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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 THE RETIRING DIRECTORS,
TERMINATION OF THE SHARE OPTION SCHEME 2007 AND
ADOPTION OF NEW SHARE OPTION SCHEME,
AMENDMENTS TO MEMORANDUM AND ARTICLES
AND
NOTICE OF ANNUAL GENERAL MEETING**

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 Friday, 9 September 2016 at 10:00 a.m., or any adjournment thereof is set out on pages 47 to 51 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 22, 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) and the Company (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.

28 July 2016

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
1. Introduction	5
2. Repurchase and Issuance Mandates	6
3. Re-election of Retiring Directors	7
4. Proposed Termination of the Share Option Scheme 2007 and Adoption of the New Share Option Scheme	7
5. Proposed Amendments to the Memorandum and Articles	10
6. Annual General Meeting	12
7. Recommendations	12
8. General Information	12
9. Responsibility Statement	13
Appendix I – Explanatory Statement – Repurchase Mandate	14
Appendix II – Details of the Retiring Directors proposed to be re-elected at Annual General Meeting	18
Appendix III – Summary of the principal terms of the new Share Option Scheme	21
Appendix IV – Summary of the principal terms of the new Articles	30
Notice of Annual General Meeting	47

DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is conditionally adopted by resolution of the Shareholders of the Company in its general meeting
“Annual General Meeting” or “AGM”	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 Friday, 9 September 2016 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 47 to 51 of this circular
“Articles”	the articles of association of the Company
“associates”	has the meaning ascribed to such term in the Listing Rules
“Auditors”	the auditors for the time being of the Company (acting as experts and not as arbitrators)
“Board”	the board of Directors, including all independent non-executive Directors
“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
“connected person(s)”	has the meaning ascribed thereto the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Relationship”	the relationship between a Participant and the Company or any Subsidiary or any Invested Entity

DEFINITIONS

“Grant Date”	in respect of an Option, the date (which shall be a business day (a day on which the Stock Exchange is open for the business of dealing in securities)) on which the grant of an Option is made to a Participant
“Grantee”	any Participant who accepts the grant of any Option in accordance with the terms of scheme or (where the context so permits) a person entitled under the New Share Option Schemes to exercise any such Option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity(ies)”	any entity(ies) in which the Group holds any equity interests and “Invested Entities” shall be constructed accordingly
“Issuance Mandate”	as defined in the section headed “REPURCHASE AND ISSUANCE MANDATES” of the Letter from the Board
“Latest Practicable Date”	22 July 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Memorandum”	the memorandum of association of the Company
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the Annual General Meeting
“Option(s)”	option(s) granted to the eligible participant(s) to subscribe for Share(s) under the Share Option Scheme 2007, or option(s) to be granted to the Participant(s) to subscribe for Share(s) under the New Share Option Scheme following its adoption at the AGM, as the case may be

DEFINITIONS

“Option Period”	in respect of any particular Option, a period (which is of not more than 10 years from the Grant Date) to be determined and notified by the Board to the Grantee, commencing on the date as specified in the grant letter to the Participant, and expiring on the earliest of the last day of the said period or such time as specified in the New Share Option Scheme
“Participant”	any person being an employee (whether full-time or part time including any executive director), officer (including any non-executive Director and independent non-executive Director), substantial shareholder, consultant, agent, adviser, customer, business partner, joint venture partner, strategic partner, landlord or tenant of, or any supplier or provider of goods or services to, the Company or any Subsidiary or any Invested Entity, or any trustee(s) of a discretionary trust of which one or more beneficiaries belong to any of the abovementioned category(ies) of persons, or any other person who satisfies the criteria set out in the New Share Option Scheme
“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)
“Share Option Scheme 2007”	the share option scheme adopted by the Company on 26 February 2007
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Cap 622)) of the Company and “Subsidiaries” shall be construed accordingly
“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
“%”	per cent



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. Hu Yishi
Mr. Chan Wing Yuen, Hubert (*Chief Executive*)
Ms. Kwong Wai Man, Karina

Registered office:

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

Non-Executive Director:

Mr. Li Wei Qi, Jacky

Head office and principal place

of business in Hong Kong:

23/F
Chinachem Century Tower
178 Gloucester Road
Wanchai
Hong Kong

Independent Non-Executive Directors:

Mr. Wu Chi Keung
Mr. Heung Chee Hang, Eric
Ms. Kwok Pui Ha

28 July 2016

To the Shareholders

Dear Sir and Madam,

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE SHARES,
RE-ELECTION OF THE RETIRING DIRECTORS,
TERMINATION OF THE SHARE OPTION SCHEME 2007 AND
ADOPTION OF NEW SHARE OPTION SCHEME
AMENDMENTS TO MEMORANDUM AND ARTICLES,
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) termination of the Share Option Scheme 2007 and adoption of the New Share Option Scheme; and (iv) amendment to the Memorandum and Articles.

LETTER FROM THE BOARD

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 8 September 2015, 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 of an aggregate nominal amount of up to a maximum of 10% of the issued share capital of the Company on the date of passing the said ordinary resolution at the annual general meeting and to allot, issue and deal with new shares of an aggregate nominal amount of up to 20% of the issued share capital of the Company 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 issued share capital of the Company 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 issued share capital of the Company 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 330,054,000 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 66,010,800 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.

LETTER FROM THE BOARD

3. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of nine Directors, namely, Mr. Wu Hao, Mr. Hu Yangjun, Mr. Hu Yishi, Mr. Chan Wing Yuen, Hubert and Ms. Kwong Wai Man, Karina as executive Directors, Mr. Li Wei Qi, Jacky as non-executive Director, and Mr. Wu Chi Keung, Mr. Heung Chee Hang, Eric and Ms. Kwok Pui Ha as independent non-executive Directors.

In accordance with Article 87 of the Articles, 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. Wu Hao, Ms. Kwong Wai Man Karina and Mr. Li Wei Qi, Jacky shall retire at the Annual General Meeting and all of them, being eligible, will offer themselves for re-election at the Annual General Meeting.

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. PROPOSED TERMINATION OF THE SHARE OPTION SCHEME 2007 AND ADOPTION OF THE NEW SHARE OPTION SCHEME

The Share Option Scheme 2007 was adopted by the Company on 26 February 2007 and will expire on 25 February 2017. The Board proposes to recommend to the Shareholders to terminate the Share Option Scheme 2007 by way of the ordinary resolution at the AGM. No further options will be granted under the Share Option Scheme 2007 following its termination, but in all other respects its provisions shall remain in full force and effect.

As at the Latest Practicable Date, 3,546,000 outstanding exercisable Options have been granted under the Share Option Scheme 2007. The Board has no present intention to grant further options under the Share Option Scheme 2007.

Under the Share Option Scheme 2007, as at the Latest Practicable Date, a total of 27,450,000 Options were granted thereunder to subscribe for an aggregate of 27,450,000 Shares, out of which 22,354,000 Options were exercised, 1,550,000 Options had lapsed, no Option had been cancelled, and 3,546,000 Option remained unexercised or outstanding.

Upon the proposed termination of the Share Option Scheme 2007, no further options can be granted thereunder. The Directors consider that the Company should adopt the New Share Option Scheme and wish to take the opportunity of the Annual General Meeting to seek Shareholders' approval therefor. It is proposed that subject to the approval of the Shareholders at the AGM of the adoption of the New Share Option Scheme and the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which fall to be allotted and issued upon the exercise of the Options that may be granted under the New Share Option Scheme, the New Share Option Scheme will take effect. The terms of the New Share Option Scheme have been prepared in compliance with Chapter 17 of the Listing Rules. The Company will continue to comply with the relevant

LETTER FROM THE BOARD

Listing Rules from time to time in force in respect of the New Share Option Scheme. Summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular.

The Board proposes the adoption of the New Share Option Scheme, which will be valid for 10 years from the date of its adoption.

The purpose of the New Share Option Scheme is to recognize and acknowledge the contributions or potential contributions made or to be made by the Participants to the Group and/or any Invested Entity (if applicable), to motivate the Participants to optimize their performance and efficiency for the benefit of the Group, and to maintain or attract business relationship with the Participants whose contributions are or may be beneficial to the growth of the Group.

The Board considers that the New Share Option Scheme will facilitate the retention and the recruitment of high-calibre staff of the Group and/or any Invested Entity (if applicable) and attract resources that are valuable to the Group or Invested Entities. To ensure that this purpose is achieved, the New Share Option Scheme provides that the Board will grant Options only to Participants who have made valuable contributions to the business of the Group or Invested Entities based on their performance and/or years of service, or who are regarded as valuable resources of the Group or Invested Entities based on their work experience, knowledge in the industry and other relevant factors, or are expected to be able to contribute to the prosperity, business development or growth of the Group or Invested Entities based on their business connection or network or other relevant factors.

The Board may in its absolute discretion prescribe the terms on which the Option(s) is to be granted (including (i) the exercise price of the Option (subject to Listing Rule requirements) and (ii) the minimum period for which an Option(s) must be held and/or a performance target which must be achieved before an Option can be exercised) either on a case by case basis or generally. The Directors are of the view that the New Share Option Scheme will provide the Board with flexibility in determining (amongst other things) the vesting scales, applicable performance targets and other conditions to which the specific grant of Options may be subject and thereby will place the Group in a better position to provide the appropriate incentives to Participants to contribute to the Group and to enable the Group to attract valuable human resources.

The New Share Option Scheme is conditional upon: (a) the passing of an ordinary resolution by the Shareholders in general meeting to approve the adoption of the New Share Option Scheme and the termination of the Share Option Scheme 2007; and (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, on the Stock Exchange any Shares which may fall to be allotted and issued pursuant to the exercise of Options that may be granted under the New Share Option Scheme.

An application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of the Options which may be granted under the New Share Option Scheme.

LETTER FROM THE BOARD

As at the Latest Practicable Date, there were 330,054,000 Shares in issue. The total number of Shares which may be issued under the New Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 33,005,400 Shares, representing 10% of the Shares in issue as at the Adoption Date, assuming that no further Shares shall will be issued or repurchased between the Latest Practicable Date and the Adoption Date.

Subject to the obtaining of the Shareholders' approval with respect to the adoption of the New Share Option Scheme at the AGM and the termination of the Share Option Scheme 2007, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 10% of the total issued Shares as at the date on which the New Share Option Scheme is adopted unless the Company obtains a fresh approval from the Shareholders to renew such 10% limit on the basis that the maximum number of Shares in respect of which Options may be granted under the New Share Option Scheme together with any Options outstanding and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Group shall not exceed 30% of the total issued Shares from time to time.

Save as disclosed in Appendix III, no dividends will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised (including those arising on a liquidation of the Company).

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date. The Board believes that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, since the Options to be granted shall not be assignable, and no holder of the Option shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option.

In addition, the calculation of the value of the Options is based on a number of variables such as the exercise price, the exercise period, interest rate, expected volatility and other relevant variables. The Board believes that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

None of the Director is trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustee.

A copy of the New Share Option Scheme will be available for inspection at the head office and principal place of business of the Company at 23/F, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong during normal business hours from the date of this circular up to and including the date of the Annual General Meeting.

LETTER FROM THE BOARD

5. PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES

Memorandum

Since the Company has changed its name after adoption of the Memorandum upon incorporation, the Board proposed to update the Memorandum with the new name.

Articles

The existing Articles have not been amended since its adoption in 2007. The Board proposed to make various amendments to the existing Articles for housekeeping purpose and for the purpose of conforming with certain amendments to the Listing Rules which have become effective since its adoption.

The Board would like to propose that a new set of Articles be adopted to replace the existing Articles. A summary of the principal provisions of the new Articles is set out in Appendix IV to this circular.

The principal effects of certain major proposed amendments to the existing Articles are summarized below :

(a) *Change of name*

The English name of the Company has been changed from “Noble Jewelry Holdings Limited” to “Zhong Fa Zhan Holdings Limited” and the dual foreign name from “億鑽珠寶控股有限公司” to “中發展控股有限公司”.

(b) *Business day*

A definition of “business day” was added.

(c) *Close associate*

The definition of “associate” was replaced by that of “close associate”.

(d) *Substantial shareholder*

A definition of “substantial shareholder” was added.

(e) *Share rights*

Any shares in the Company may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Board may determine.

LETTER FROM THE BOARD

(f) *Share certificates*

The seal of the Company may only be affixed to a share certificate with the authority of the Directors, or be executed under the signature of appropriate officials with statutory authority, unless otherwise determined by the Directors.

(g) *Notice of general meetings*

An annual general meeting must be called by notice of not less than 21 clear days and not less than 20 clear business days and all other general meetings (including an extraordinary general meeting) must be called by notice of not less than 14 clear days and not less than 10 clear business days.

(h) *Voting by poll*

A resolution put to vote at a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

(i) *Directors' interests*

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested except for certain specified matters. The exemption for voting by a director on a board resolution in which he/she has an interest of less than 5% is removed.

(j) *Loan to Directors*

The Company shall not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

The proposed amendments to the Memorandum and Articles will be subject to the approval by the Shareholders by way of special resolutions.

LETTER FROM THE BOARD

6. ANNUAL GENERAL MEETING

The notice of Annual General Meeting is set out on pages 47 to 51 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, termination of the Share Option Scheme 2007 and adoption of the New Share Option Scheme and amendments to the Memorandum and Articles.

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.

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) and the Company (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 22, 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. 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, the termination of the Share Option Scheme 2007 and adoption of the New Share Option Scheme and amendments to the Memorandum and Articles are all in the best interests of the Company 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.

8. GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix I (Explanatory Statement on the Repurchase Mandate), Appendix II (Details of Retiring Directors proposed to be re-elected at the Annual General Meeting), Appendix III (Summary of the principal terms of the new Share Option Scheme) and Appendix IV (Summary of the principal terms of the new Articles) to this circular.

LETTER FROM THE BOARD

9. 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
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 330,054,000 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 33,005,400 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, the Listing Rules and the Companies Law. The Companies Law provides that the repurchase price may be paid out of the profits of the Company, share premium account, 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 the profits of the Company, 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 or out of capital subject to and in accordance with 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 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:

Month	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
July	2.80	1.95
August	2.39	1.96
September	2.50	1.95
October	2.41	2.09
November	2.22	2.07
December	2.13	1.94
2016		
January	2.00	1.75
February	1.90	1.57
March	1.80	1.49
April	1.64	1.50
May	1.58	1.43
June	1.57	1.49
July (up to the Latest Practicable Date)	1.52	1.50

6. DISCLOSURE OF INTEREST

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles and the applicable laws of the Cayman Islands.

No connected person (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company or has 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 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 ^{Note 1}	204,718,000	62.03%
Mr. Hu Yangjun ^{Note 2}	207,454,000	62.85%
Ms. Zhang Qi ^{Note 3}	207,454,000	62.85%
Mr. Hu Yishi ^{Note 4}	207,454,000	62.85%
Ms. Lin Min, Mindy ^{Note 5}	207,454,000	62.85%
Suncool AB ^{Note 6}	30,000,000	9.09%
Stiftelsen Industrifonden ^{Note 7}	30,000,000	9.09%

Note:

1. Pursuant to the SFO, Mr. Hu Yangjun and Mr. Hu Yishi are deemed to be interested in this shareholding interest through a controlled corporation, Resources Rich Capital Limited, owned as to 50% by Mr. Hu Yangjun and as to 50% by Mr. Hu Yishi.
2. Mr. Hu Yangjun beneficially owned 207,454,000 Shares and was deemed to be interested in the shareholding interest through Resources Rich Capital Limited under the SFO.
3. 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.
4. Mr. Hu Yishi beneficially owned 207,454,000 Shares and was deemed to be interested in the shareholding interest through Resources Rich Capital Limited 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.
6. Suncool AB has a direct interest of 30,000,000 Shares according to the disclosure of interest notices filed by Suncool AB and 24,000,000 Shares of which represent the warrants granted by the Company to subscribe for 24,000,000 Shares at subscription price of HK\$2.5 per Share.
7. Stiftelsen Industrifonden owns 47% shareholding interest in Suncool AB according to the disclosure of interest notices filed by Stiftelsen Industrifonden. Stiftelsen Industrifonden was deemed to be interested in 30,000,000 Shares held by Suncool AB pursuant to the SFO and 24,000,000 Shares of which represent the warrants granted to Suncool AB by the Company to subscribe for 24,000,000 Shares at subscription price of HK\$2.5 per Share.

APPENDIX I EXPLANATORY STATEMENT – REPURCHASE MANDATE
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Assuming that there would not be any change in the issued share capital of the Company as at the Latest Practicable Date prior to the repurchase of Shares and that the above Shareholders would not dispose of their 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:

Name of Shareholder	Approximate percentage of shareholding immediately prior to the exercise of the Repurchase Mandate in full	Approximate percentage of shareholding immediately after the exercise of the Repurchase Mandate in full
Resources Rich Capital Limited	62.03%	68.92%
Mr. Hu Yangjun	62.85%	69.84%
Ms. Zhang Qi	62.85%	69.84%
Mr. Hu Yishi	62.85%	69.84%
Ms. Lin Min, Mindy	62.85%	69.84%
Suncool AB	9.09%	10.10%
Stiftelsen Industrifonden	9.09%	10.10%

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.

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

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:

Mr. Wu Hao

Mr. Wu Hao, aged 42, is our chairman and an executive Director. He joined the Group in February 2012 and is responsible for overall strategic planning and development. He has held directorship position within the other member of the Group. In 2008, Mr. Wu Hao joined Xinjiang Lian Rui Mining Company Limited* (新疆聯瑞礦業有限公司), which is principally engaged in mining resources business, and was appointed as its vice chairman in 2009. Mr. Wu Hao graduated in legal professional studies from Correspondence Institute of Party School of the Central Committee of Communist Party of China* (中共中央黨校函授學院) in 2002.

Mr. Wu Hao 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. Mr. Wu Hao is entitled to fixed annual emoluments of HK\$468,000, 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. Wu Hao's effort and expertise and is subject to review by the Board from time to time. As at the Latest Practicable Date, Mr. Wu Hao has a direct interest of 2,736,000 shares of the Company.

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

Save as disclosed above, Mr. Wu Hao (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. Wu Hao that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of holders of securities of the Company.

Ms. Kwong Wai Man, Karina ("Ms. Kwong")

Ms. Kwong, aged 46, is our chief financial officer and an executive Director and held directorship position within the other members of the Group. She joined the Group in September 2013. Ms. Kwong has extensive experience in accounting, financial management and corporate finance. She worked for sizable organizations in various industries as senior executives in both Canada and Hong Kong. Ms. Kwong is an executive director of Northern New Energy Holdings Limited (formerly known as Noble House (China) Holdings Limited) (stock code: 8246) since August 2014, which shares are listed on the Growth Enterprise Market ("GEM") of the Stock Exchange. Ms. Kwong was previously an executive director of Sheng Yuan Holdings Limited (stock code: 851) and

APPENDIX II	DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT ANNUAL GENERAL MEETING
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Kai Yuan Holdings Limited (stock code: 1215), both of which are listed on the Stock Exchange. She had also previously held a directorship of Grand Peace Group Holdings Limited (stock code: 8108), which shares are listed on the GEM of the Stock Exchange. Ms. Kwong holds a bachelor's degree in business administration from the Simon Fraser University, Canada, and is a member of the American Institute of Certified Public Accountants and Hong Kong Securities and Investments Institute.

Ms. Kwong 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. Ms. Kwong is entitled to fixed annual emoluments of HK\$1,820,000, 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, Ms. Kwong's effort and expertise and is subject to review by the Board from time to time.

Save as disclosed above, Ms. Kwong (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. Kwong that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of holders of securities of the Company.

Mr. Li Wei Qi, Jacky ("Mr. Li")

Mr. Li, aged 44, was appointed as a non-executive Director in November 2011. Mr. Li has experience in the financial services field. Mr. Li is currently vice president of the marketing department of Emperor Bullion Investments (Asia) Limited, Emperor Futures Limited, Emperor Securities Limited and Emperor Wealth Management Limited. He is also a licensed representative under the Securities and Futures Ordinance (the "SFO") to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities, a licensed representative of the Professional Insurance Brokers Association to carry on long term insurance (including linked long term insurance) and general insurance regulated activities, a licensed representative of the Mandatory Provident Fund Schemes Authority to carry on related regulated activities and an account executive registered with The Chinese Gold & Silver Exchange Society. Mr. Li was previously vice president of the marketing department of Tanrich Futures Limited and was a person licensed by the Securities and Futures Commission for dealing and advising in futures contracts and asset management.

APPENDIX II	DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT ANNUAL GENERAL MEETING
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Mr. Li 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. Mr. Li 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. Li's effort and expertise and is subject to review by the Board from time to time. The length of service is for a fixed term of one year and will be renewed automatically if no objection is raised by both parties. As at the Latest Practicable Date, Mr. Li has a direct interest of 2,736,000 shares of the Company.

Save as disclosed above, Mr. Li (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. Li that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of holders of securities of the Company.

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to recognize and acknowledge the contributions or potential contributions made or to be made by the Participants to the Group and the Invested Entities, to motivate the Participants to optimize their performance and efficiency for the benefit of the Group, and to maintain or attract business relationship with the Participants whose contributions are or may be beneficial to the growth of the Group and the Invested Entities.

2. WHO MAY JOIN

The Board may grant (subject to acceptance by the Participant in accordance with the terms of the New Share Option Scheme) to any Participant who, the Board may determine in its absolute discretion, has made valuable contributions to the business of the Group or Invested Entities based on his/her/its performance and/or years of service, or is regarded as valuable resources of the Group or the Invested Entities based on his/her/its work experience, knowledge in the industry and other relevant factors, or is expected to be able to contribute to the prosperity, business development or growth of the Group or the Invested Entities based on his/her/its business connection or network or other relevant factors, and subject to such terms and conditions (which shall not be inconsistent with the New Share Option Scheme and the Listing Rules) as the Board may in its absolute discretion consider appropriate, an Option to subscribe for such number of Shares as the Board may determine at the subscription price, provided that no such grants shall be made except to such number of Participants and in such circumstances that the Company will not be required under the applicable securities laws and regulations to issue a prospectus or other offer document in respect thereof, and will not result in the breach by the Company or the Directors of any applicable securities laws and regulations or in any filing or other requirements arising.

3. GRANT OF OPTION

On and subject to the terms of the New Share Option Scheme, the Board shall be entitled but shall not be bound at any time during the Scheme Period to offer to grant to any Participant as the Board may in its absolute discretion select and subject to such conditions as the Board may think fit, an Option to subscribe for such number of Shares as the Board may determine at the subscription price.

A grant of an Option shall be made to a Participant by letter (the “**Grant Letter**”) in such form as the Board may from time to time determine. The grant shall be personal to the Participant concerned and not transferable and shall remain open for acceptance by the Participant for a period of 28 days from the Grant Date, provided that no such grant shall be open for acceptance after the expiry of the Scheme Period or after the New Share Option Scheme has been terminated (if applicable).

An Option shall be regarded as having been accepted when the duplicate of the Grant letter, comprising acceptance of the Option, duly signed by the Participant together with a remittance in favour of the Company of HK\$10.00 by way of consideration for the grant thereof is received by the Company within the 28-day period referred to in the preceding paragraph. The remittance shall not be refundable. Any grant of an Option may be accepted in respect of less than the total number of Shares in respect of which it is granted, provided that it is accepted in respect of such number of Shares as represents a board lot in which Shares are traded on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter and accepted by such Participant. To the extent that the grant of an Option is not accepted within 28 days from the Grant Date (or such shorter period as is mentioned in the Grant Letter) in the manner indicated in this paragraph, the grant will be deemed to have been irrevocably declined and shall lapse.

No Option may be made after an event which constitutes inside information (as defined in the SFO) of the Group has occurred or such matter has been the subject of a decision until such inside information has been announced in accordance with the Listing Rules and the SFO nor within the period commencing one month immediately before the earlier of (a) the date of the board meeting of the Company for the approval of the Company's results for any financial period; and (b) the deadline for the Company to publish an announcement of its results for any financial period, and ending on the date of such results announcement (including any period of delay in publishing such results announcement).

4. SUBSCRIPTION PRICE

The subscription price for Shares under the New Share Option Scheme will be a price determined by the Board and notified to each Grantee and will be at least the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the Grant Date, which must be a business day (which is a day on which the Stock Exchange is open for the business of dealings in securities); (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the Grant Date; and (c) the nominal value of a Share.

5. MAXIMUM NUMBER OF SHARES

- (a) Subject to the provisions of this paragraph 5 and paragraph 12, the maximum number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other schemes of the Company in issue, shall entitle the grantees to exercise up to an aggregate of 10 per cent. of the total number of Shares in issue as at the Adoption Date. Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the 10 per cent. limit.
- (b) The Company may, subject to the approval of the Shareholders in general meeting and the issue of a circular in accordance with the requirements of the Listing Rules, refresh the 10 per cent. limit set out in (a) above such that the

total number of Shares in respect of which Options may be granted by the Directors under the New Share Option Scheme and any other share option schemes of the Company in issue shall not exceed 10 per cent. of the Shares in issue at the date of approval to refresh such limit. Options previously granted under the New Share Option Scheme and any other schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with such schemes) will not be counted for the purpose of calculating the limit as “refreshed”.

- (c) The Company may grant Options to specifically identified Participant(s) beyond the 10 per cent. limit if the grant of such Options is specifically approved by the Shareholders in general meeting and a circular is issued in accordance with the requirements of the Listing Rules.
- (d) Notwithstanding the above, the maximum number of Shares which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other schemes of the Company in issue shall not exceed 30 per cent. of the total number of Shares in issue from time to time.
- (e) No Participant shall be granted an Option which, if exercised in full, would result in such Participant becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares issued and to be issued pursuant to all the Options previously granted to him under the New Share Option Scheme and any other share option schemes of the Company in any 12-month period up to the date of grant of the Option, would exceed 1 per cent. of the aggregate number of Shares in issue unless the grant of such Option is specifically approved by the Shareholders in general meeting and a circular in relation to the proposal for such further grant is issued in accordance with the requirements of the Listing Rules from time to time. The Participant and his associates shall abstain from voting at such general meeting. The number and terms of the option to be granted to such Participant shall be fixed before the Shareholders’ approval as mentioned above. For the purpose of calculating the exercise price for the Shares in respect of the further option proposed to be so granted, the date of Board meeting for proposing such grant of further option shall be taken as the date of grant of the option.

6. REQUIREMENTS ON GRANTING TO CONNECTED PERSONS

If Options are granted to a connected person, the granting of such Options will be subject to approval by the independent non-executive directors of the Company (excluding any independent non-executive Director who is a Grantee of the Options). Where any grant of Options to an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (a) representing in aggregate over 0.10 per cent of the Shares in issue; and (b) having

an aggregate value, based on the closing price of the Shares at the Grant Date in excess of HK\$5 million; such further grant of Options must be approved by the Shareholders in compliance with rule 13.40, 13.41 and 13.42 of the Listing Rules. A circular to Shareholders in connection with obtaining the aforesaid Shareholders' approval shall be prepared by the Company.

7. TIME OF EXERCISE OF OPTION AND PERFORMANCE TARGET

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each Grantee during the Option Period. There is no minimum period for which an Option must be held before it can be exercised, but the Board is empowered to impose at its absolute discretion any such minimum period at the time of the grant of an Option.

Unless specified in the terms of any relevant offer, the Grantee of an option is not required to achieve any performance target before the relevant options may be exercised.

8. RIGHTS ARE PERSONAL TO GRANTEE

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option or purport to do any of the foregoing (save that the Grantee may nominate a nominee to hold the Shares to be issued pursuant to the exercise of Options granted under the New Share Option Scheme on trust for the sole benefit of such Grantee provided that evidence of such trust arrangement between the Grantee and the nominee shall be provided to the satisfaction of the Company). The Company may, after having reasonably satisfied itself that the Grantee has committed or attempted to commit a breach of this paragraph, forthwith revoke any Option granted to such Grantee (to the extent not already exercised) by notice. Such revocation notice shall be final and binding on such Grantee and the Grantee shall not be entitled to claim any loss or damage against the Company or any of its directors for such revocation provided that the Company has acted in good faith.

9. RIGHTS ON CEASING EMPLOYMENT

If the Grantee of an outstanding Option ceasing to be such employee or officer for any reason, other than his death, ill health, disability or insanity or the termination of his employment or office on one or more of the grounds specified in paragraph 15(e), the grantee may only exercise the option within a period of one (1) month thereafter (or such longer period as the Board may determine).

10. RIGHTS ON DEATH

Subject to paragraph 15(e), if the Grantee of an outstanding Option dies, the personal representatives of the Grantee may only exercise the option within a period of twelve (12) months thereafter (or such longer period as the Board may determine).

11. RIGHTS ON ILL HEALTH

Subject to paragraph 15(e), if the Grantee of an outstanding Option ceasing to be such employee or officer by reason of ill health, disability or insanity and none of the events which would be a ground for termination of his employment or office specified in paragraph 15(e) has occurred, such Grantee or the legal personal representative(s) of that Grantee may only exercise the option within a period of six (6) months thereafter (or such longer period as the Board may determine).

12. RIGHTS ON TAKEOVER

If a general offer to acquire shares (whether by takeover offer, merger, privatisation proposal by scheme of arrangement between the Company and its members or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise the Option (to the extent not already exercised) in full or to the extent specified in the notice to exercise such Option at any time until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of one (1) month after the date on which the offer becomes or is declared unconditional, after which the Option shall lapse.

13. RIGHTS ON WINDING-UP

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee (or his legal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than thirty (30) days prior to the record date for ascertaining entitlements to attend and vote at the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the record date in ascertaining entitlements to attend and vote at the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. If an application is made to the court (otherwise than where the Company is being voluntarily wound up), pursuant to the Companies Law, in connection with a proposed compromise or arrangement between the Company and its members (or any class of them), the Grantee may by notice in writing to the Company within twenty-one (21) days after the date of such application, exercise the Option in full (to the extent not already exercised) or to the extent specified in such notice.

14. RIGHTS ON COMPROMISE OR ARRANGEMENT

In the event of a compromise or arrangement between the Company and its shareholders or creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee (or his or her personal representative(s)) on the same day as it gives notice of the meeting to, its shareholders or creditors to consider such compromise or agreement, and thereupon the Grantee (or his or her personal representative(s)) may, during the period commencing with the date of the aforesaid notice and ending with the earlier of the date two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the court, exercise any of an Options whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the New Share Option Scheme. The Board shall endeavour, subject to applicable laws and regulations, to procure that the Shares issued as a result of the exercise of the Options under this paragraph shall for the purpose of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court) the rights of Grantees to exercise their respective Options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of the New Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

15. LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of any of the other periods referred to in paragraphs 9, 10, 11, 12 or 13;
- (c) subject to paragraph 13, the earliest of the close of business on the second business day prior to the record date for ascertaining entitlements to attend and vote at the general meeting referred to in paragraph 13 or the date of the commencement of the winding-up of the Company;

- (d) save as otherwise provided in paragraph 12 or by the court in relation to the scheme in question, upon the sanctioning pursuant to the Companies Law by the Court of the Cayman Islands of a compromise or arrangement between the Company and its members or creditors for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (e) where the Grantee is an employee (including any executive director) or an officer (including any non-executive director and independent non-executive director) of the Company or any Subsidiary, the date on which the Grantee ceases to be such employee or officer by reason of the termination of his employment or office on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment or office at common law or pursuant to any applicable laws or under the Grantee's service contract or terms of office with the Company or the relevant Subsidiary. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment or office of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph or that one or more of the grounds specified in this paragraph has arisen in respect of the employment or office of a Grantee shall be conclusive and binding on the Grantee and, where appropriate, the Grantee's legal personal representative(s);
- (f) where the Grantee is in an Eligible Relationship (other than in a position as an employee or officer) with the Company or any Subsidiary, the date on which the Grantee ceases to be in such Eligible Relationship with the Company or any Subsidiary for any reason;
- (g) where the Grantee commits a breach as stated in paragraph 8, the date on which the Board shall exercise the Company's right to cancel the Option;
- (h) if an Option was granted subject to certain conditions, restrictions or limitations, the date on which the Board resolves that the Grantee has failed to satisfy or comply with such conditions, restrictions or limitations; or
- (i) the occurrence of such event or expiry of such period as may have been specifically provided for in the letter in respect of the grant of an Option, if any.

16. EFFECTS OF REORGANISATION OF TO CAPITAL STRUCTURE

In the event of any capitalisation issue, rights issue, consolidation or sub-division of Shares or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction) whilst an Option remains outstanding (i.e., in that it is granted and not yet exercised, but has not lapsed or been cancelled), corresponding adjustments (if any) shall be made in: (i) the number of Shares subject to the New Share Option Scheme; (ii) the number of Shares subject to outstanding Options; and/or; (iii) the subscription price in relation to each outstanding Option, provided that any such adjustments shall be made such that the proportion of the issued share capital of the Company to which an Option entitles the Grantee to subscribe after such adjustment must be the same as that to which the Option entitled the Grantee to subscribe immediately before such adjustment, but so that no such adjustment shall be made to the extent that the effect of such adjustment would be to enable any Share to be issued at less than its nominal value. In respect of any adjustment required by this paragraph, other than any made on a capitalisation issue, an independent financial adviser or the auditor of the Company must also confirm to the Board in writing that the adjustments satisfy the foregoing provision. The capacity and role of the independent financial adviser or the auditor of the Company under this paragraph is that of experts and not of arbitrators and their confirmation shall (in the absence of manifest error) be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the auditor of the Company shall be borne by the Company.

17. RANKING OF SHARES

The Shares to be allotted upon exercise of Options will be subject to all the provisions of the Articles and will rank *pari passu* in all respects with the other Shares in issue at the relevant date of allotment except in respect of any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor is before the relevant date of allotment.

18. CANCELLATION OF OPTIONS GRANTED

The Board may effect the cancellation of any Options granted but not exercised on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation.

Where the Company cancels any Options granted but not exercised and grants new Options to the same Grantee, such grant of new Options may only be made under the New Share Option Scheme if there is available unissued Options (excluding the cancelled Options) within each of the 10-per cent. limits as referred to in paragraph 5 above.

19. PERIOD OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme will remain valid for a period of 10 years commencing on the Adoption Date (subject to early termination).

The Company may by resolution in general meeting or at a meeting of the Board at any time terminate the operation of the New Share Option Scheme and in such event no further Option shall be offered or accepted but the Options which are granted during the life of the New Share Option Scheme may continue to be exercisable in accordance with their terms of issue and in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect.

20. ALTERATION TO THE NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the New Share Option Scheme relating to matters contained in rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees or prospective grantees except with the prior approval of the Shareholders in general meeting. No such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the Articles for a variation of the rights attached to the Shares.

Any alterations to the terms and conditions of the New Share Option Scheme, which are of a material nature or any change to the terms of Options granted except where such alterations take effect automatically under the terms of the New Share Option Scheme, and any change to the authority of the Directors or the New Share Option Scheme administrators in relation to any alteration to the terms of the New Share Option Scheme, must be approved by the Shareholders in general meeting.

21. CONDITIONS OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme is conditional upon: (a) the passing of an ordinary resolution by the Shareholders in general meeting to approve the adoption of the New Share Option Scheme and the termination of the Share Option Scheme 2007; and (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, on the Stock Exchange any Shares which may fall to be allotted and issued pursuant to the exercise of Options that may be granted under the New Share Option Scheme.

APPENDIX IV SUMMARY OF THE PRINCIPAL TERMS OF THE NEW ARTICLES

The following is a summary of certain provisions of the Articles proposed to be adopted by the Company:

(A) DIRECTORS

(i) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the board may determine). Subject to the Companies Law, the rules of any Designated Stock Exchange (as defined in the Articles) and the Memorandum and Articles, any share may be issued on terms that, at the option of the Company or the holder thereof, they are liable to be redeemed.

The board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the rules of any Designated Stock Exchange (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(ii) Power to dispose of the assets of the Company or any subsidiary

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting.

(iii) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(iv) Loans and provision of security for loans to Directors

There are provisions in the Articles prohibiting the making of loans to Directors.

(v) Financial assistance to purchase shares of the Company or its subsidiaries

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the Articles) and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company. There is no provision in the Articles that prohibits the Company from giving financial assistance for the purchase shares of its subsidiaries.

(vi) Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and, subject to the Articles, upon such terms as the board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. Subject as otherwise provided by the Articles, the board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the Companies Law and the Articles, no Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be

APPENDIX IV SUMMARY OF THE PRINCIPAL TERMS OF THE NEW ARTICLES

liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates (as defined in the Articles) is materially interested, but this prohibition shall not apply to any of the following matters, namely:

- (aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or
- (ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(vii) Remuneration

The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors shall also be entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any

such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(viii) Retirement, appointment and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. There are no provisions relating to retirement of Directors upon reaching any age limit.

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and the members may by ordinary resolution appoint another in his place at the meeting at which such Director is removed. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated:

- (aa) if he resigns his office by notice in writing delivered to the Company at the registered office of the Company for the time being or tendered at a meeting of the Board;
- (bb) if he becomes of unsound mind or dies;
- (cc) if, without special leave, he is absent from meetings of the board (unless an alternate director appointed by him attends) for six (6) consecutive months, and the board resolves that his office is vacated;
- (dd) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

- (ee) if he is prohibited from being a director by law; or
- (ff) if he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may from time to time appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(ix) Borrowing powers

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Note: These provisions, in common with the Articles in general, can be varied with the sanction of a special resolution of the Company.

(x) Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(xi) Register of Directors and Officers

The Companies Law and the Articles provide that the Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

(B) ALTERATIONS TO CONSTITUTIONAL DOCUMENTS

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(C) ALTERATION OF CAPITAL

The Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Companies Law:

- (i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;
- (iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject nevertheless to the provisions of the Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares; or
- (v) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may subject to the provisions of the Companies Law reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(D) VARIATION OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARES

Subject to the Companies Law, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(E) SPECIAL RESOLUTION-MAJORITY REQUIRED

Pursuant to the Articles, a special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles (see paragraph 2(i) below for further details).

A copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles.

(F) VOTING RIGHTS

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Articles, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Designated Stock Exchange (as defined in the Articles), required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(G) REQUIREMENTS FOR ANNUAL GENERAL MEETINGS

An annual general meeting of the Company must be held in each year, other than the year of adoption of the Articles (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of not more than eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of any Designated Stock Exchange (as defined in the Articles)) at such time and place as may be determined by the board.

(H) ACCOUNTS AND AUDIT

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records shall be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting. However, an exempted company shall make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2009 Revision) of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Designated Stock Exchange (as defined in the Articles), the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Articles. The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.

(I) NOTICES OF MEETINGS AND BUSINESS TO BE CONDUCTED THEREAT

An annual general meeting must be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings (including an extraordinary general meeting) must be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. In addition notice of every general meeting shall be given to all members of the Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors for the time being of the Company.

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above if permitted by the rules of the Designated Stock Exchange, it shall be deemed to have been duly called if it is so agreed:

- (i) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent (95%) of the total voting rights at the meeting of all the members.

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

- (aa) the declaration and sanctioning of dividends;
- (bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;
- (cc) the election of directors in place of those retiring;
- (dd) the appointment of auditors and other officers;
- (ee) the fixing of the remuneration of the directors and of the auditors;
- (ff) the granting of any mandate or authority to the directors to offer, allot, grant options over or otherwise dispose of the unissued shares of the Company representing not more than twenty per cent. (20%) in nominal value of its existing issued share capital; and
- (gg) the granting of any mandate or authority to the directors to repurchase securities of the Company.

(J) TRANSFER OF SHARES

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange (as defined in the Articles) or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. The board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in the Cayman Islands or such other place at which the principal register is kept in accordance with the Companies Law.

The board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

The board may decline to recognise any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the Articles) may determine to be payable or such lesser sum as the Directors may from time to time require is paid to the Company in respect thereof, the instrument of transfer, if applicable, is properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

APPENDIX IV SUMMARY OF THE PRINCIPAL TERMS OF THE NEW ARTICLES

The registration of transfers may be suspended and the register closed on giving notice by advertisement in a relevant newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the Articles), at such times and for such periods as the board may determine and either generally or in respect of any class of shares. The register of members shall not be closed for periods exceeding in the whole thirty (30) days in any year.

(K) POWER FOR THE COMPANY TO PURCHASE ITS OWN SHARES

The Company is empowered by the Companies Law and the Articles to purchase its own Shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by any Designated Stock Exchange (as defined in the Articles).

(L) POWER FOR ANY SUBSIDIARY OF THE COMPANY TO OWN SHARES IN THE COMPANY AND FINANCIAL ASSISTANCE TO PURCHASE SHARES OF THE COMPANY

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the Articles) and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

(M) DIVIDENDS AND OTHER METHODS OF DISTRIBUTION

Subject to the Companies Law, the Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

APPENDIX IV SUMMARY OF THE PRINCIPAL TERMS OF THE NEW ARTICLES

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit. The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(N) PROXIES

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. 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 a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the

APPENDIX IV SUMMARY OF THE PRINCIPAL TERMS OF THE NEW ARTICLES

same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(O) CALL ON SHARES AND FORFEITURE OF SHARES

Subject to the Articles and to the terms of allotment, the board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the board determines.

(P) INSPECTION OF REGISTER OF MEMBERS

Pursuant to the Articles the register and branch register of members shall be open to inspection for at least two (2) hours during business hours by members without charge, or by any other person upon a maximum payment of HK\$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Companies Law or, upon a maximum payment of HK\$1.00 or such

APPENDIX IV SUMMARY OF THE PRINCIPAL TERMS OF THE NEW ARTICLES

lesser sum specified by the board, at the Registration Office (as defined in the Articles), unless the register is closed in accordance with the Articles.

(Q) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

Save as otherwise provided by the Articles the quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

A corporation being a member shall be deemed for the purpose of the Articles to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

(R) RIGHTS OF THE MINORITIES IN RELATION TO FRAUD OR OPPRESSION

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Cayman law, as summarised in paragraph 3(f) of this Appendix.

(S) PROCEDURES ON LIQUIDATION

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if the Company shall be wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively and (ii) if the Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

APPENDIX IV SUMMARY OF THE PRINCIPAL TERMS OF THE NEW ARTICLES

If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(T) UNTRACEABLE MEMBERS

Pursuant to the Articles, the Company may sell any of the shares of a member who is untraceable if (i) all cheques or warrants in respect of dividends of the shares in question (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (ii) upon the expiry of the 12 year period, the Company has not during that time received any indication of the existence of the member; and (iii) the Company has caused an advertisement to be published in accordance with the rules of the Designated Stock Exchange (as defined in the Articles) giving notice of its intention to sell such shares and a period of three (3) months, or such shorter period as may be permitted by the Designated Stock Exchange (as defined in the Articles), has elapsed since the date of such advertisement and the Designated Stock Exchange (as defined in the Articles) has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds, it shall become indebted to the former member of the Company for an amount equal to such net proceeds.

(U) SUBSCRIPTION RIGHTS RESERVE

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

NOTICE OF ANNUAL GENERAL MEETING



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 Friday, 9 September 2016 at 10:00 a.m. for the following purposes:

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 2016;
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;
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:

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;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount 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 nominal amount of the share capital 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; and

“Right 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).”

NOTICE OF ANNUAL GENERAL MEETING

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 nominal amount of shares which may be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital 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.”

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 nominal amount of the share capital 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 nominal amount of the share capital 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.”

NOTICE OF ANNUAL GENERAL MEETING

5. **“THAT:**
- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and permission to deal in, the Shares fall to be issued pursuant to the exercise of any options granted under the new share option scheme, a copy of which marked “A” is produced to the meeting and for the purpose of identification signed by the Chairman hereof (the **“New Share Option Scheme”**), the New Share Option Scheme be and is hereby approved and adopted by the Company and that the directors of the Company be and are hereby authorised to grant options to the eligible participants under the New Share Option Scheme and to allot and issue Shares upon the exercise of any options granted thereunder and pursuant to the terms and conditions thereof, and to do all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the New Share Option Scheme; and
 - (b) the existing share option scheme adopted by the Company pursuant to an ordinary resolution passed by the shareholders of the Company on 26 February 2007 (the **“Share Option Scheme 2007”**) be and is hereby terminated with effect from the date on which the New Share Option Scheme shall become unconditional and effective, and shall cease to have any effect except that the Share Option Scheme 2007 will remain in full force and effect to the extent necessary to give effect to the exercise of any option granted under the Share Option Scheme 2007 prior to its termination, or otherwise to the extent as may be required in accordance with the rules of the Share Option Scheme 2007.”

SPECIAL RESOLUTIONS

6. **“THAT** the amended and restated memorandum of association of the Company, a copy of which is produced to the meeting and marked “B” and has been signed by the Chairman of the meeting for the purpose of identification, be and are hereby approved and adopted in substitution for and to the exclusion of the existing memorandum of association of the Company.”

NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT** the amended and restated articles of association of the Company, a copy of which is produced to the meeting and marked “C” and has been signed by the Chairman of the meeting for the purpose of identification, be and are hereby approved and adopted as the new articles of association of the Company in substitution for and to the exclusion of all of the existing articles of association of the Company.”

By Order of the Board
Zhong Fa Zhan Holdings Limited
Chow Chi Shing
Company Secretary

Hong Kong, 28 July 2016

As at the date of this notice, 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.

Notes:

- (1) For the purpose of determining the shareholders who are entitled to attend and vote at the 2016 Annual General Meeting, the Register of Members of the Company will be closed from 7 September 2016 to 9 September 2016, both days inclusive. In order to qualify for attending and voting at the 2016 Annual General Meeting, all transfer documents should be lodged for registration with Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, by 4:30 p.m. on 6 September 2016.
- (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) and the Company (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 22, 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) and the Company (www.475hk.com) respectively.