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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 EXTENSION OF LOAN ARRANGEMENT**

#### **EXTENSION OF LOAN ARRANGEMENT**

The Board announces that on 2 January 2020, the Lender entered into the Loan Extension Agreement with the Borrower to extend the maturity date of the Loan by 12 months from 3 January 2020 to 2 January 2021.

#### **LISTING RULES IMPLICATION**

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 Extended Loan granted to the Borrower under the Loan Extension Agreement 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 Extension 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.

Reference is made to the announcement of the Company dated 2 January 2019 (the “**Announcement**”) in relation to the Loan Agreement 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\$111.8 million). Unless the context requires otherwise, capitalised terms use in this announcement shall have the same meanings as defined in the Announcement.

## **EXTENSION OF LOAN ARRANGEMENT**

On 2 January 2020, the Lender entered into the Loan Extension Agreement with the Borrower to extend the maturity date of the Loan by 12 months from 3 January 2020 to 2 January 2021. Save as disclosed herein, all other terms and provisions of the Loan Agreement shall remain unchanged and in full force and effect. For details of the terms and provisions of the Loan Agreement, please refer to the announcement of the Company dated 2 January 2019.

## **REASONS FOR AND THE BENEFITS OF PROVISION OF THE EXTENDED LOAN**

The Directors consider that the Extended Loan will provide the Group with additional interest income which is in line or better than the interest rate available in the market.

The terms of the Loan Extension Agreement were arrived at after arm's length negotiations between the Lender and the Borrower, the Board considers that the Extended Loan under the Loan Extension Agreement is in the interests of the Group and the Shareholders as a whole and the terms of the Loan Extension Agreement are on normal commercial terms and are fair and reasonable.

## **LISTING RULES IMPLICATIONS**

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 Extended Loan granted to the Borrower under the Loan Extension Agreement 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 Extension 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.

## **THE DELAY**

As the transactions contemplated under the Loan Agreement which are discloseable transactions of the Company have already been announced on 2 January 2019, the Directors mistakenly believed that announcement is not necessary for the transactions contemplated under the Loan Extension Agreement. Hence, the disclosure obligation under Rule 14.36 of the Listing Rules was inadvertently overlooked.

Going forward, the Company will strengthen its internal control in monitoring the advances to entities or affiliated companies and the terms of loan agreements by, among other things, provision of specific training on relevant requirements of the Listing Rules to the relevant staff who is responsible for monitoring any such transactions and enhance the internal reporting procedures in respect of transactions of this nature.

## DEFINITIONS

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

“Extended Loan”	the loan as extended by the Loan Extension Agreement
“Loan Extension Agreement”	the loan extension agreement to the Loan Agreement dated 2 January 2020 entered into between the Lender and the Borrower in respect of the extension of the maturity date of the Loan from 3 January 2020 to 2 January 2021

*For illustration purpose, amounts in RMB in this announcement have been translated in to HK\$ at the exchange rate of RMB1=HK\$1.09*

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

Hong Kong, 3 April 2020

*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.*