()) to engage ... [CLICK TO ORDER FULL ARTICLE](#)

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