C CHENG HOLDINGS LIMITED
思城控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1486)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement of C Cheng Holdings Limited (the "**Company**") dated 21 June 2019 (the "**Announcement**") in relation to the Tenancy Agreement. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, LWK Architecture, being an indirect wholly-owned subsidiary of the Company and as tenant, entered into the Tenancy Agreement with BMEDI, being a wholly-owned subsidiary of Beijing Enterprises Group Company Limited (a state owned enterprise in the PRC), as landlord in respect of the leasing of the Premise for a term of three years commencing from 1 July 2019 and expiring on 30 June 2022. As BMEDI, through its wholly-owned subsidiary, Beijing Design Group Company Limited, holds approximately 27.57% of the issued share capital of the Company, it is therefore a substantial shareholder and a connected person of the Company for the purposes of the Listing Rules. Accordingly, the transactions contemplated under the Tenancy Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Board wishes to supplement that under Hong Kong Financial Reporting Standard 16 "Leases" issued by the Hong Kong Institute of Certified Public Accountants which had come into effect on 1 January 2019, LWK Architecture, as lessee, shall recognise a right-of-use asset and a lease liability for the Tenancy Agreement in the statement of financial position at the company level. Accordingly, the transactions contemplated under the Tenancy Agreement on the part of LWK Architecture as lessee should be regarded as an acquisition of asset and constitute a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios in respect of the value of the right-of-use asset for the Tenancy Agreement of approximately HK$4,957,000 is more than 0.1% but less than 5%, the transactions contemplated under the Tenancy Agreement are therefore subject to the reporting and announcement requirements but are exempted from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

By order of the Board
C Cheng Holdings Limited
Liang Ronald
Chairman and Executive Director

Hong Kong, 24 September 2019

As at the date of this announcement, the executive Directors are Mr. Liang Ronald, Mr. Liu Gui Sheng, Mr. Fu Chin Shing, Mr. Wang Jun You, Mr. Liu Yong and Mr. Ma Kwai Lam Lambert, and the independent non-executive Directors are Mr. Lo Wai Hung, Mr. Yu Chi Hang and Ms. Su Ling.