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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)

**PROPOSED AMENDMENTS TO THE MEMORANDUM AND
ARTICLES OF ASSOCIATION
AND
PROPOSED TERMINATION OF THE SHARE OPTION SCHEME 2007 AND
ADOPTION OF THE NEW SHARE OPTION SCHEME**

(1) PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The board of directors (“**Board**”) of Zhong Fa Zhan Holdings Limited (“**Company**” and together with its subsidiaries, the “**Group**”) proposed to update the existing memorandum of association due to the change of Company’s name and to make certain amendments to the existing articles of association for housekeeping purpose and for the purpose of conforming with certain amendments to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) which have become effective since its adoption.

The proposed amendments to the memorandum and articles of association are subject to the approval of the shareholders of the Company (the “**Shareholders**”) by way of special resolutions at the forth coming annual general meeting (the “**AGM**”).

(2) PROPOSED TERMINATION OF THE SHARE OPTION SCHEME 2007 AND ADOPTION OF THE NEW SHARE OPTION SCHEME

The existing 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 date of this announcement, 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.

Upon the proposed termination of the Share Option Scheme 2007, no further options can be granted thereunder. The directors of the Company (the “**Directors**”) consider that the Company should adopt a new share option scheme (the “**New Share Option Scheme**”) and wish to take the opportunity of the AGM 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.

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 issued and allotted upon the exercise of the options granted under the New Share Option Scheme. In compliance with Notes (1) and (2) to Rule 17.03(3) of the Listing Rules, the total number of new shares in respect of which share options may be granted under the New Share Option Scheme and any other schemes shall not exceed 10% of the shares in issue as the date of approval of the New Share Option Scheme, unless the Company obtains approval from its Shareholders to refresh the 10% limit and on the basis that the maximum number of new shares in respect of which options may be granted and yet to be exercised under the New Share Option Scheme and any other schemes shall not exceed 30% of the shares in issue from time to time.

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 entity(ies) in which the Group holds any equity interests (the “**Invested Entity**”) (if applicable) and attract resources that are valuable to the Group or Invested Entities. The Board believes that the adoption of the New Share Option Scheme will benefit the Company’s future business development and is in the best interests of the Company and the Shareholders as a whole.

GENERAL

A circular containing, among other things, further details relating to the proposed amendments to the memorandum and articles of association and the proposed termination of the Share Option Scheme 2007 and adoption of the New Share Option Scheme will be despatched to the Shareholders as soon as possible.

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

Hong Kong, 22 July 2016

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