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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action should be taken, you should consult your stockbroker or other licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Zhong Fa Zhan Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other registered dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**PROPOSALS FOR GENERAL MANDATES  
TO REPURCHASE SHARES AND TO ISSUE SHARES,  
RE-ELECTION OF DIRECTORS,  
REFRESHMENT OF THE SHARE OPTION SCHEME LIMIT,  
PROPOSED CHANGE OF COMPANY NAME,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of the Company to be held at B2 Boardroom, the Wharney Guang Dong Hotel Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong on, Thursday, 5 September 2019 at 10:00 a.m., or any adjournment thereof is set out on pages 20 to 23 of this circular.

Whether or not you are able to attend the Annual General Meeting or any adjourned meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return as soon as practicable to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjourned meeting. Such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.475hk.com](http://www.475hk.com)). Completion and the delivery of form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting should you so wish.

29 July 2019

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

|                           |  |
|---------------------------|--|
| “Annual General Meeting”  | an annual general meeting of the Company to be held at B2 Boardroom, the Wharney Guang Dong Hotel Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong on Thursday, 5 September 2019 at 10:00 a.m., or any adjournment thereof, to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 20 to 23 of this circular |
| “Articles of Association” | the articles of association of the Company as amended and restated, supplemented or modified from time to time   |
| “Board”                   | the board of Directors, including all independent non-executive Directors  |
| “Change of Company Name”  | as defined in the section headed “PROPOSED CHANGE OF COMPANY NAME”   |
| “Companies Law”           | the Companies Law (Cap. 22 Law 3 of 1961, as consolidated and revised) of the Cayman Islands and any amendments or other statutory modifications thereof   |
| “Company”                 | Zhong Fa Zhan Holdings Limited, a company duly incorporated in the Cayman Islands with limited liability, whose shares are listed and traded on the Stock Exchange (stock code: 0475)  |
| “Director(s)”             | the director(s) of the Company   |
| “Existing Scheme Limit”   | as defined in the section headed “REFRESHMENT OF THE SHARE OPTION SCHEME LIMIT” of the Letter from the Board   |
| “Group”                   | the Company and its subsidiaries   |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Issuance Mandate”        | as defined in the section headed “REPURCHASE AND ISSUANCE MANDATES” of the Letter from the Board   |
| “Latest Practicable Date” | 24 July 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular   |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time  |

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## DEFINITIONS

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| “Repurchase Mandate”        | as defined in the section headed “REPURCHASE AND ISSUANCE MANDATES” of the Letter from the Board   |
| “SFO”                       | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time   |
| “Share(s)”                  | ordinary share(s) of HK\$0.01 each in the capital of the Company (or such other nominal value as shall result from a subdivision, consolidation, reclassification or restructuring of such shares from time to time)   |
| “Shareholder(s)”            | holder(s) of Share(s)  |
| “Share Options(s)”          | the option(s) to subscribe for Shares of the Company granted under the Share Option Scheme   |
| “Share Option Scheme”       | the Share Option Scheme adopted by the Company on 9 September 2016   |
| “Share Option Scheme Limit” | the limit imposed under the rules of the Share Option Scheme on the total number of Shares which may be issued upon the exercise of all options granted or to be granted under the Share Option Scheme, being 10% of the Company’s issued Shares as at the date of the adoption of the Share Option Scheme, and may be “refreshed” on and pursuant to the rules of the Share Option Scheme and the Listing Rules |
| “Stock Exchange”            | The Stock Exchange of Hong Kong Limited  |
| “Takeovers Code”            | The Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission in Hong Kong, as amended from time to time  |
| “HK\$”                      | Hong Kong dollars, the lawful currency of Hong Kong  |
| “%”                         | percent  |

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Wu Hao (*Chairman*)  
Mr. Hu Yangjun  
Mr. Chan Wing Yuen, Hubert (*Chief Executive*)

*Non-Executive Director:*

Mr. Li Wei Qi, Jacky

*Independent Non-Executive Directors:*

Mr. Wu Chi Keung  
Mr. Jin Qingjun  
Ms. Sun Ivy Connie

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Room 2202, 22/F.  
Chinachem Century Tower  
178 Gloucester Road  
Wanchai  
Hong Kong

29 July 2019

*To the Shareholders*

Dear Sir and Madam,

**PROPOSALS FOR GENERAL MANDATES  
TO REPURCHASE SHARES AND TO ISSUE SHARES,  
RE-ELECTION OF DIRECTORS,  
REFRESHMENT OF THE SHARE OPTION SCHEME LIMIT,  
PROPOSED CHANGE OF COMPANY NAME,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### **1. INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the Annual General Meeting for the approval of (i) the granting of the Repurchase Mandate and the Issuance Mandate to the Directors; (ii) the re-election of the retiring Directors; (iii) the refreshment of the Share Option Scheme Limit; and (iv) the proposed Change of Company Name.

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## LETTER FROM THE BOARD

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### 2. REPURCHASE AND ISSUANCE MANDATES

The Listing Rules contain provisions to regulate the repurchase by companies with primary listings on the Stock Exchange of their own shares on the Stock Exchange.

At the annual general meeting of the Company held on 6 September 2018, general mandates were given to the Directors to exercise the powers of the Company to undertake repurchases of the Company's fully paid up shares up to a maximum of 10% of the total number of Shares of the Company in issue on the date of passing the said ordinary resolution at the annual general meeting and to allot, issue and deal with new shares up to 20% of the total number of Shares of the Company in issue on the date of passing the said ordinary resolution at the annual general meeting. Such general mandates will continue in force until the conclusion of the forthcoming Annual General Meeting.

Hence, ordinary resolutions will be proposed at the Annual General Meeting:

- (i) to grant to the Directors a general mandate to exercise the powers of the Company to undertake repurchases of the Company's fully paid up Shares up to a maximum of 10% of the total number of Shares of the Company in issue on the date of passing the relevant ordinary resolution (the "**Repurchase Mandate**");
- (ii) to grant a general mandate to the Directors to issue new Shares up to a maximum of 20% of the total number of Shares of the Company in issue on the date of passing the relevant ordinary resolution (the "**Issuance Mandate**"); and
- (iii) to extend the Issuance Mandate by the number of shares repurchased by the Company under the Repurchase Mandate.

The Repurchase Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in resolution nos. 4A and 4B set out in the notice of Annual General Meeting. Based on 338,154,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Directors will be able to allot, issue and deal with for up to a total of 67,630,800 Shares, representing 20% of the issued share capital as at the Latest Practicable Date, if the Issuance Mandate is granted at the Annual General Meeting.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. An explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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### 3. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of seven Directors, namely, Mr. Wu Hao, Mr. Hu Yangjun and Mr. Chan Wing Yuen, Hubert as executive Directors, Mr. Li Wei Qi, Jacky as non-executive Director, and Mr. Wu Chi Keung, Mr. Jin Qingjun and Ms. Sun Ivy Connie as independent non-executive Directors.

In accordance with Article 84(1) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Accordingly, Mr. Hu Yangjun, Mr. Chan Wing Yuen, Hubert and Mr. Jin Qingjun shall retire at the Annual General Meeting. In accordance with Article 83(3) of the Articles of Association. Ms. Sun Ivy Connie, who was appointed as an independent non-executive Director on 23 November 2018, shall hold office until the forthcoming Annual General Meeting and shall be eligible for re-election at the Annual General Meeting. All of the retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

The Nomination Committee and the Board have followed the nomination policy and the board diversity policy of the Company for proposing the re-election of the independent non-executive Directors.

The Nomination Committee nominates candidates based on objective criteria set out in the nomination policy of the Company such as business experience, public board experience, standing, time commitment, independence, and the diversity of the Board (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services).

Mr. Jin Qingjun has served on the Board for more than 1 year but has never held any executive or management position in the Group nor has he throughout such period been under the employment of any member of the Group.

Mr. Jin Qingjun is holding six listed company directorships. He has not involved in the day-to-day operations of the businesses. He has disclosed to the Company the number and nature of offices held in public companies or organisations and other significant commitments from time to time. He is competent professional and good at time management who has sound knowledge and skills to effectively handle sixth or more positions. The Board considers Mr. Jin Qingjun devotes sufficient time to the Board.

The Nomination Committee and the Board believe that the educational background, work experience and cultural background of Ms. Sun Ivy Connie and Mr. Jin Qingjun as set out in the Appendix II to this circular can bring contributions to the Board's diversity and will continue to bring valuable business experience, knowledge and professionalism to the Board.

In addition, Ms. Sun Ivy Connie and Mr. Jin Qingjun have given to the Company confirmation of their independence in accordance with rule 3.13 of the Listing Rules. The Board is satisfied that Ms. Sun Ivy Connie and Mr. Jin Qingjun have the required character and integrity. The Board, therefore, considers Ms. Sun Ivy Connie and Mr. Jin Qingjun to be independent and believes they should be re-elected as independent non-executive Directors at the Annual General Meeting.

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## LETTER FROM THE BOARD

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Given the extensive knowledge and experience of each of Mr. Hu Yangjun, Mr. Chan Wing Yuen, Hubert and Mr. Jin Qingjun, the Nomination Committee and the Board believe that their re-election as Directors are in the best interests of the Company and the Shareholders, and therefore recommend to Shareholders for their reelection at the Annual General Meeting. Mr. Chan Wing Yuen, Hubert and Ms. Sun Ivy Connie, who are members of the Nomination Committee, abstained from voting at the Nomination Committee meeting on his or her respective nomination was being considered.

Details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

#### 4. REFRESHMENT OF THE SHARE OPTION SCHEME LIMIT

The Share Option Scheme was approved and adopted by the Shareholders at the annual general meeting held on 9 September 2016 and shall be valid and effective for a period of ten years. The purpose of the Share Option Scheme is to recognize and acknowledge the contributions or potential contributions made or to be made by eligible participants, to motivate them to optimize their performance and efficiency for the benefit of the Group, and to maintain or attract business relationship with eligible participants whose contributions are or may be beneficial to the growth of the Group.

Pursuant to the Share Option Scheme, the maximum number of ordinary shares in the capital of the Company which may be issued upon the exercise of all options granted or to be granted under the Share Option Scheme and any other share option scheme(s) of the Company shall not exceed the Share Option Scheme Limit. As at the Latest Practicable Date, the Share Option Scheme Limit is 33,005,400 Shares, representing 10% of the Shares in issue as at 6 September 2018, being the date of which resolution for approving the refreshment of the Existing Scheme Limit under the Share Option Scheme of the Company was passed at the annual general meeting of the Company.

The Company may refresh the Share Option Scheme Limit by an ordinary resolution of the Shareholders at a general meeting provided that the Share Option Scheme Limit so refreshed shall not exceed 10% of the total number of issued ordinary shares in the capital of the Company as at the date of the Shareholders' approval of the refreshment of the Share Option Scheme Limit. Share Options previously granted under the Share Option Scheme or any other share option scheme(s) of the Company (including options outstanding, cancelled, or lapsed or exercised in accordance with the relevant scheme rules) shall not be counted for the purpose of calculating the limit as refreshed. Apart from the Share Option Scheme, there is no other share option scheme or other scheme outstanding or adopted by the Company as at the Latest Practicable Date.

Notwithstanding the foregoing, the maximum number of ordinary shares in the capital of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of ordinary shares in the capital of the Company in issue from time to time.

At the annual general meeting of the Company held on 6 September 2018, it was the first time for the Share Option Scheme Limit was refreshed (the "**First Refreshment**") and the Company was allowed to grant options carrying the rights to subscribe for up to 33,005,400 Shares (the "**Existing Scheme Limit**"), representing 10% of the number of issued shares of the Company as at the said annual general meeting and approximately 9.76% of the Shares in issue as at the Latest Practicable Date. After the First Refreshment and up to the Latest Practicable Date, 33,000,000 Shares Options were granted, 2,000,000 Shares Options were cancelled or lapsed and 8,100,000 Shares Options were exercised under the Share Option Scheme. Unless the Existing Scheme Limit is "refreshed", only 5,400 (representing approximately 0.01% of the Existing Scheme Limit) Shares Options might be granted pursuant to the Share Option Scheme.



## LETTER FROM THE BOARD

Since the adoption date of the Share Option Scheme and Up to the Latest Practicable Date, the total number of options carrying right to subscribe for 49,000,000 Shares Options have been granted under the Share Option Scheme, and save that 8,100,000 Share Options had been exercised, 2,000,000 Share Options had been lapsed, no such options have lapsed, exercised or cancelled.

Details of the movements of share options granted, exercised or cancelled/lapsed since the First Refreshment and up to the Latest Practicable Date are as follows:

| Category of eligible participants | Number of share options                          |                                     |                                       |   |   | Date of grant <sup>(1)</sup> | Exercisable period (both dates inclusive) | Exercise price per share |
|-----------------------------------|--|-------------------------------------|---------------------------------------|---|---|------------------------------|---|--------------------------|
|                                   | Outstanding at the date of the First Refreshment | Granted since the First Refreshment | Exercised since the First Refreshment | Cancelled/ Lapsed since the First Refreshment | Outstanding as at the Latest Practicable Date |                              |   |                          |
| <b>Directors</b>                  |  |                                     |                                       |   |   |                              |   |                          |
| Mr. Hu Yangjun                    | -  | 330,000                             | -                                     | -   | 330,000                                       | 19 October 2018              | 1 January 2019 to 18 October 2028         | 0.636 <sup>(3)</sup>     |
| Mr. Wu Hao                        | -  | 3,300,000                           | -                                     | -   | 3,300,000                                     | 19 October 2018              | 1 January 2019 to 18 October 2028         | 0.636 <sup>(3)</sup>     |
| Mr. Chan Wing Yuen, Hubert        | -  | 3,300,000                           | -                                     | -   | 3,300,000                                     | 19 October 2018              | 1 January 2019 to 18 October 2028         | 0.636 <sup>(3)</sup>     |
| Mr. Li Wei Qi, Jacky              | -  | 330,000                             | -                                     | -   | 330,000                                       | 19 October 2018              | 1 January 2019 to 18 October 2028         | 0.636 <sup>(3)</sup>     |
| Mr. Wu Chi Keung                  | -  | 330,000                             | -                                     | -   | 330,000                                       | 19 October 2018              | 1 January 2019 to 18 October 2028         | 0.636 <sup>(3)</sup>     |
| Mr. Jin Qingjun                   | -  | 330,000                             | -                                     | -   | 330,000                                       | 19 October 2018              | 1 January 2019 to 18 October 2028         | 0.636 <sup>(3)</sup>     |
|                                   | -  | <b>7,920,000</b>                    | -                                     | -   | <b>7,920,000</b>                              |                              |   |                          |
| <b>Employees in aggregate</b>     |  |                                     |                                       |   |   |                              |   |                          |
|                                   | 1,800,000  | -                                   | (1,400,000) <sup>(4)</sup>            | (400,000)                                     | -   | 9 March 2018                 | 1 July 2018 to 8 March 2028               | 1.148 <sup>(2)</sup>     |
|                                   | 3,600,000  | -                                   | (2,800,000) <sup>(4)</sup>            | (800,000)                                     | -   | 9 March 2018                 | 1 January 2019 to 8 March 2028            | 1.148 <sup>(2)</sup>     |
|                                   | 3,600,000  | -                                   | -                                     | (800,000)                                     | 2,800,000                                     | 9 March 2018                 | 1 July 2019 to 8 March 2028               | 1.148 <sup>(2)</sup>     |
|                                   | -  | 22,600,000                          | -                                     | -   | 22,600,000                                    | 19 October 2018              | 1 January 2018 to 18 October 2028         | 0.636 <sup>(3)</sup>     |
|                                   | <b>9,000,000</b>                                 | <b>22,600,000</b>                   | <b>(4,200,000)</b>                    | <b>(2,000,000)</b>                            | <b>25,400,000</b>                             |                              |   |                          |
| <b>Consultants in aggregate</b>   |  |                                     |                                       |   |   |                              |   |                          |
|                                   | 1,400,000  | -                                   | (1,400,000) <sup>(4)</sup>            | -   | -   | 9 March 2018                 | 1 July 2018 to 8 March 2028               | 1.148 <sup>(2)</sup>     |
|                                   | 2,800,000  | -                                   | (2,500,000) <sup>(4)</sup>            | -   | 300,000                                       | 9 March 2018                 | 1 January 2019 to 8 March 2028            | 1.148 <sup>(2)</sup>     |
|                                   | 2,800,000  | -                                   | -                                     | -   | 2,800,000                                     | 9 March 2018                 | 1 July 2019 to 8 March 2028               | 1.148 <sup>(2)</sup>     |
|                                   | -  | 2,000,000                           | -                                     | -   | 2,000,000                                     | 19 October 2018              | 1 January 2018 to 18 October 2028         | 0.636 <sup>(3)</sup>     |
|                                   | -  | 480,000                             | -                                     | -   | 480,000                                       | 15 July 2019                 | 15 July 2019 to 14 July 2029              | 0.936 <sup>(5)</sup>     |
|                                   | <b>7,000,000</b>                                 | <b>2,480,000</b>                    | <b>(3,900,000)</b>                    | <b>-</b>                                      | <b>5,580,000</b>                              |                              |   |                          |
| <b>Total all categories</b>       | <b>16,000,000</b>                                | <b>33,000,000</b>                   | <b>(8,100,000)</b>                    | <b>(2,000,000)</b>                            | <b>38,900,000</b>                             |                              |   |                          |

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## LETTER FROM THE BOARD

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*Notes:*

- (1) The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- (2) The weighted average closing price of the Company's shares immediately before the grant dates of the share options was HK\$1.148 per share. The closing price of the Company's shares immediately before the date on which the options were granted was HK\$1.14 per share.
- (3) The weighted average closing price of the Company's shares immediately before the grant dates of the share options was HK\$0.636 per share. The closing price of the Company's shares immediately before the date on which the options were granted was HK\$0.610 per share.
- (4) The weighted average closing price of the Company's shares immediately before the exercise date of the share options was HK\$1.11 per share. The closing price of the Company's shares immediately before the date on which the options were exercised was HK\$1.11 per share.
- (5) The weighted average closing price of the Company's shares immediately before the grant dates of the share options was HK\$0.936 per share. The closing price of the Company's shares immediately before the date on which the options were granted was HK\$0.94 per share.

The Board considers that the significant increase in the revenue of the Group during the year ended 31 March 2019 is the result of the contributions and commitments of the Directors, employees and consultants of the Group (the "Grantees") and the Grantees had utilized their performance and efficiency to capture more business opportunities for the benefit of the Group. Taking into account that, the granting of Share Options to the Directors in recognition of their contributions to the growth of the Group in the past and would be an incentive for their continuing commitments and contributions to the Group in the future, and the granting of Shares Options to the employees would allow the Group to retain talents for the continual operation and development of the Group, and the granting of Share Options to the business consultants of the Group in recognition of their contributions to the Group, such as connecting our elite sales team to the potential suppliers and customers and providing update market information for both of our jewelry business and solar energy business, and would provide incentives to them to maintain relationship with the Group in the long run with an aim to expand our business growth, an aggregate of 33,000,000 options were granted to the Grantees since the First Refreshment.

As such, as at the Latest Practicable Date, 38,900,000 Share Options granted under the Share Option Scheme remained outstanding, representing approximately 11.5% of the total number of Shares in issue as at the Latest Practicable Date.

On the basis of 338,154,000 Shares in issue as at the Latest Practicable Date, and assuming there is no further issue or repurchase of Shares prior to the Annual General Meeting; and the refreshment of the Share Option Scheme Limit is approved by the Shareholders at the Annual General Meeting; and taking into account the outstanding 38,900,000 Share Options granted under the Share Option Scheme to subscribe for up to a total of 38,900,000 Shares (the "**Outstanding Options**"), the Company may grant Share Options to eligible participants conferring on them right to subscribe for a total of up to 33,815,400 Shares which, when aggregated with 38,900,000 Shares that may be issued under the Outstanding Options (amounting to 72,715,400 Shares which represents approximately 21.5% of the total number of Shares in issue as at the Latest Practicable Date), is within the said limit of 30% of the total number of Shares in issue from time to time as required under the Share Option Scheme.

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## LETTER FROM THE BOARD

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The Directors consider that the Company should refresh the Share Option Scheme Limit so that the Company could have more flexibility to provide incentives to the eligible participants of the Share Option Scheme by way of granting Share Options to them to strive for the future development and success of the Group. The Directors further consider that the refreshment of the Share Option Scheme Limit is in the interests of the Group and the Shareholders as a whole because it enables the Company to reward appropriately and motivate the eligible participants under the Share Option Scheme. If the refreshment of the Share Option Scheme Limit is passed at the Annual General Meeting, this will be the second time for the Company to refresh the Share Option Limit after the adoption date of the Share Option Scheme.

The refreshment of the Share Option Scheme Limit is conditional upon: (a) the passing of an ordinary resolution to approve the refreshment of the Share Option Scheme Limit by the Shareholders at the Annual General Meeting; and (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Share Options under Share Option Scheme that may be granted under the refreshed Share Option Scheme Limit up to 10% of the Shares in issue as at the date of passing the relevant ordinary resolution (i.e. the date of the Annual General Meeting).

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Share Options that may be granted under the refreshed Share Option Scheme Limit (i.e. up to 10% of the Shares in issue as at the date of passing the relevant ordinary resolution).

### **5. PROPOSED CHANGE OF COMPANY NAME**

The Board proposes to change the English name of the Company from “Zhong Fa Zhan Holdings Limited” to “Central Development Holdings Limited” and the existing Chinese name of the Company “中發展控股有限公司” will remain unchanged (the “Change of Company Name”).

#### **Conditions**

The proposed Change of Company Name is subject to the following conditions:

- (1) the passing of a special resolution by the Shareholders to approve the Change of Company Name at the Annual General Meeting; and
- (2) the Registrar of Companies in the Cayman Islands granting approval for the Change of Company Name.

Subject to the satisfaction of the conditions set out above, the Change of Company Name will take effect upon the date on which the Registrar of Companies in the Cayman Islands issues a Certificate of Incorporation on Change of Name confirming that the new name has been registered. The Company will then carry out the necessary filing procedures with the Companies Registry in Hong Kong.

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## LETTER FROM THE BOARD

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### **Reasons for the Change of Company Name**

The Group will continue to invest on the development and expansion of the solar energy business in the People's Republic of China and Hong Kong, even extending to the countries outside Greater China Region. Accordingly, the Board is of the view that the Change of Company Name will help to establish a fresh corporate image and better reflect the current status of the Group's business development and its direction of future development. Therefore, the Board considers that the proposed Change of Company Name is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### **Effect on the Change of Company Name**

The Change of Company Name will not affect any rights of the Shareholders or the Company's daily operations or its financial position. All the existing share certificates in issue bearing the existing name of the Company, after the Change of Company Name having become effective, will continue to be effective and as documents of title to the shares of the Company and will continue to be valid for trading, settlement, registration and delivery purposes.

Accordingly, there will not be any arrangement for the free exchange of the existing share certificates for new certificates bearing the new name of the Company. Should the Change of Company Name become effective, any issue of share certificates thereafter will bear the new name of the Company and the securities of the Company will be traded on the Stock Exchange under the new name. The Board intends to change the stock short name accordingly after the Change of Company Name becomes effective, subject to the confirmation of the Stock Exchange.

In addition, subject to the confirmation by the Stock Exchange, the stock short names of the Company for trading of the shares of the Company will also be changed after the Change of Company Name having become effective.

The Company will make further announcement(s) on the Change of Company Name as soon as practicable after the Change of Company Name has become effective and will announce the change of the stock short name and change of Company's website and adoption of new company logo following the Change of Company Name. The stock code of the Company will remain as "475".

## **6. ANNUAL GENERAL MEETING**

The notice of Annual General Meeting is set out on pages 20 to 23 of this circular. At the Annual General Meeting, resolutions will be proposed to approve the granting of the Repurchase Mandate and the Issuance Mandate, the re-election of the retiring Directors, the refreshment of the Share Option Scheme Limit and the Change of Company Name.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the Annual General Meeting. An announcement on the poll vote results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

To the extent that the Directors are aware, having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on the proposed resolutions at the Annual General Meeting.

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## LETTER FROM THE BOARD

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A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.475hk.com](http://www.475hk.com)). If you intend to appoint a proxy to attend the Annual General Meeting, you are requested to complete and sign the proxy form and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or adjourned meeting (as the case may be). Completion and return of the form of proxy will not prevent you from attending and voting at the Annual General Meeting or any adjourned meeting if you so wish.

### 7. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' eligibility to attend and vote at the Annual General Meeting, the register of members will be closed from Monday, 2 September 2019 to Thursday, 5 September 2019 (both dates inclusive), during which period no transfer of shares will be effected. In order to qualify to attend and vote at the Annual General Meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday 30, August 2019, for registration

### 8. RECOMMENDATIONS

The Directors consider that the proposed granting of the Repurchase Mandate and the Issuance Mandate, the re-election of retiring Directors of the Company and the refreshment of Share Option Scheme Limit are all in the best interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

### 9. GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix I (Explanatory Statement on the Repurchase Mandate) and Appendix II (Details of Retiring Directors proposed to be re-elected at the Annual General Meeting) to this circular.

### 10. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

*The following is the explanatory statement required to be sent to the Shareholders under the Listing Rules to enable them to make an informed decision on whether to vote for or against the ordinary resolution in relation to the granting of the Repurchase Mandate to be proposed at the Annual General Meeting.*

*The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their fully-paid up shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:*

### **1. REASONS FOR SHARE REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for the Directors to have general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset per Share and/or earnings per Share and will only be made if the Directors believe such repurchases will benefit the Company and the Shareholders.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised 338,154,000 Shares of HK\$0.01 each.

Subject to the passing of the ordinary resolution to approve the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 33,815,400 Shares, representing not more than 10% of the issued share capital of the Company.

### **3. FUNDING OF REPURCHASES**

Repurchases to be made pursuant to the proposed Repurchase Mandate would be financed out of funds legally available for the purpose in accordance with the Articles of Association, the Listing Rules and the Companies Law. The Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Companies Law. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Company's Shares are repurchased in the manner provided for in the Companies Law.

There might be material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**4. GENERAL**

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

**5. MARKET PRICES OF SHARES**

The highest and lowest prices per Share at which the Shares have been traded on the Stock Exchange during the previous 12 months preceding the Latest Practicable Date were as follows:

| <b>Month</b>                             | <b>Price per Share</b>        |                              |
|--|-------------------------------|------------------------------|
|  | <b>Highest</b><br><i>HK\$</i> | <b>Lowest</b><br><i>HK\$</i> |
| <b>2018</b>                              |                               |                              |
| July                                     | 1.15                          | 1.03                         |
| August                                   | 1.12                          | 1.06                         |
| September                                | 1.21                          | 0.95                         |
| October                                  | 0.95                          | 0.55                         |
| November                                 | 1.15                          | 0.69                         |
| December                                 | 1.60                          | 1.33                         |
| <b>2019</b>                              |                               |                              |
| January                                  | 1.50                          | 1.11                         |
| February                                 | 1.40                          | 0.99                         |
| March                                    | 1.00                          | 0.84                         |
| April                                    | 1.10                          | 0.85                         |
| May                                      | 1.01                          | 0.90                         |
| June                                     | 0.97                          | 0.95                         |
| July (up to the Latest Practicable Date) | 0.95                          | 0.93                         |

**6. DISCLOSURE OF INTERESTS**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to any sell Shares to the Company or have undertaken not to do so, in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

**7. EFFECT OF THE TAKEOVERS CODE**

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder’s proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, according to the register of interests required to be kept by the Company under section 336 of SFO and to the best of the knowledge and belief of the Directors, the Shareholders who were interested in 5% or more of the issued Share capital of the Company were as follows:

| Name of Shareholder                              | Number of Shares held | Approximate percentage of the issued share capital of the Company |
|--|-----------------------|---|
| Resources Rich Capital Limited <sup>Note 1</sup> | 204,718,000           | 60.54%  |
| Mr. Hu Yangjun <sup>Note 2</sup>                 | 207,784,000           | 61.45%  |
| Mr. Hu Yishi <sup>Note 3</sup>                   | 207,454,000           | 61.35%  |
| Ms. Zhang Qi <sup>Note 4</sup>                   | 207,784,000           | 61.45%  |
| Ms. Lin Min, Mindy <sup>Note 5</sup>             | 207,454,000           | 61.35%  |

*Note:*

1. 50% of the entire issued share capital of Resources Rich Capital Limited is owned by Mr. Hu Yangjun while the other 50% is owned by Mr. Hu Yishi. Mr. Hu Yangjun and Mr. Hu Yishi are deemed to be interested in all the Shares in which Resources Rich Capital Limited is interested by virtue of the SFO.
2. Mr. Hu Yangjun had a direct interest of 2,736,000 Shares, of which 330,000 Shares are outstanding share options granted by the Company to subscribe for 330,000 Shares at exercise price of HK\$0.636 per Share, and a deemed interest of 204,718,000 Shares held by Resources Rich Capital Limited, a company 50% owned by Mr. Hu Yangjun, within the meaning of Part XV of the SFO.
3. Mr. Hu Yishi had a direct interest of 2,736,000 Shares and a deemed interest of 204,718,000 Shares held by Resources Rich Capital Limited, a company 50% owned by Mr. Hu Yishi, within the meaning of Part XV of the SFO.
4. Ms. Zhang Qi is the spouse of Mr. Hu Yangjun, who therefore was deemed to be interested in all the Shares held by Mr. Hu Yangjun under the SFO.
5. Ms. Lin Min, Mindy is the spouse of Mr. Hu Yishi, who therefore was deemed to be interested in all the Shares held by Mr. Hu Yishi under the SFO.



Assuming that there would not be any change in the issued share capital of the Company prior to the repurchase of Shares and that the above Shareholders would not dispose of its Shares nor acquire additional Shares prior to any repurchase of Shares, if the Repurchase Mandate were exercised in full, the percentage of shareholding of the above Shareholders would be increased as follows:

| <b>Name of Shareholder</b>     | <b>Approximate percentage of shareholding immediately prior to the exercise of the Repurchase Mandate in full</b> | <b>Approximate percentage of shareholding immediately after the exercise of the Repurchase Mandate in full</b> |
|--------------------------------|---|--|
| Resources Rich Capital Limited | 60.54%  | 67.27%   |
| Mr. Hu Yangjun                 | 61.45%  | 68.27%   |
| Mr. Hu Yishi                   | 61.35%  | 68.17%   |
| Ms. Zhang Qi                   | 61.45%  | 68.27%   |
| Ms. Lin Min, Mindy             | 61.35%  | 68.17%   |

The Directors consider that such an increase would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. They are, however, aware that such an increase would reduce the amount of Shares held by the public to less than 25%. The Company has no present intention to exercise the Repurchase Mandate to the extent as would result in (a) the number of Shares in public hands falling below the prescribed minimum percentage of 25% of the issued share capital of the Company; and (b) a requirement to make a mandatory offer under the Takeovers Code.

Save as aforesaid, the Directors are not aware of any consequences which will arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

## **8. SHARE REPURCHASES MADE BY THE COMPANY**

No repurchase of Shares has been made by the Company nor any of its subsidiaries (whether on the Stock Exchange or otherwise) during the last six months immediately preceding the Latest Practicable Date.

*Stated below are the details of the following Directors who will retire and be eligible for re-election at the Annual General Meeting according to the Articles of Association:*

**Mr. Hu Yangjun**

Mr. Hu Yangjun, aged 45, is an executive Director. He joined the Group in November 2011 and is responsible for reviewing and improving the operations of the Group. Mr. Hu Yangjun has corporate management experience in information technology and international trade and has worked in Zhejiang Orient Group\* (浙江東方集團) and Zhejiang Ju Neng Dongfang Holdings Company Limited\* (浙江巨能東方控股有限公司). Mr. Hu Yangjun was previously an executive director of Zheda Lande Scitech Limited (stock code: 8106) and Neo Telemedia Limited (stock code: 8167), both companies listed on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (“the Stock Exchange”). Mr. Hu Yangjun graduated from Anhui Normal University and he is currently a member of All-China Youth Federation.

Mr. Hu Yangjun has not entered into any service contract with the Company and is subject to retirement by rotation and is eligible for re-election at the Annual General Meeting in accordance with the Articles of Association. Mr. Hu Yangjun is entitled to bonus payable at the discretion of the Board and a fixed director’s fee of HK\$200,000 per annum which was determined with reference to the prevailing market conditions, Mr. Hu Yangjun’s effort and expertise and is subject to review by the Board from time to time. As at the Latest Practicable Date, Mr. Hu Yangjun had a direct interest of 2,736,000 Shares, of which 330,000 Shares are outstanding share options granted by the Company to subscribe for 330,000 Shares at exercise price of HK\$0.636 per Shares, and deemed interest of 204,718,000 shares in the Company held by Resources Rich Capital Limited, a company 50% owned by him, within the meaning of Part XV of the SFO, and as such is a controlling shareholder of the Company.

Mr. Hu Yangjun is a cousin of Mr. Wu Hao, an executive Director of the Company, and Mr. Hu Yishi, a controlling shareholder of the Company.

Save as disclosed above, Mr. Hu Yangjun (i) does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) does not own any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) does not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) does not hold other position with other members of the Group. Save as disclosed above, there is no information in relation to the re-election of Mr. Hu Yangjun that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matter that needs to be brought to the attention of the Shareholders in respect of his re-election.

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**APPENDIX II                      DETAILS OF THE RETIRING DIRECTORS PROPOSED  
TO BE RE-ELECTED AT ANNUAL GENERAL MEETING**

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**Mr. Chan Wing Yuen, Hubert (“Mr. Chan”)**

Mr. Chan Wing Yuen, Hubert, aged 61, is our chief executive and an executive Director. He joined the Group in November 2011 and is responsible for business policy formulation and execution. He has held directorship position within the other members of the Group. Mr. Chan has been an executive director of Zhonghua Gas Holdings Limited (formerly Known as “Northern New Energy Holdings Limited”) (stock code: 8246) since August 2014, a company listed on the GEM of the Stock Exchange. Mr. Chan has also been an independent non-executive director of Tian Ge Interactive Holdings Limited (stock code: 1980) since June 2014 and FIT Hon Teng Limited (stock code: 6088) since November 2016, both companies listed on the Stock Exchange. He has also been an independent non-executive director of Shanghai La Chapelle Fashion Co., Ltd, a company listed on the Stock Exchange (stock code: 6116) and The Shanghai Stock Exchange (stock code: 603157), since July 2016. Mr. Chan spent over ten years with the Stock Exchange. He also held various positions with companies listed on the Stock Exchange. Mr. Chan was previously a director of Guangdong Investment Limited (stock code: 270), an independent non-executive director of China Smarter Energy Group Holdings Limited (stock code: 1004), an executive director and the chief executive of EverChina Int’l Holdings Company Limited (stock code: 202) and an executive director of Softpower International Limited (stock code: 380). Mr. Chan obtained a higher diploma in company secretaryship and administration from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University). Mr. Chan is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Company Secretaries and is also a member of both Hong Kong Securities and Investment Institute and The Hong Kong Institute of Directors. Mr. Chan is a member of the Chinese People’s Political Consultative Conference – Heilongjiang Province Committee in the PRC.

Mr. Chan has not entered into any service contract with the Company and is subject to retirement by rotation and is eligible for re-election at the Annual General Meeting in accordance with the Articles of Association. Mr. Chan is entitled to fixed annual emoluments of HK\$1,950,000, with bonus payable at the discretion of the Board and a fixed director’s fee of HK\$200,000 per annum which was determined with reference to the prevailing market conditions, Mr. Chan effort and expertise and is subject to review by the Board from time to time.

As at the Latest Practicable Date, Mr. Chan is interested in 3,300,000 Shares, which are the share options granted to him by the Company under the Share Option Scheme.

Save as disclosed above, Mr. Chan (i) does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) does not own any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) does not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) does not hold other position with other members of the Group. Save as disclosed above, there is no information in relation to the re-election of Mr. Chan that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of his re-election.

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## APPENDIX II                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT ANNUAL GENERAL MEETING

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### Mr. Jin Qingjun (“Mr. Jin”)

Mr. Jin Qingjun, aged 61, was appointed as an independent non-executive Director in October 2017. Mr. Jin is currently a senior partner of King & Wood Mallesons and a legal counsel for various securities companies and listed companies. His major areas of practice include securities, finance, investment, corporate, insolvency as well as foreign-related legal affairs. Mr. Jin is one of the first lawyers who were granted Security Qualification Certificate in the PRC and has focused on securities-related legal affairs for more than 20 years. Mr. Jin previously served as General Counsel of Shenzhen Stock Exchange and a member of its Listing Supervisory Council. In 2012, he was named one of the Top 10 PRC Lawyers of the Year and PRC Securities Lawyer of the Year. Mr. Jin has been an independent non-executive director of Times Property Holdings Limited (stock code: 1233) since October 2015, Sino-Ocean Group Holding Ltd. (stock code: 3377) since March 2016 and Bank of Tianjin Co., Ltd. (stock code: 1578) since March 2017, all companies listed on the Stock Exchange. He has also been a director of Shenzhen Kondarl (Group) Co. Ltd. (stock code: 000048), a company listed on the Shenzhen Stock Exchange, since September 2018, an independent director of Shenzhen Asiantime International Construction Co. Ltd. (stock code: 002811), a company listed on the Shenzhen Stock Exchange, since September 2018 and an independent non-executive of Guotai Junan Securities Co., Ltd., a company listed on the Stock Exchange (stock code: 2611) and the Shanghai Stock Exchange (stock code: 601211), since January 2013. Mr. Jin was an independent director of Gemdale Corporation, (stock code: 600383), a company listed on the Shanghai Stock Exchange. He was also an independent director of Masterwork Group Co., Ltd. (stock code: 300195), Xi'an Dagang Road Machinery Co., Ltd. (stock code: 300103) and CSG Holding Co. Ltd (stock code: 000012, 200012), these companies listed on the Shenzhen Stock Exchange. He was also a director of Konka Group Co., Ltd. (stock code: 00016, 200016), a company listed on the Shenzhen Stock Exchange. He was also an external supervisor of China Merchant Bank Co., Ltd., a company listed on the Stock Exchange (stock code: 3968) and on the Shanghai Stock Exchange (stock code: 600036). Mr. Jin is also an independent director of Invesco Great Wall Fund Management Co., Ltd. Mr. Jin obtained a bachelor of the arts in English from Anhui University. He received a master's degree in International Law from China University of Political Science and Law and a graduate diploma from the John F. Kennedy School of Government, Harvard Kennedy School. Mr. Jin is an adjunct professor at Chinese Academy of Governance, China University of Political Science and Law and Renmin University of China Lawyer College; a co-tutor for students of master's degree at the School of Law, Tsinghua University, an arbitrator of Shenzhen Court of International Arbitration, Shanghai International Economic and Trade Arbitration Commission and Arbitration Foundation of Southern Africa, a member of the Inter-Pacific Bar Association, and the PRC legal counsel of US Court of Appeals for the Washington D.C Circuit.

Mr. Jin has entered into a letter of appointment with the Company for a fixed term of one year and will be renewed automatically if no objection is raised by both parties. He is subject to retirement by rotation at least once every three years at the annual general meeting of the Company and is eligible for re-election pursuant to the articles of the association of the Company. Mr. Jin is entitled to a fixed director's fee of HK\$200,000 per annum which was determined with reference to the prevailing market conditions, Mr. Jin's effort and expertise and is subject to review by the Board from time to time.

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## APPENDIX II                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT ANNUAL GENERAL MEETING

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As at the Latest Practicable Date, Mr. Jin is interested in 330,000 Shares, which are the share options granted to him by the Company under the Share Option Scheme.

Save as disclosed above, Mr. Jin (i) does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) does not own any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) does not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) does not hold other position with other members of the Group. Save as disclosed above, there is no information in relation to the re-election of Mr. Jin that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of his re-election.

### **Ms. Sun Ivy Connie (“Ms. Sun”)**

Ms. Sun Ivy Connie, aged 40, was appointed as an independent non-executive Director in November 2018. Ms. Sun is experienced in primary market investments, fund raising and fund management. She is the managing director of Regent Capital, a sizable private equity fund focusing on warehouse logistic projects and private equity investments. She is also one of the founders of Regent Capital. Ms. Sun had worked at a British law firm in Hong Kong and a PRC law firm in Beijing, China. During her practise, she specialised in merges and acquisitions, financial restructuring and listing. Ms. Sun obtained a Bachelor of Laws from Victoria University of Wellington in New Zealand. She was admitted as a barrister and solicitor of the High Court of New Zealand.

Ms. Sun has entered into a letter of appointment with the Company for a fixed term of one year and will be renewed automatically if no objection is raised by both parties. She is subject to retirement by rotation at least once every three years at the annual general meeting of the Company and is eligible for re-election pursuant to the articles of the association of the Company. Ms. Sun is entitled to a fixed director’s fee of HK\$200,000 per annum which was determined with reference to the prevailing market conditions, Ms. Sun’s effort and expertise and is subject to review by the Board from time to time.

Save as disclosed above, Ms. Sun (i) does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; (ii) does not own any interests in the shares of the Company within the meaning of Part XV of the SFO; (iii) does not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) does not hold other position with other members of the Group. Save as disclosed above, there is no information in relation to the re-election of Ms. Sun that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in respect of her re-election.

\*            *Translation for identification purposes only*

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**Annual General Meeting**”) of Zhong Fa Zhan Holdings Limited (the “**Company**”) will be held at B2 Boardroom, the Wharney Guang Dong Hotel Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong on Thursday, 5 September 2019 at 10:00 a.m. for the following purposes:

#### ORDINARY RESOLUTIONS

##### **As Ordinary Business:**

1. To receive and consider the audited consolidated financial statements and the reports of the directors and of the auditors for the year ended 31 March 2019;
2. To re-elect directors and to authorize the board of directors of the Company to appoint additional directors not exceeding the maximum number determined and to fix directors’ remuneration; and
3. To re-appoint auditors and to authorize the board of directors of the Company to fix their remuneration.

To consider as special business and, if thought fit, pass the following resolutions as ordinary resolutions:

##### 4A. “**THAT**

- (a) subject to paragraph (b) below, the directors of the Company be hereby generally and unconditionally authorized to exercise during the Relevant Period (as defined below) all the powers of the Company to issue, allot and deal with additional shares of the Company and to make or grant offers, agreements and options which would or might require the exercise of any of such powers during or after the end of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate number of the shares allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, other than pursuant to (i) a Rights Issue (as defined below); or (ii) an issue of shares of the Company by way of scrip dividend pursuant to the articles of association of the Company from time to time; or (iii) the exercise of any option granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or its subsidiaries, of options to subscribe for, or rights to acquire, shares of the Company, shall not in total exceed 20% of the total number of Shares of the Company in issue on the date of passing this resolution; and
  
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  
  - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
  
  - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held.

“Rights Issue” means an offer of shares for subscription open for a fixed period by the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, or in any territory outside Hong Kong).”

**4B. “THAT**

- (a) the directors of the Company be generally and unconditionally authorized to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws;
  
- (b) the total number of shares which may be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of Shares of the Company in issue on the date of passing this resolution; and



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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
  - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held.”
  
- 4C. “**THAT** conditional upon the ordinary resolutions no. 4A and no. 4B contained in the notice of the Annual General Meeting of which this resolution forms part being approved, the aggregate number of Shares of the Company which are repurchased by the Company pursuant to and in accordance with ordinary resolution no. 4B shall be added to the aggregate number of Shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with ordinary resolution no. 4A.”
  
- 5. “**THAT** the Share Option Scheme Limit in respect of the granting of Share Options to subscribe for Shares of the Company be refreshed and renewed provided that the total number of Shares which may be allotted and issued pursuant to the grant or exercise of the Share Options (excluding Share Options previously granted, outstanding, cancelled, lapsed or exercised under all of the schemes of the Company) shall not exceed 10% of the Shares of the Company in issue as at the date of passing of this resolution (the “**Refreshed Limit**”) and subject to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of and permission to deal in such number of Shares to be issued pursuant to the exercise of the Share Options granted under the Refreshed Limit and compliance with the Rules Governing the Listing of Securities on the Stock Exchange, the directors of the Company be and are hereby authorised to grant Share Options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal in the shares pursuant to the exercise of such Share Options.”



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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL RESOLUTION

6. “**THAT** subject to and conditional upon the approval of the Registrar of Companies in the Cayman Islands has been obtained, the English name of the Company be changed from “Zhong Fa Zhan Holdings Limited” to “Central Development Holdings Limited” and the existing Chinese name “中發展控股有限公司” remain unchange (the “**Change of Company Name**”), and that any one or more of the Directors be and is/are hereby authorised to do all such acts, deeds and things and execute all such documents and make all such arrangements as he/she/they consider necessary, desirable or expedient for the purpose of giving effect to the Change of Company Name.”

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

Hong Kong, 29 July 2019

*As at the date of this notice, the Board consists of three executive Directors, namely Mr. Wu Hao, Mr. Hu Yangjun, and Mr. Chan Wing Yuen, Hubert; a non-executive Director, Mr. Li Wei Qi, Jacky; and three independent non-executive Directors, namely Mr. Wu Chi Keung, Mr. Jin Qingjun and Ms. Sun Ivy Connie.*

*Notes:*

- (1) For the purpose of determining the shareholders who are entitled to attend and vote at the Annual General Meeting, the Register of Members of the Company will be closed from Monday, 2 September 2019 to Thursday, 5 September 2019, both dates inclusive. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents should be lodged for registration with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, by 4:30 p.m. on Friday, 30 August 2019.
- (2) In accordance with the relevant requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and for good corporate governance practice, the Chairman of the Board has indicated that he would direct that each of the resolutions set out in the notice of the Annual General Meeting be voted on by poll. The results of the poll will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.475hk.com](http://www.475hk.com)) respectively.
- (3) A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Annual General Meeting. A proxy need not be a member of the Company.
- (4) In order to be valid, the form of proxy must be deposited at the Company’s branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong together with the power of attorney or other authority (if any) under which it is signed or certified copy of such power of attorney or authority, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.
- (5) A form of proxy for use in connection with the Annual General Meeting is enclosed and such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.475hk.com](http://www.475hk.com)) respectively.