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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

CORNERSTONE INVESTMENT IN JINSHANG BANK CO., LTD.

The Board is pleased to announce that on 27 June 2019, Chen Xing Real Estate (as investor), an indirect wholly-owned subsidiary of the Company, entered into the Cornerstone Investment Agreement with Jinshang Bank (as issuer), CCB International Capital Limited, China International Capital Corporation Hong Kong Securities Limited and CMB International Capital Limited (as joint sponsors and joint representatives) and Jinzhong Chenxinghui, an indirect wholly-owned subsidiary of the Company (as guarantor), pursuant to which Chen Xing Real Estate has agreed to pay a consideration of US\$22 million to acquire the Investor Shares at the Offer Price as part of the International Offering through the Joint Representatives (and/or their affiliates) in their capacity as the representatives of the international underwriters of the relevant portion of the International Offering.

Since the highest relevant applicable percentage ratio (as defined under the Listing Rules) in respect of the Cornerstone Investment exceeds 5% but is less than 25%, the Cornerstone Investment constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under the Listing Rules.

I. BACKGROUND

The Board is pleased to announce that on 27 June 2019, Chen Xing Real Estate (as investor), a wholly-owned subsidiary of the Company, entered into the Cornerstone Investment Agreement with Jinshang Bank (as issuer), CCB International Capital Limited, China International Capital Corporation Hong Kong Securities Limited and CMB International Capital Limited (as joint sponsors and joint representatives) and Jinzhong Chenxinghui (as guarantor), pursuant to which Chen Xing Real Estate has agreed to pay a consideration of US\$22 million to acquire the Investor Shares at the Offer Price as part of the International Offering through the Joint Representatives (and/or their affiliates) in their capacity as the representatives of the international underwriters of the relevant portion of the International Offering.

II. THE CORNERSTONE INVESTMENT AGREEMENT

The principal terms of the Cornerstone Investment Agreement are as follows:

Date: 27 June 2019

Parties: (1) Chen Xing Real Estate, as investor;

(2) Jinshang Bank, as issuer;

(3) Jinzhong Chenxinghui, as guarantor; and

(4) CCB International Capital Limited, China International Capital Corporation Hong Kong Securities Limited and CMB International Capital Limited as joint sponsors and joint representatives.

To the best of Directors' knowledge, information and belief, having made all reasonable enquiry, each of Jinshang Bank, the Joint Sponsors and Joint Representatives and their respective ultimate beneficial owners are Independent Third Parties.

The Cornerstone Investment:

Subject to the conditions set out in the paragraph headed "Conditions precedent" below being fulfilled (or waived by the parties, except that conditions (a), (b), (c) and (d) cannot be waived and condition (e) could only be waived by Jinshang Bank, the Joint Sponsors and the Joint Representatives) and other terms and conditions of the Cornerstone Investment Agreement, Chen Xing Real Estate will:

- (a) acquire the Investor Shares at the Offer Price as part of the International Offering through the Joint Representatives (and/or their affiliates) in their capacity as the representatives of the international underwriters of the relevant portion of the International Offering; and
- (b) pay the aggregate Offer Price and the related brokerage, transaction levies and trading fees in respect of the Investor Shares on the Listing Date.

The number of Investor Shares to be subscribed by Chen Xing Real Estate shall be calculated by dividing (1) the amount of Hong Kong dollars equivalent to US\$22,000,000 (to be calculated at exchange rate to be published by The Hongkong Shanghai Banking Corporation after the close of business on the business date immediately prior to the date on which the Offer Price is fixed for the purposes of the Global Offering) by (2) the Offer Price (exclusive of the brokerage and the Stock Exchange trading fee and the SFC transaction levy which Chen Xing Real Estate shall pay in respect of the Investor Shares), rounded down to the nearest whole board lot of 1,000 CJB H Shares. If there is an over-subscription under the Hong Kong Public Offering as stipulated under the "Structure of the Global Offering — Hong Kong Public

Offering — Reallocation” section of the prospectus of Jinshang Bank to be issued, the actual number of Investor Shares may be reduced proportionally to satisfy the requirements under the Hong Kong Public Offering. Furthermore, Jinshang Bank and the Joint Representatives has the discretion to adjust the number of Investor Shares to satisfy the requirements under Rule 8.08(3) of the Listing Rules, which requires that not more than 50% of the CJB H Shares in public hands at the time of listing can be beneficially owned by the three largest public shareholders.

The Investor Shares will, when delivered, be fully paid and free from all options, liens, charges, mortgages, pledges, claims, equities, encumbrances and other third party rights and shall rank *pari passu* with CJB H Shares then in issue and to be listed on the Stock Exchange.

Jinshang Bank is seeking a listing on the Main Board of the Stock Exchange by way of a Global Offering comprising (i) the Hong Kong Public Offering and (ii) the International Offering. The Cornerstone Investment shall be deemed as part of the International Offering.

Jinshang Bank has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, among other things, the Investor Shares.

Consideration and payment:

The aggregate consideration payable by Chen Xing Real Estate under the Cornerstone Investment Agreement comprises (i) the aggregate Offer Price in respect of the Investor Shares, being (1) the number of the Investor Shares multiply by (2) the Offer Price; and (ii) the related brokerage, transaction levies and trading fees in respect of the Investor Shares. The Board confirms that the maximum aggregate consideration payable by Chen Xing Real Estate under the Cornerstone Investment Agreement will not exceed US\$22 million. The consideration will be settled in cash.

Chen Xing Real Estate shall make full payment in Hong Kong dollars at the aggregate Offer Price for all of the Investor Shares and the related brokerage, transaction levies and trading fees to the Joint Representatives by same day value credit on or before 8:00 a.m. Hong Kong time on the Listing Date in Hong Kong dollars by wire transfer in immediately available clear funds without any deduction or set-off to such Hong Kong dollar bank account as may be notified to Chen Xing Real Estate by the Joint Representatives in writing no later than one clear business day prior to the Listing Date.

The consideration was determined after arm’s length negotiations between the parties to the Cornerstone Investment Agreement based on the size of investment as offered by Jinshang Bank and accepted by Chen Xing Real Estate, the prospect of Jinshang Bank and current market conditions. The Board intends to finance the payment of the consideration by the Group’s internal financial resources.

Conditions precedent:

Chen Xing Real Estate's obligation under the Cornerstone Investment Agreement to acquire, and Jinshang Bank's, the Joint Sponsors' and the Joint Representatives (and/or their affiliates') obligations to issue, place, allocate and/or deliver (as the case may be), the Investor Shares pursuant to the Cornerstone Investment Agreement are conditional only upon each of the following conditions having been satisfied or waived (except that conditions (a), (b), (c) and (d) could not be waived, and condition (e) could only be waived by Jinshang Bank, the Joint Sponsors and the Joint Representatives) at or prior to the closing:

- (a) the underwriting agreement for the Hong Kong Public Offering and the underwriting agreement for the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the respective underwriting agreements and neither of the aforesaid underwriting agreements having been terminated;
- (b) the Offer Price having been agreed by Jinshang Bank and the Joint Representatives (for themselves and on behalf of the international underwriters);
- (c) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, CJB H Shares (including the Investor Shares and other applicable waivers and approvals) and that such approval, permission or waivers having not been revoked before commencement of dealings of the CJB H Shares on the Stock Exchange;
- (d) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of any of the transactions contemplated in the Hong Kong Public Offering, the International Offering or herein and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (e) the respective representations, warranties, undertakings and confirmations of Chen Xing Real Estate and Jinzhong Chenxinghui (as guarantor) in the Cornerstone Investment Agreement (as of the date of the Cornerstone Investment Agreement) are and (as of the Listing Date and the delivery date, including delayed delivery date) will be accurate and true in all respects and not misleading and that there is no material breach of the Cornerstone Investment Agreement on the part of Chen Xing Real Estate.

If (i) any of the conditions set out above has not been fulfilled or if such condition(s) have not been waived (except that conditions (a), (b), (c) and (d) could not be waived, and condition (e) could only be waived by Jinshang Bank, the Joint Sponsors and the Joint Representatives) on or before the date that is 180 days after the Cornerstone Investment Agreement (or such other date as may be agreed among Jinshang Bank, Chen Xing Real Estate, the Joint Sponsors and the Joint Representatives); or (ii) the Global Offering is not completed as contemplated in the public documents which may be issued by Jinshang Bank in connection with the Global Offering, the obligation of Chen Xing Real Estate to purchase, and Jinshang Bank's and the

Joint Representatives' obligations to issue, place and/or allocate and deliver (as the case may be), the Investor Shares shall cease and any amount paid by Chen Xing Real Estate will be repaid to Chen Xing Real Estate without interest (in any event no later than 30 days after the termination of the Cornerstone Investment Agreement) and the Cornerstone Investment Agreement will terminate and be of no effect and all obligations or liabilities on the part of Jinshang Bank, the Joint Sponsors and the Joint Representatives shall cease and terminate, provided that termination of the Cornerstone Investment Agreement pursuant to this clause shall be without prejudice to the accrued rights or liabilities of Jinshang Bank to Chen Xing Real Estate pursuant to the terms herein at or before such termination.

Restrictions on Disposal

Chen Xing Real Estate agrees, covenants and undertakes to Jinshang Bank, each of the Joint Sponsors and the Joint Representatives that unless it has obtained prior written consent of Jinshang Bank, the Joint Sponsors and the Joint Representatives, they will not, and will cause their affiliates not to, whether directly or indirectly, at any time during the period of six months starting from and inclusive of the Listing Date (the “**Lock-up Period**”), (i) dispose of any Investor Shares or any company or entity (directly or indirectly) holding any Investor Shares in any way (including disposing any relevant shares or interests owned by any company or entity that is convertible or exchangeable or used to acquire any or hold any Investor Shares); (ii) allow itself to change in control (as defined in the Codes on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission) at the ultimate beneficial owner level; (iii) agree or contract to or publicly announce any intention to enter into any aforesaid transactions; and (iv) enter into any transactions directly or indirectly with the same economic effect as any aforesaid transactions.

After the expiry of the Lock-up Period as mentioned above, Chen Xing Real Estate and Jinzhong Chenxinghui shall, subject to requirements under applicable laws, be free to dispose of any Relevant Shares provided that Chen Xing Real Estate shall ensure that any such disposal does not create a disorderly or false market in the CJB H Shares and is in compliance with the SFO and all other applicable laws, rules and regulations relating to securities transactions of all competent jurisdictions and shall use their best endeavours to notify Jinshang Bank, the Joint Sponsors and the Joint Representative in writing prior to the disposal; and Chen Xing Real Estate will not enter into any such transaction with a person who engages directly or indirectly in a business that competes or potentially competes with the business of Jinshang Bank or with any other entity that is a holding company, subsidiary or associate (as defined in the Listing Rules) of such person before using its best endeavours to obtain Jinshang Bank, the Joint Sponsors and the Joint Representative' consent (such consent not be unreasonably withheld or delayed) prior to the transaction.

Closing

The Investor Shares will be acquired contemporaneously with the closing of the International Offering at such time and in such manner as shall be determined by the Joint Representative.

III. REASONS AND BENEFITS FOR THE ENTERING INTO OF THE CORNERSTONE INVESTMENT AGREEMENT

The Company believes that the Cornerstone Investment will be beneficial to the development to the Company. It will help the Company further increase its investment in the financial field and will be beneficial to the efficient coordination of management resources and the business and products of the Company and the diversification of assets of the Company.

Having considered the above, the Directors are of the view that the terms of the Cornerstone Investment Agreement are on normal commercial terms that are fair and reasonable, and the Cornerstone Investment is in the interests of the Company and the Shareholders as a whole.

IV. GENERAL

Information of the parties

The Company

The Company is principally engaged in property development focusing on development projects of residential and commercial properties.

Chen Xing Real Estate

Chen Xing Real Estate is an indirect wholly-owned subsidiary of the Company.

Jinshang Bank

Jinshang Bank is a joint stock company incorporated in the PRC with limited liability.

It is principally engaged in the business of corporate banking, retail banking and treasury business.

Jinzhong Chenxinghui

Jinzhong Chenxinghui is an indirect wholly-owned subsidiary of the Company.

Based on the application proof information pack of Jinshang Bank posted on the website of the Stock Exchange on 26 February 2019, the audited financial information of Jinshang Bank for the two financial years ended 31 December 2016 and 2017 and the unaudited financial information for the nine months ended 30 September 2018 is as below:

	For the year ended 31 December 2016 RMB	For the year ended 31 December 2017 RMB	For the nine months ended 30 September 2018 RMB (unaudited)
Profit before taxation	1,337,668,000	1,520,211,000	1,285,034,000
Profit after taxation	1,031,862,000	1,230,478,000	1,059,817,000

The audited net asset value of Jinshang Bank as at 31 December 2017 was approximately RMB14,676,294,000.

The unaudited net asset value of Jinshang Bank as at 30 September 2018 was approximately RMB15,755,415,000.

Joint Sponsors and Joint Representatives

CCB International Capital Limited is a registered institution licensed by the Securities and Futures Commission to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO.

China International Capital Corporation Hong Kong Securities Limited is a registered institution licensed by the Securities and Futures Commission to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO.

CMB International Capital Limited is a registered institution licensed by the Securities and Futures Commission to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO.

V. IMPLICATION OF THE LISTING RULES

Since the highest relevant applicable percentage ratio (as defined under the Listing Rules) in respect of the Cornerstone Investment exceeds 5% but is less than 25%, the Cornerstone Investment constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under the Listing Rules.

As completion of the Cornerstone Investment Agreement is subject to the satisfaction of the conditions precedent contained in the Cornerstone Investment Agreement which may or may not be fulfilled, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

VI. DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below:

“Board”	the board of directors of the Company;
“Chen Xing Real Estate”	Chenxing Real Estate Development Co., Ltd.* (辰興房地產發展有限公司), a company established in the PRC with limited liability, being an indirect wholly-owned subsidiary of the Company;
“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;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Cornerstone Investment”	the subscription of the Investor Shares contemplated under the Cornerstone Investment Agreement;
“Cornerstone Investment Agreement”	the cornerstone investment agreement dated 27 June 2019 entered into among Chen Xing Real Estate, Jinshang Bank, Jinzhong Chenxinghui, the Joint Sponsors and the Joint Representatives;
“CJB H Shares”	the overseas listed foreign shares in the share capital of Jinshang Bank with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange;
“Director(s)”	the director(s) of the Company;

“Global Offering”	the global offering of CJB H Shares comprising the Hong Kong Public Offering and the International Offering;
“Group”	the Company and its subsidiaries;
“HK\$” or “Hong Kong Dollar”	the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong Public Offering”	the offer for subscription of CJB H Shares by the public in Hong Kong;
“Independent Third Party(ies)”	third party(ies) independent of the Company and are not connected persons (as defined under the Listing Rules) of the Company
“International Offering”	a conditional placing outside the United States of America (including placing to professional and institutional investors in Hong Kong) in reliance on Regulation S under the United States Securities Act of 1933 and in the United States of America to qualified institutional buyers in accordance with Rule 144A under the United States Securities Act of 1933 or any other available exemption from registration under the United States Securities Act of 1933;
“Investor Shares”	such number of CJB H Shares to be purchased by Chen Xing Real Estate pursuant to the Cornerstone Investment Agreement;
“Jinshang Bank”	Jinshang Bank Co., Ltd.* (晉商銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability;
“Jinzhong Chenxinghui “	Jinzhong Chenxinghui Science & Trade Co., Ltd.* (晉中辰興匯科貿有限公司), a company established in the PRC with limited liability, being an indirect wholly-owned subsidiary of the Company;
“Joint Representatives”	the joint representatives appointed by Jinshang Bank, namely, CCB International Capital Limited, China International Capital Corporation Hong Kong Securities Limited, CMB International Capital Limited, in relation to the Global Offering;
“Joint Sponsors”	the joint sponsors appointed by Jinshang Bank, namely, CCB International Capital Limited, China International Capital Corporation Hong Kong Securities Limited, CMB International Capital Limited, in relation to the Global Offering;

“Listing Date”	the date on which CJB H Shares are first listed on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Lock-up Period”	has the meaning as set out on page 5 of this announcement;
“Offer Price”	the final Hong Kong dollar price per CJB H Share (exclusive of brokerage, transaction levies and trading fees) at which CJB H Shares are to be offered and sold pursuant to the Global Offering;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“Relevant Shares”	the Investor Shares to be purchased by Chen Xing Real Estate pursuant to the Cornerstone Investment Agreement, and any shares or other securities of China Jinshang Bank which are derived therefrom pursuant to any rights issue, capitalisation issue or other form of capital reorganisation (whether such transactions are to be settled in cash or otherwise) and any interest therefrom;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time;
“Shareholders”	the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States dollar, the lawful currency of the United States of America; and
“%”	percentage.

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

Shanxi, the PRC, 27 June 2019

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

* For identification purposes only