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Chen Xing Development Holdings Limited

辰興發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2286)

DISCLOSEABLE TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE TO A JOINT VENTURE COMPANY

On 2 January 2019, the Loan Agreement was entered into between the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower, pursuant to which the Lender agreed to provide the Borrower the Loan in an amount of RMB102.6 million (equivalent to approximately HK\$116.9 million) for a period of twelve months commencing from 3 January 2019 until 2 January 2020. The Borrower is beneficially owned as to 49% by the Lender and 51% by Yunnan Metropolitan. Apart from Yunnan Metropolitan being a shareholder of the Borrower, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Yunnan Metropolitan and its ultimate beneficial owners are Independent Third Parties. The proceeds from the Loan made to the Borrower will be used primarily for property development purpose or working capital of the Borrower. Yunnan Metropolitan has agreed to provide its 51% equity interests in the Borrower as security for repayment of 51% of the Loan (inclusive of interests).

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the financial assistance which comprises the annual interest income to the Group and the Loan granted to the Borrower under the Loan Agreements exceeds 5% but less than 25% and all of the applicable percentage ratios are less than 25%, the provision of the financial assistance under the Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from circular and shareholders' approval requirements under the Listing Rules.

PROVISION OF FINANCIAL ASSISTANCE

On 2 January 2019, a Loan Agreement was entered into between the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower, pursuant to which the Lender agreed to provide the Borrower the Shareholder's Loan in an amount of RMB102.6 million (equivalent to approximately HK\$116.9 million) for a period of twelve months. The principal terms of the Loan Agreement are set out below:

Principal terms relating to the Loan

Date:	2 January 2019
Drawdown date:	3 January 2019
Lender:	Chenxing Real Estate Development Co., Ltd* (辰興房地產發展有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
Borrower:	Xishuangbanna Yunchen Real Estate Co., Ltd* (西雙版納雲辰置業有限公司), a company incorporated in the PRC with limited liability
Principal loan amount:	RMB102.6 million (equivalent to approximately HK\$116.9 million)
Interest rate:	12% per annum
Repayment:	Subject as otherwise provided in the Loan Agreement, the Borrower shall repay on the date falling twelve months commencing from 3 January 2019 until 2 January 2020
Security:	Yunnan Metropolitan has agreed to provide its 51% equity interests in the Borrower as security for repayment of 51% of the Loan (inclusive of interests).

REASONS FOR AND THE BENEFITS OF PROVISION OF THE FINANCIAL ASSISTANCE

The Borrower is principally engaged in property development and investment in Yunnan Province, the PRC. The proceeds from the Shareholder's Loan made to the Borrower will be primarily used for property development purpose or working capital of the Borrower.

The Loan under the Loan Agreement will be funded by the Group's internal resources. The Directors consider that the provision of the financial assistance will provide the Borrower with the resources to pursue new business opportunities in Yunnan Province, the PRC, while also providing the Group with interest income which is in line or better than the interest rate available in the market.

In view of the above, the Board considers that the provision of the financial assistance under the Loan Agreement is in the interests of the Group and the Shareholders as a whole and the terms of the Loan Agreement are on normal commercial terms and are fair and reasonable.

INFORMATION ON THE BORROWER

The Borrower is a joint venture company established under the laws of the PRC with limited liability on 6 November 2018 and is owned as to 49% by the Lender and 51% by Yunnan Metropolitan. The Borrower is principally engaged in property development and investment in Yunnan Province, the PRC.

INFORMATION ON THE GROUP AND THE LENDER

The Group is principally engaged in property development focusing on development projects of residential and commercial properties. The Lender is a company established under the laws of the PRC with limited liability and is an indirectly wholly-owned subsidiary of the Company.

INFORMATION ON YUNNAN METROPOLITAN

Yunnan Metropolitan is a company incorporated in the PRC with limited liability and is principally engaged in property development and investment. Apart from Yunnan Metropolitan being a shareholder of the Borrower, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Yunnan Metropolitan and its ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the financial assistance which comprises annual interest income to the Group and the Loan granted to the Borrower under the Loan Agreements exceeds 5% but less than 25% and all of the applicable percentage ratios are less than 25%, the provision of the financial assistance under the Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from circular and shareholders' approval requirements under the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of Directors of the Company
“Borrower”	Xishuangbanna Yunchen Real Estate Co., Ltd* (西雙版納雲辰置業有限公司), a company incorporated in the PRC with limited liability and is a joint venture company which is owned as to 49% by the Lender and 51% by Yunnan Metropolitan
“Business Day”	means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong

“Company”	Chen Xing Development Holdings Limited (辰興發展控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on Main Board of the Stock Exchange
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person or company who/which are not connected with (within the meaning of the Listing Rules) and are independent of the directors, chief executives and substantial shareholders of the Group or any of their respective associates
“Lender”	Chenxing Real Estate Development Co., Ltd* (辰興房地產發展有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the short term loan with principal amount of RMB102.6 million (equivalent to approximately HK\$116.9 million) granted by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	the short term loan facility agreement dated 2 January 2019 entered into between the Lender and the Borrower in respect of the Loan
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder’s Loan”	the term loan with principal amount of RMB102.6 million granted by the Lender to the Borrower pursuant to the Loan Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yunnan Metropolitan”	Yunnan Metropolitan Real Estate Development Co., Ltd* (雲南城投置業股份有限公司), a company incorporated in the PRC with limited liability and is the holder of 51% equity interest in the Borrower
“%”	per cent

* *The English translation of Chinese names or words in this announcement is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words*

For illustration purpose, amounts in RMB in this announcement have been translated in to HK\$ at the exchange rate of RMB1=HK\$1.139.

By order of the Board
Chen Xing Development Holdings Limited
Bai Xuankui
Chairman

Shanxi, the PRC, 2 January 2019

As at the date of this announcement, the executive Directors of the Company are Mr. Bai Xuankui, Mr. Bai Wukui, Mr. Bai Guohua and Mr. Dong Shiguang and the independent non-executive Directors of the Company are Mr. Gu Jiong, Mr. Tian Hua and Mr. Qiu Yongqing.