

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHEN XING

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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO MAJOR AND CONNECTED TRANSACTION

(1) ACQUISITION OF THE EQUITY INTEREST IN A NON-WHOLLY OWNED SUBSIDIARY

AND

(2) CAPITAL INJECTION IN MIANYANG CHENXING

Reference is made to the announcement of the Company dated 8 January 2024 (the “**Announcement**”) in respect of the major and connected transaction in relation to the Acquisition and Capital Injection. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings ascribed to them in the Announcement.

The Board would like to provide the Shareholders and potential investors of the Company with the following additional information in relation to the Acquisition and Capital Injection.

The Acquisition

As disclosed in the Announcement, the consideration of the Acquisition of RMB45,000,000 was determined after arm’s length negotiations among the Purchaser and the Vendor with reference to the net asset value of Sichuan Chenxing (after deduction of dividend to be distributed) as at 30 June 2022. The adjusted unconsolidated net asset value of Sichuan Chenxing was RMB283.8 million, which was determined based on the unconsolidated net asset value of Sichuan Chenxing of RMB685.4 million as at 30 June 2022 according to the independent auditors’ report, as adjusted by the dividend to be distributed of RMB401.6 million. The consideration of RMB45,000,000 represented approximately 16.1074% of the adjusted unconsolidated net asset value of Sichuan Chenxing.

The unaudited unconsolidated net asset value of Sichuan Chenxing (after deduction of dividend to be distributed) was RMB288.6 million as at 30 September 2023. For illustrative purpose only, the consideration of the Acquisition represented a discount of approximately 3.19% of the 16.1074% of the unaudited unconsolidated net asset of Sichuan Chenxing as at 30 September 2023. As (i) the Directors considered that there was no material difference between the net asset value of Sichuan Chenxing as at 30 September 2023 and that as at 30 June 2022; and (ii) the consideration had been determined during the early stage of the negotiation between the parties and no subsequent auditors' report was issued, the Purchaser and the Vendor agreed to determine the consideration of the Acquisition based on the net asset value of Sichuan Chenxing as at 30 June 2022.

As disclosed in the paragraph headed “Reasons and Benefits of the Acquisition and Capital Injection” in the Announcement and based on the above, the Directors consider the terms of the Equity Transfer Agreement are fair and reasonable and in the interest of the Company and its shareholders as a whole.

The Capital Injection

As Mianyang Chenxing will remain as a subsidiary of the Group after the completion of the Capital Injection, the gain or loss arising from the Capital Injection will not be recognised in the consolidated income statement of the Group.

As disclosed in the paragraph headed “Reasons and Benefits of the Acquisition and Capital Injection” in the Announcement, the Directors consider the terms of the Capital Injection Agreement are fair and reasonable and in the interest of the Company and its shareholders as a whole.

This announcement is supplemental to and should be read in conjunction with the Announcement. Save as disclosed above, all other information as set out in the Announcement remains unchanged.

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

Shanxi, the People's Republic of China, 7 February 2024

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. Tian Hua, Mr. Qiu Yongqing and Ms. Gao Jianhua.