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**ZHONG FA ZHAN HOLDINGS LIMITED**

**中發展控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code : 475)**

**FURTHER PROGRESS UPDATE  
IN RELATION TO  
THE ISSUE OF SHARES AND WARRANTS  
UNDER SPECIFIC MANDATE**

References are made to the circular of Zhong Fa Zhan Holdings Limited (the “**Company**”) dated 13 August 2015 (the “**Circular**”) and the announcement of the Company dated 30 September 2015 (the “**Announcement**”) in relation to, among others, the Subscriptions. Unless otherwise expressly indicated, the capitalised terms used herein shall have the same meanings as ascribed thereto in the Circular and the Announcement.

**FURTHER PROGRESS UPDATE IN RELATION TO THE SUNCOOL  
SUBSCRIPTIONS AND THE INVESTOR SUBSCRIPTIONS**

Following the fulfillment of all the conditions precedent to each of the Subscription Agreements and the completion of each of the Investor C Subscription and the Investor F Subscription on 30 September 2015, the Board is pleased to announce that the Suncool Subscription Completion took place on 2 October 2015. A total of 6,000,000 Suncool Subscription Shares and 24,000,000 Warrants were issued by the Company to Suncool AB on 2 October 2015 pursuant to the terms of the Suncool Subscription Agreement.

As disclosed in the Announcement, given the National Day holidays in the PRC and additional time is required for the preparation of certain completion documents, the Company

and each of the Investor A, the Investor B, the Investor D and the Investor E agreed that completion of subscriptions in the aggregate amount of 27,000,000 Investor Subscription Shares shall take place on or before 31 October 2015. The Company will make further announcement(s) in respect of completion of the share subscriptions by the Investor A, the Investor B, the Investor D and the Investor E as and when appropriate.

## SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) immediately before the Suncool Subscription Completion; (ii) immediately after the Suncool Subscription Completion (assuming the Warrants are not exercised); and (iii) immediately after the Suncool Subscription Completion and the exercise in full of the Warrants, assuming there will be no further change in the share capital of the Company prior to such exercise:

Name of Shareholders	Immediately before the Suncool Subscription Completion		Immediately after the Suncool Subscription Completion (assuming the Warrants are not exercised)		Immediately after the Suncool Subscription Completion and the exercise in full of the Warrants	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Directors/substantial Shareholders</b>						
Resources Rich Capital Limited (Note 1)	204,718,000	67.55	204,718,000	66.24	204,718,000	61.47
Hu Yangjun (Note 2)	2,736,000	0.90	2,736,000	0.89	2,736,000	0.82
Hu Yishi (Note 3)	2,736,000	0.90	2,736,000	0.89	2,736,000	0.82
Wu Hao (Note 4)	2,736,000	0.90	2,736,000	0.89	2,736,000	0.82
Li Wei Qi, Jacky (Note 5)	2,736,000	0.90	2,736,000	0.89	2,736,000	0.82
<b>Public Shareholders</b>						
Suncool AB	-	-	6,000,000	1.94	30,000,000	9.01
Investor C	6,000,000	1.98	6,000,000	1.94	6,000,000	1.80
Investor F	3,000,000	0.99	3,000,000	0.97	3,000,000	0.90
Other public Shareholders	78,392,000	25.88	78,392,000	25.35	78,392,000	23.54
<b>Total</b>	<b>303,054,000</b>	<b>100.00</b>	<b>309,054,000</b>	<b>100.00</b>	<b>333,054,000</b>	<b>100.00</b>

### Notes:

- The entire issued share capital of Resources Rich Capital Limited is owned as to 50% by Mr. Hu Yangjun, an executive Director, and as to 50% by Mr. Hu Yishi, an executive Director.
- Mr. Hu Yangjun is an executive Director.

3. Mr. Hu Yishi is an executive Director.
4. Mr. Wu Hao is an executive Director.
5. Mr. Li Wei Qi, Jacky is a non-executive Director.

## **BUSINESS DEVELOPMENT OF THE COMPANY**

The net proceeds from the issue of the Subscription Shares including the Suncool Subscription Shares, after deduction of related expenses payable by the Company, will be intended to be used for the same purposes as stated in the Circular, being, among others, approximately 60% of the net proceeds for the development of the Solar Business in the PRC which, approximately half of such proceeds will be used for the acquisition of equipment and the remaining portion will be used for the general working capital for the development of the Solar Business.

Pursuant to the Licence Agreement, the licence period in respect of the exclusive right and licence to Nation Power, a wholly-owned subsidiary of the Company, to exploit the Coolstore IPR and the Licensed Technology within the Coolstore Field of Use and Coolstore Territory for a term of 15 years will commence upon the Suncool Subscription Completion. In view of the increasing support from the PRC government and the unique nature of the simultaneous productions of heat and cold of the CoolStore cooling-stored pipes, it is expected that solar energy would become more popular and thereby drive the local demand for the CoolStore cooling-stored pipes in the future and the Directors are of the view that the development of the Solar Business in the PRC is in the interest of the Company and the Shareholders as a whole.

By Order of the Board  
**Zhong Fa Zhan Holdings Limited**  
**Chan Wing Yuen, Hubert**  
*Chief Executive & Executive Director*

Hong Kong, 4 October 2015

*As at the date of this announcement, the Board consists of five executive Directors, namely Mr. Wu Hao, Mr. Hu Yangjun, Mr. Hu Yishi, Mr. Chan Wing Yuen, Hubert and Ms. Kwong Wai Man, Karina; a non-executive Director, namely Mr. Li Wei Qi, Jacky; and three independent non-executive Directors, namely Mr. Wu Chi Keung, Mr. Heung Chee Hang, Eric and Ms. Kwok Pui Ha.*