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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)

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to Rule and 13.10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of Zhong Fa Zhan Holdings Limited (the “**Company**”) has noted the increase in the price and trading volume of the shares of the Company on 28 February 2014. Save as disclosed herein, the Board is not aware of the precise nature of such increase.

The Company is exploring the possibility of entering into a funding exercise involving the subscription of the Company’s shares. However, the Board wishes to emphasize that the Company has not entered into any agreements in relation to the possible subscription. The aforesaid funding exercise therefore may or may not proceed. In addition, the Company has been informed by the controlling shareholder of the Company that it has from time to time been approached by institutions on whether it has any intention to dispose of its shareholdings in the Company but as at the date of this announcement, no concrete discussions have taken place between the controlling shareholder and any of these parties.

The Company will, as and when appropriate, comply with all relevant requirements, and where necessary, make further announcement(s) in accordance with the Listing Rules in the event that any agreement is entered into.

Having made such enquiry with respect to the Company as is reasonable in the circumstances, save for the information disclosed above, the Board confirms that it is not aware of any precise reasons for the movements in the price and the trading volume of the shares of the Company or of any information which must be announced to avoid a false market in the Company's securities or of any inside information that needs to be disclosed under Part XIVA of the SFO.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by the order of the Board of the Company. The Directors individually and jointly accept responsibility for the accuracy of this announcement.

By Order of the Board
ZHONG FA ZHAN HOLDINGS LIMITED
Chan Wing Yuen, Hubert
Chief Executive & Executive Director

Hong Kong, 28 February 2014

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.