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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)**

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO  
THE ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 MARCH 2016**

Reference is made to the annual results announcement of Zhong Fa Zhan Holdings Limited (the “**Company**”) dated 24 June 2016 in respect of the annual results of the Group for the year ended 31 March 2016 (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have same meanings as those defined in the Announcement.

Further to the information as set out in the Announcement, the Company would like to provide additional information on certain aspect of the Group’s results and financial position for the year ended 31 March 2016.

**Business Review**

In addition to the information disclosed under the paragraph “Business Review” on the pages 14 to 15 of the English version of the Announcement, the Company would like to provide additional information on the use of net proceeds (which represent total gross proceeds less relevant expenses) amounted to approximately HK\$74.7 million received from the issue of new Shares in relation to the Suncool Subscriptions and Investors Subscriptions.

Proposed use of proceeds	Proposed	Actual	Remaining balance	Progress
	amount to be used	amount used as of 31 May 2016		
	(Approximately) HK\$'000	(Approximately) HK\$'000	(Approximately) HK\$'000	
Repayment of shareholder's loan	7,600	7,600	–	Used as intended
Development of the solar business in the PRC	50,000	7,000 (Note 1)	43,000 (Note 3)	Used as intended and the remaining balance unchanged with the original plan
General working capital	17,100	11,000 (Note 2)	6,100 (Note 4)	Used as intended and the remaining balance unchanged with the original plan
	74,700	25,600	49,100	

*Note 1:* As at 31 May 2016, approximately HK\$7 million was used for the development of solar energy business in the PRC, including approximately HK\$4 million for factory rental deposit, approximately HK\$1 million for staff training cost and technical knowledge transfer and supporting service fee paid to Suncool AB according to the License Agreement and approximately HK\$2 million for general working capital of solar energy business.

*Note 2:* As at 31 May 2016, approximately HK\$11 million was used for the general working capital of the existing businesses of the Group, including approximately HK\$7 million for staff cost and office rent and approximately HK\$4 million for other recurring operating expenses.

*Note 3:* In respect of the remaining unutilized proceeds, the Company intends to apply approximately HK\$43 million for developing the solar energy business, including approximately HK\$19 million for acquiring fixed assets, such as machinery, equipment and fixture, approximately HK\$4 million for staff training cost and technical knowledge transfer and supporting service fee paid to Suncool AB according to the License Agreement, approximately HK\$2 million for research and development and approximately HK\$18 million for general working capital purpose up to about one to two years after the commencing of production, including purchase of inventories and other recurring operating expenses, such as factory rent and salary and wages.

*Note 4:* The Company intends to apply approximately HK\$6.1 million for general working capital of the Group up to second half of the year 2016, including salary and wages, office rent, and other recurring operating expenses.

The above additional information does not affect other information contained in the Announcement and, saved as disclosed in this announcement, the content of the Announcement remains correct and unchanged.

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

Hong Kong, 14 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.*