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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 INVESTMENT IN A LIMITED PARTNERSHIP

THE LIMITED PARTNERSHIP AGREEMENT

On 28 June 2019, Chen Xing Real Estate (an indirect wholly-owned subsidiary of the Company), entered into the Limited Partnership Agreement with other Partners. Pursuant to the Limited Partnership Agreement, the Partners thereto agreed to, among other things, invest in the Limited Partnership with an aggregate capital of RMB500 million. The Capital Commitment to be made by the Group to the Limited Partnership will be RMB250.5 million, representing 50.1% of the total Capital Commitment to be made by all Partners of the Limited Partnership, and to be satisfied in cash on or before 30 June 2024.

The business scope of the Limited Partnership covers the provision of investment advisory, industrial investment and investment consultancy services (the relevant business subject to approvals as required by the law shall only be carried out upon receiving approvals from the relevant authorities). Such business scope is subject to approval from the relevant authorities.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Group's investment in the Limited Partnership exceed(s) 5% but less than 25%, the entering into of the Limited Partnership Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

On 28 June 2019 (after trading hours), Chen Xing Real Estate (an indirect wholly-owned subsidiary of the Company), entered into the Limited Partnership Agreement with the General Partner and another Limited Partner. Principal terms of the Limited Partnership Agreement are set out as follows:

THE LIMITED PARTNERSHIP AGREEMENT

Date

28 June 2019

Parties

General partner

(1) Runhui Industrial

Limited partners

(2) Chen Xing Real Estate (an indirect wholly-owned subsidiary of the Company)

(3) Hengqin Runchuang

To the best information, knowledge and belief of the Directors, after having made all reasonable enquiries, the General Partner and the other Limited Partner and their respective ultimate beneficial owner(s) are Independent Third Parties.

Capital Commitment

The total Capital Commitment to be made by all Partners to the Limited Partnership is RMB500 million which shall be contributed by its Partners in cash as follows:

| Partners | Partners' Capital Commitment in the Limited Partnership (RMB million) | Percentage of contribution in the Limited Partnership (approx. %) |
|-----------------------|--|---|
| Runhui Industrial | 5.0 | 1 |
| Chen Xing Real Estate | 250.5 | 50.1 |
| Hengqin Runchuang | 244.5 | 48.9 |
| TOTAL | RMB500.0 | 100% |

The total amount of Capital Commitment to be made by each of the Partners to the Limited Partnership has been arrived at after arm's length negotiations among the Partners, with reference to, among others, the projected capital requirements of the Limited Partnership. Pursuant to the terms of the Limited Partnership Agreement, the capital contribution of the Partners shall be satisfied in cash on or before 30 June 2024.

The Group intends to finance its Capital Commitment of RMB250.5 million by using the self-owned capital of the Group. The Company will indirectly hold 50.1% of the equity interest in the Limited Partnership. As the Limited Partnership Agreement stipulates that unanimous decision is required to resolve any major matters related to the Limited Partnership, the financial results of the Limited Partnership will not be consolidated into the Group's financial statements.

Term of the Limited Partnership

The term of the Limited Partnership is five (5) years from the issuance date of the business licence.

Business scope of the Limited Partnership

The business scope of the Limited Partnership covers the provision of investment advisory, industrial investment and investment consultancy services (the relevant business subject to approvals as required by the law shall only be carried out upon receiving approvals from the relevant authorities). Such business scope is subject to approval from the relevant authorities.

Management of the Limited Partnership

One of the Partners will be appointed as the executive partner of the Limited Partnership (the “**Executive Partner**”) with the unanimous consent from all Partners. The Executive Partner will be solely responsible for the day-to-day management and operation of the Limited Partnership. The other Partners have the right to scrutinise the activities of the Executive Partner, who is responsible for reporting the status of Transactions and operation and financial condition of the Limited Partnership to the other Partners regularly.

If a Partner other than the Executive Partner is conducting business on behalf of the Limited Partnership, the Executive Partner has the right to object and the other Partner(s) in question shall cease to act. Any disputes arising out of or in relation of the operation matters should be determined in accordance with terms of the Limited Partnership Agreement. The other Partners could revoke the appointment of the Executive Partner should it fails to act in accordance with the Limited Partnership Agreement or unanimous decision of all Partners.

Profit and loss sharing

All the net profits (if any) of the Limited Partnership shall be payable to all Partners in proportion to their respective Paid Capital Contributions. Losses incurred by the Limited Partnership shall be borne by all Partners in the same manner as for profit sharing.

Termination

Upon termination of the Limited Partnership pursuant to the terms and consideration of the Limited Partnership Agreement, any surplus assets of the Limited Partnership, after payment of termination expenses, wages, social insurance expenses, statutory compensation, tax liabilities and outstanding debts, shall be divided among the Partners in proportion to their respective Paid Capital Contributions.

Withdrawal from the Limited Partnership

Subject to the terms and conditions of the Limited Partnership Agreement and in accordance with the Partnership Law of the PRC, a Partner may withdraw from the Limited Partnership. The remaining Partners will determine the then financial condition of the Limited Partnership and return assets to the retiring Partner in proportion to its Paid Capital Contribution. The retiring Partner shall be responsible for any losses caused to the Limited Partnership and the its entitlement to asset shall be adjusted accordingly. The determination of the financial condition will only be conducted after all outstanding Transactions have been concluded. The Partners could unanimously decide to return either cash or other assets to the retiring Partner. If assets of the Limited Partnership is less than its then liabilities at the time of a withdrawal, the retiring Partner shall bear all the losses incurred prior to its withdrawal in proportion to its Paid Capital Contributions.

REASONS FOR AND BENEFIT OF ENTERING INTO THE LIMITED PARTNERSHIP AGREEMENT

The Board is of the view that by leveraging on the experience of the General Partner and the other Limited Partner in providing investment services and the other Limited Partner's capital contribution, the Board believes the subscription of interests in the Limited Partnership as one of its Limited Partners will enable the Group to capture investment opportunities by identifying suitable investment projects and further diversify the Group's investment portfolio. Such investment in Limited Partnership is therefore in full alignment with the Group's strategy and business plans.

The Board considers that the terms of the Limited Partnership Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE GROUP

The Company is incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in property development.

INFORMATION OF THE OTHER PARTNERS

Runhui Industrial is a company established in the PRC with limited liability. It is principally engaged in providing investment services.

Hengqing Runchuang is a limited partnership established in the PRC. It is principally engaged in providing investment services.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Group's investment in the Limited Partnership exceed(s) 5% but less than 25%, the entering into of the Limited Partnership Articles constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

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|--------------------------------|---|
| “Board” | the board of Directors |
| “Capital Commitment” | the maximum amount of cash agreed to be contributed by that Partner as capital to the Limited Partnership, as such amount may be increased or decreased in accordance with the terms of the Limited Partnership Agreement |
| “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 |
| “Director(s)” | the directors of the Company from time to time |
| “General Partner” | Runhui Industrial, being the general partner of the Limited Partnership |
| “Group” | the Company and its subsidiaries |
| “Hengqing Runchuang” | “Hengqin Runchuang Investment Fund (Limited Partnership)* (橫琴潤創投資基金 (有限合夥)) , a limited partnership established in the PRC, being one of the Limited Partners and an Independent Third Party |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People's Republic of China |
| “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 |

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|---------------------------------|--|
| “Limited Partner(s)” | Chen Xing Real Estate and Hengqing Runchuang, being the limited partners of the Limited Partnership |
| “Limited Partnership” | “Shenzhen Runchen Xinghua Industrial Development Partnership Enterprise (Limited Partnership)* (深圳市潤辰興華實業發展合夥企業 (有限合夥)), a limited partnership to be established in the PRC. Such name of the Limited Partnership is subject to obtaining approval from the relevant authorities |
| “Limited Partnership Agreement” | The limited partnership agreement entered into between Runhui Industrial, Chen Xing Real Estate and Hengqing Runchuang, dated 28 June 2019 in relation to, among others, the operation and management of the Limited Partnership |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Paid Capital Contribution” | the actual paid capital contribution made by a Partner as capital to the Limited Partnership |
| “Partner(s)” | the General Partner and Limited Partners of the Limited Partnership or any one or more of them |
| “PRC” | the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Runhui Industrial” | Runhui Enterprise (Shenzhen) Limited* (潤惠實業 (深圳) 有限公司), a company established in the PRC with limited liability, being the General Partner and an Independent Third Party |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

“Transaction” the transaction contemplated under the Limited Partnership Agreement

“%” per cent.

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

Shan Xi, the PRC, 28 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*