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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)

THIRD SUPPLEMENTAL AGREEMENT
RELATING TO THE
MAJOR AND CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF
THE TARGET LAND PARCEL AND THE FACTORY

References are made to (i) the circular of Zhong Fa Zhan Holdings Limited (the “**Company**”) dated 24 August 2018 (the “**Circular**”) in relation to a major and connected transaction relating to the acquisition (the “**Acquisition**”) of the Target Land Parcel and the Factory; (ii) the announcement of the Company dated 20 September 2018 in relation to the approval of such transaction by the Independent Shareholders at the EGM; (iii) the announcements of the Company dated 28 September 2018 and 4 October 2018 in relation to the extension of long stop date of such transaction by supplemental agreement (the “**First Supplemental Agreement**”); and (iv) the announcement of the Company dated 30 November 2018 in relation to the second supplemental agreement (the “**Second Supplemental Agreement**”) and completion of the Acquisition. Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the Circular.

BACKGROUND

Pursuant to the SPA (as supplemented by the First Supplemental Agreement and the Second Supplemental Agreement), the Aggregate Consideration was RMB59,212,000 (equivalent to approximately HK\$69,028,000) (subject to adjustment). Based on the Confirmation received by the Company and as set out in the announcement of the Company dated 30 November 2018, the Aggregate Consideration had been reduced to RMB58,652,000 (equivalent to approximately HK\$68,375,000) after the necessary adjustment pursuant to the SPA (as supplemented by the First Supplemental Agreement and the Second Supplemental Agreement).

Pursuant to the SPA (as supplemented by the First Supplemental Agreement and the Second Supplemental Agreement) and as set out in the announcement of the Company dated 30 November 2018, the last instalment of the Aggregate Consideration (the “**Last Payment**”) was to be payable by the Purchaser (being a subsidiary of the Company) partly by set-off against the Leasing Deposit and partly in cash upon the later of:

- (a) the date falling on the first anniversary of the date of the SPA; and
- (b) completion of the Acquisition (“**Completion**”).

Completion took place on 30 November 2018. The first anniversary of the date of the SPA falls on 24 April 2019.

An aggregate amount of RMB26,000,000 (equivalent to approximately HK\$30,310,000) had been paid by the Group to the Vendor in compliance with the SPA (as supplemented by the First Supplemental Agreement and the Second Supplemental Agreement). As at the date of this announcement, the Last Payment amounts to RMB32,652,000 (equivalent to approximately HK\$38,065,000).

THE THIRD SUPPLEMENTAL AGREEMENT

On 23 April 2019 (after trading hours), the Company, the Purchaser and the Vendor entered into a third supplemental agreement (the “**Third Supplemental Agreement**”) to the SPA (as supplemented by the First Supplemental Agreement and the Second Supplemental Agreement) with a view to amending the time for payment of the Last Payment such that it shall be payable by the Purchaser as to (a) RMB3,795,000 (equivalent to approximately HK\$4,424,000) by set-off against the Leasing Deposit; and (b) the remaining amount (being RMB28,857,000 (equivalent to approximately HK\$33,641,000)) in cash, upon the later of:

- (x) 30 June 2019; and
- (y) Completion.

Save for the above, all other terms and conditions of the SPA (as supplemented by the First Supplemental Agreement and the Second Supplemental Agreement) shall remain unchanged and continue in full force and effect.

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

Hong Kong, 23 April 2019

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

For the purpose of this announcement, conversion of RMB to HK\$ is based on the approximate exchange rate of HK\$1.00 to RMB0.8578.