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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)

PROPOSED RIGHTS ISSUE OF RIGHTS SHARES ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY FIVE EXISTING SHARES HELD ON THE RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS

Underwriter and Financial Adviser

山證國際
SSIF

PROPOSED RIGHTS ISSUE

The Company proposes to raise approximately HK$150.0 million before expenses by way of the Rights Issue on the basis of one Rights Share for every five Existing Shares held by each Qualifying Shareholder on the Record Date at the Subscription Price of HK$1.50 per Rights Share.

Not more than 99,999,989 nil-paid Rights Shares are proposed to be provisionally allotted, representing approximately 20.00% of the Company's existing issued share capital and approximately 16.67% of the Company's enlarged issued share capital as enlarged by the issue of the Rights Shares.

Pursuant to the Underwriting Agreement dated 11 January 2019, the Underwriter has conditionally agreed to fully underwrite all the Rights Shares on the terms and conditions set out in the Underwriting Agreement, other than the Rights Shares agreed to be taken up by White Dynasty BVI pursuant to the Irrevocable Undertaking.

As at the date of this announcement, White Dynasty BVI and its associates are interested in 289,120,000 Shares, representing approximately 57.83% of the total number of Shares in issue. Pursuant to the Irrevocable Undertaking, White Dynasty BVI has irrevocably undertaken to the Company, among other things, that (i) it and its associates will not, within the period commencing from the date of the Underwriting Agreement and ending on the Settlement Date, transfer or otherwise dispose of, or create any right in respect of, any Shares held by it, and (ii) subject to fulfilment of the conditions of the Rights Issue and the Underwriting Agreement not having been terminated in accordance with its terms, it will take up its provisional entitlements under the Rights Issue. Save for those Rights Shares which White Dynasty BVI has irrevocably undertaken to take up, the Rights Issue is fully underwritten by the Underwriter.

The Underwriter and its ultimate beneficial owners are independent third parties and not connected with the Company and its connected persons (as defined under the Listing Rules).

TRADING ARRANGEMENTS

The last day of dealings in the Shares on a cum-rights basis is expected to be on Monday, 28 January 2019. The Shares are expected to be dealt in on an ex-rights basis from Tuesday, 29 January 2019.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the Record Date (currently Monday, 11 February 2019) and be a Qualifying Shareholder. The register of members of the Company will be closed from Thursday, 31 January 2019 to Monday, 11 February 2019 (both dates inclusive) during which period no transfer of Shares will be registered. In order to be registered as a member of the Company as at the Record Date, all transfer documents of the Shares must be lodged (together with the relevant share certificate(s)) with Computershare Hong Kong Investor Services Limited by 4:30 p.m. (Hong Kong time) on Wednesday, 30 January 2019. For further details, please refer to the section headed "Expected Timetable" in this announcement.

GENERAL

As the proposed Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders in a general meeting under the Listing Rules. The Prospectus Documents setting out details of the Rights Issue will be despatched to the Shareholders as soon as practicable.

The Underwriter will subscribe for Rights Shares not taken up by Qualifying Shareholders (other than White Dynasty BVI). Further, the Company has made arrangements for Qualifying Shareholders to apply for Rights Shares in excess of their entitlements under the Rights Issue in accordance with Rule 7.21 of the Listing Rules.

WARNING OF THE RISKS OF DEALINGS IN SHARES AND THE NIL-PAID RIGHTS SHARES

It should be noted that the Rights Issue is conditional upon several conditions, details of which are set out in the section headed "Underwriting — Conditions of the Rights Issue" in the full text of this announcement. The obligation of the Underwriter to underwrite the relevant Rights Shares is conditional on (i) the satisfaction (or waiver, where applicable) of, among other things, the conditions referred to in the section headed "Underwriting — Conditions of the Rights Issue" in this announcement, and (ii) the Underwriting Agreement not being terminated by the Underwriter in accordance with its terms. If the conditions are not fulfilled (or waived, where applicable) or the Underwriting Agreement is terminated pursuant to its terms, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Friday, 15 February 2019 to Friday, 22 February 2019 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

PROPOSED RIGHTS ISSUE

The Company proposes to raise equity capital by way of the Rights Issue on the principal terms set out below.

Issue Statistics

Basis of the Rights Issue	:	one Rights Share for every five Existing Shares
Number of Shares in issue as at the date of this announcement	:	500,000,000 Shares
Number of outstanding options	:	The Company has no outstanding options, warrants or other securities convertible into or giving rights to subscribe for Shares as at the date of this announcement.

Number of Rights Shares to be issued under the Rights Issue	:	Up to 99,999,989 Rights Shares (assuming no Shares are allotted and issued or repurchased on or before the Record Date and full subscription under the Rights Issue)
Subscription price	:	HK$1.50 per Rights Share
Amount to be raised	:	Approximately HK$150.0 million before expenses

The number of 99,999,989 nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represent approximately 20.00% of the Company's issued share capital as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares, assuming no Shares (other than the Rights Shares) are allotted and issued or repurchased on or before the Record Date and full subscription under the Rights Issue.

As the proposed Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders in a general meeting under the Listing Rules.

Qualifying Shareholders

The Company expects to send the Prospectus Documents to the Qualifying Shareholders on or before Wednesday, 13 February 2019. To the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders (if any) for their information only, but will not send any PAL or EAF to them.

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder or an investor must: (i) be registered as a member of the Company at the close of business on the Record Date; and (ii) not be a Non-Qualifying Shareholder.

The last day for dealing in the Shares on a cum-rights basis is Monday, 28 January 2019. The Shares will be dealt with on an ex-rights basis from Tuesday, 29 January 2019.

In order to be registered as a member of the Company on the Record Date so as to qualify for the Rights Issue, any transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 30 January 2019.

The latest time for acceptance is expected to be 4:00 p.m. on the Acceptance Date.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Closure of Register of Members

For the purpose of determining entitlements to the Rights Issue, the register of members of the Company will be closed from Thursday, 31 January 2019 to Monday, 11 February 2019, both dates inclusive. No transfer of Shares will be registered during this period.

Non-Qualifying Shareholders

As at the date of this announcement, there were no Overseas Shareholders. Therefore, the Prospectus Documents are not intended to be registered or filed under the applicable securities legislation or equivalent legislation of any jurisdictions other than Hong Kong.

However, if there are Overseas Shareholders as at the Record Date, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders, bearing in mind Rule 13.36(2)(a) of the Listing Rules, and will only exclude from the Rights Issue the Overseas Shareholders whom the Directors, after making enquiries, consider necessary or expedient to exclude on account of either the legal restrictions under the laws of the relevant jurisdictions or any requirements of the relevant regulatory bodies or stock exchanges in such jurisdictions. The basis of exclusion of the Non-Qualifying Shareholders from the Rights Issue, if any, will be disclosed in the Prospectus.

The Company will not offer Rights Shares to Non-Qualifying Shareholders, if any, and will make no provisional allotment of Rights Shares to them. The Company will, subject to the advice of the Company's legal advisers in the relevant jurisdiction(s) where the Non-Qualifying Shareholders are located and to the extent reasonably practicable, send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send any PAL and EAF to them.

Arrangements will be made for any Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders (had they been Qualifying Shareholders) to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before dealings in the nil-paid Rights Shares end, if a premium in excess of all expenses of sale can be obtained. The aggregate net proceeds of such sale will be distributed by the Company to the Non-Qualifying Shareholders (pro-rata to their respective shareholdings on the Record Date) in Hong Kong dollars, provided that if any of such Non-Qualifying Shareholders would be entitled to a sum not exceeding HK$100, such sum will be retained by the Company for its own benefit. Any unsold nil-paid Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders under the EAFs.

Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares.

Subscription Price

The subscription price for the Rights Shares is HK$1.50 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, upon application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for Rights Shares.

The Subscription Price represents:

(a) a discount of approximately 5.66% to the Last Closing Price;

(b) a discount of approximately 5.06% to the theoretical ex-rights price of approximately HK$1.58 per Share, which is calculated on the basis of the Last Closing Price;

(c) a discount of approximately 4.46% to the average of the closing prices per Share for the five trading days ending on the Last Trading Day of approximately HK$1.57; and

(d) a discount of approximately 3.85% to the average of the closing prices per Share for the ten trading days ending on the Last Trading Day of approximately HK$1.56.

The Subscription Price was arrived at with reference to the market environment and prevailing Share price. After taking into consideration the reasons for the Rights Issue as stated in the section headed "Reasons for the Rights Issue and Use of Proceeds" below, the Directors consider the terms of the Rights Issue, including the Subscription Price (and the discounts to the relative values as indicated above) and in the context of the Company's long-term business strategy, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of Provisional Allotment

The basis of the provisional allotment shall be one Rights Share for every five Existing Shares. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, on or before 4:00 p.m. on the Acceptance Date. No odd lot matching services will be provided.

Fractional Entitlements to the Rights Shares

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be made available for excess application by the Qualifying Shareholders under the EAFs. No odd lot matching services will be provided.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the Registrar will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Share Certificates and Refund Cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on Thursday, 7 March 2019 to those who have accepted and (where applicable) applied for, and paid for, the Rights Shares by ordinary post at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on Thursday, 7 March 2019 by ordinary post to the applicants at their own risk.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares then in issue such that holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions the record dates of which are on or after the date of allotment and issue of the fully-paid Rights Shares.

Application for Excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for Rights Shares representing:

(a) unsold entitlements of the Non-Qualifying Shareholders (if any);

(b) entitlements provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renouncees or transferees of nil-paid Rights Shares; and

(c) aggregate fractional entitlements of nil-paid Rights Shares.

Applications for excess Rights Shares should be made only by completing an EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for. If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign an EAF and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by a time which is currently expected to be 4:00 p.m. on Wednesday, 27 February 2019, or such later time and/or date as may be agreed between the Company and the Underwriter.

The Board will allocate the excess Rights Shares at its discretion on a fair and equitable basis in proportion to the number of excess Rights Shares being applied for under each application. However, no preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Rights Shares should note that there is no guarantee that such odd lots of the Rights Shares will be topped up to create whole board lots pursuant to applications for excess Rights Shares. Further, pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any controlling shareholder or its associates (together, the "**Relevant Shareholders**"), whether in their own names or through nominees. The Company shall disregard the Relevant Shareholders' applications for excess Rights Shares to the extent that the total number of excess Right Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares. Any Rights Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter.

Investors with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names as the beneficial owner(s) on or prior to the Record Date.

Investors whose Shares are held by their nominee(s) (or which are deposited in CCASS) and who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, for completion of the relevant registration by 4:30 p.m. on Wednesday, 30 January 2019.

Application for Listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The nil-paid Rights Shares shall have the board lot size as the existing board lot size of the Shares, namely, 1,000 in one board lot. Dealings in the Rights Shares in their nil-paid and fully-paid forms will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

Rights Shares will be Eligible for Admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of Hong Kong Securities Clearing Company Limited ("**HKSCC**"), the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day after the date of the transaction. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

IRREVOCABLE UNDERTAKING

As at the date of this announcement, White Dynasty BVI and its associates are interested in 289,120,000 Shares, representing approximately 57.83% of the total number of Shares in issue. Pursuant to an undertaking provided to the Company, White Dynasty BVI has irrevocably undertaken to the Company, among other things, that (i) it and its associates will not, within the period commencing from the date of the Underwriting Agreement and ending on the Settlement Date, transfer or otherwise dispose of, or create any right in respect of, any Shares held by it, and (ii) subject to fulfilment of the conditions of the Rights Issue and the Underwriting Agreement not having been terminated in accordance with its terms, it will take up its provisional entitlements under the Rights Issue. Save for those Rights Shares which White Dynasty BVI has irrevocably undertaken to take up, the Rights Issue is fully underwritten by the Underwriter.

Other than White Dynasty BVI, the Company has not received any undertakings from any other Shareholders to subscribe for all or any of the Rights Shares to be provisionally allotted to them.

UNDERWRITING ARRANGEMENT

The Underwriting Agreement

Date	:	11 January 2019
Parties	:	The Company and the Underwriter.
Number of underwritten Rights Shares	:	Not more than 42,175,989 Rights Shares, representing all the Rights Shares (i.e. 99,999,989 Rights Shares) less the number of Rights Shares undertaken to be taken up by White Dynasty BVI pursuant to the Irrevocable Undertaking (i.e. 57,824,000 Rights Shares), and assuming no other Shares are otherwise allotted and issued or repurchased before the Record Date.
Underwriter's commission	:	The Underwriter will receive a fixed underwriting commission of HK$1.3 million, plus a discretionary bonus of 0.25% on the total amount to be raised.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to, amongst other things, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. The Board considers the terms of the Underwriting Agreement, including the commission payable by the Company, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Underwriter and its ultimate beneficial owners are independent third parties and not connected with the Company and its connected persons (as defined under the Listing Rules). The Underwriter is a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the SFO.

The Underwriter may enter into sub-underwriting arrangements with sub-underwriter(s) or appoint any person to be sub-agent(s) on its behalf for the purpose of arranging for the subscription of the underwritten Rights Shares with selected subscribers for any underwritten Rights Shares (collectively, the "**Relevant Subscribers**") with such authority and rights as the Underwriter has pursuant to its appointment under the Underwriting Agreement.

Conditions of the Rights Issue

The obligations of the Underwriter are conditional upon the satisfaction of the following conditions:

(a) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;

(b) the posting on of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purpose only, on the Prospectus Posting Date;

(c) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in the Rights Shares by no later than the first day of their dealings;

(d) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement at the Latest Time of Termination; and

(e) the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein.

The Company shall use its reasonable endeavours to procure the fulfilment of the conditions set out above by or at the time and/or date specified (or if no time or date is specified, the Latest Time for Termination), or such later time(s) as the Company and the Underwriter may agree in writing, provided such date is not later than 30 days after the Prospectus Posting Date.

If any of the conditions set out above have not been fulfilled, or waived (with respect to condition (b), generally or any part thereof) by the Underwriter, in all respects by or at the time and/or date specified therefore (or if no time or date is specified, the Latest Time for Termination), the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate and cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save in respect of any antecedent breach of any obligation under it.

Termination of the Underwriting Agreement

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination, if any of the following events occur which would, in the reasonable opinion of the Underwriter, materially and adversely affect the business, financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable for the Company or the Underwriter to proceed with the Rights Issue:

(a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever;

(b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic, currency or other nature (whether or not sui generis with any of the foregoing or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict);

(c) the occurrence of any change in market conditions or combination of circumstances in Hong Kong (including without limitation, any change in any stock market, any change in fiscal policy or money policy, or foreign exchange or currency markets, suspension or material restrict or trading in securities);

(d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;

(e) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;

(f) the Prospectus Documents when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company;

(g) any change occurs in the circumstances of the Company or any member of the Group which would materially and adversely affect the prospects of the Group as a whole;

(h) the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement; or

(i) notification by the Company or the Underwriter becoming aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated as provided in the Underwriting Agreement and the Underwriter shall in its reasonable opinion determine that any such untrue representation or warranty represents or is likely to represent a material and adverse change in the business, financial or trading position or prospects of the Group as a whole or is otherwise likely to have a material and adverse effect on the Rights Issue.

For the purposes of the termination events above, but without limiting the generality of the foregoing:

(a) a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States of America shall be an event resulting or likely to result in a change in a currency nature; and

(b) volatility in market conditions in Hong Kong or elsewhere on or before or after the date of the Underwriting Agreement shall be a factor in determining whether there has been or there is likely to be an occurrence or change in market conditions.

Upon termination of the Underwriting Agreement, the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate and cease and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save in respect of any antecedent breach of any obligation under it.

WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is conditional upon, details of which are set out in the section headed "Underwriting — Conditions of the Rights Issue" in the full text of this announcement. The obligation of the Underwriter to underwrite the relevant Rights Shares is conditional on (i) the satisfaction (or waiver, where applicable) of, among other things, the conditions referred to in the section headed "Underwriting — Conditions of the Rights Issue" in this announcement, and (ii) the Underwriting Agreement not being terminated by the Underwriter in accordance with its terms. If the conditions are not fulfilled (or waived, where applicable) or the Underwriting Agreement is terminated pursuant to its terms, the Rights Issue will not proceed.

The last day of dealings in the Shares on a cum-rights basis is expected to be on Monday, 28 January 2019. The Shares are expected to be dealt in on an ex-rights basis from Tuesday, 29 January 2019. If the conditions of the Rights Issue are not fulfilled (or waived, where applicable), the Underwriting Agreement will terminate and the Rights Issue will not proceed. If the Underwriting Agreement is terminated by the Underwriter, the Rights Issue also will not proceed.

Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Friday, 15 February 2019 to Friday, 22 February 2019 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

EXPECTED TIMETABLE

	2019
Last day of dealings in Shares on a cum-rights basis	Monday, 28 January
First day of dealings in Shares on an ex-rights basis	Tuesday, 29 January
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:30 p.m. Wednesday, 30 January
Closure of the register of members (both dates inclusive)	Thursday, 31 January to Monday, 11 February
Record Date	Monday, 11 February
Register of members re-opens	Tuesday, 12 February
Prospectus Documents expected to be despatched on	Wednesday, 13 February
First day of dealings in nil-paid Rights Shares	Friday, 15 February
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. Tuesday, 19 February
Last day of dealings in nil-paid Rights Shares	Friday, 22 February
Latest time for acceptance of and payment for Rights Shares and application and payment for excess Rights Shares	4:00 p.m. Wednesday, 27 February
Latest time for termination of the Underwriting Agreement	4:00 p.m. Thursday, 28 February
Publication of the announcement of results of acceptance and excess application of Rights Issue	Wednesday, 6 March

Refund cheques in respect of wholly or partially unsuccessful application for excess Rights Shares expected to be despatched on or before . . . . Thursday, 7 March

Share certificates for Rights Shares expected to be despatched on or before . . . Thursday, 7 March

Expected commencement of dealings in fully-paid Rights Shares . . . . .Friday, 8 March

Notes:

1. All dates and times referred to in this announcement are Hong Kong dates and times. Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by agreement between the Company and the Underwriter. Further announcement will be made in the event that there is any change to the expected timetable for the Rights Issue.

2. Effect of bad weather on the latest time for acceptance and payment for the Rights Shares and for application and payment for the excess Rights Shares:

   The latest time for acceptance and payment for the Rights Shares will not take effect if there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning. If such circumstance is:

   (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on Wednesday, 27 February 2019, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same business day; or

   (b) in force in Hong Kong at any local time before 12:00 noon and 4:00 p.m. on Wednesday, 27 February 2019, the latest Time for acceptance and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance and payment for the Rights Shares does not take effect on Wednesday, 27 February 2019, the dates mentioned above may be affected. An announcement will be made by the Company in such event.

SHAREHOLDING IN THE COMPANY

To the best knowledge, belief and information of the Directors, the below table sets out the shareholding in the Company (1) as at the date of this announcement and (2) immediately after the completion of the Rights Issue (assuming no Shares are issued or repurchased on or before the Record Date):

			Immediately after completion of the Rights Issue			
	Existing shareholding as at the date of this announcement		**Assuming all Rights Shares will be taken up by Qualifying Shareholders**		**Assuming no Rights Shares will be taken up by Qualifying Shareholders, other than White Dynasty BVI**	
Shareholders	*Number of Shares*	*Approx. %*	*Number of Shares*	*Approx. %*	*Number of Shares*	*Approx. %*
White Dynasty BVI *(Note 1)*	289,120,000	57.83	346,944,000	57.83	346,944,000	57.83
White Legend Global Holdings Limited *(Note 2)*	54,120,000	10.82	64,944,000	10.82	54,120,000	9.02
Honesty Priority Global Holdings Limited *(Note 3)*	9,023,117	1.80	10,827,740	1.80	9,023,117	1.50
Other public Shareholders	147,736,883	29.55	177,284,249	29.55	147,736,883	24.62
The Underwriter *(Note 4)*	—	—	—	—	42,175,989	7.03
Total	500,000,000	100.00	599,999,989	100.00	599,999,989	100.00

* *The above scenarios are for illustrative purpose only.*

Notes:

1. White Dynasty BVI was wholly-owned by White Empire (PTC) Limited, which was the trustee of the family trust established for the benefit of Mr. Bai Guohua, a controlling shareholder and an executive Director, Ms. Cheng Guilian (the spouse of Mr. Bai Xuankui) and other beneficiaries to be nominated by the trustee from time to time. Mr. Bai Xuankui, the chairman of the Board, a controlling shareholder and an executive Director, is the settlor of the said family trust.

2. White Legend Global Holdings Limited was wholly-owned by Mr. Bai Wukui, the chief executive officer of the Company and an executive Director.

3. Honesty Priority Global Holdings Limited was owned as to 34.87% by Mr. Dong Shiguang, an executive Director.

4. Pursuant to the Underwriting Agreement, in the event that the Underwriter or any of the sub-underwriters is required to take up the Rights Shares pursuant to their underwriting/sub-underwriting obligations:

   (i) the Underwriter shall (a) ensure that the Relevant Subscribers are independent of and not connected or acting in concert with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates; and (b) procure that each sub-underwriter is a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the SFO;

(ii) the Underwriter shall procure each of the Relevant Subscribers and their respective associates shall not, together with any party acting in concert with it or its associates, hold 10% or more of the voting rights of the Company immediately upon completion of the Rights Issue; and

(iii) the Underwriter undertakes that (a) it will not and shall procure that each sub-underwriter will not, whether by itself or together with the parties acting in concert with it (if any), own 29.9% or more of the issued share capital of the Company immediately after the Rights Issue; and (b) it shall and shall cause the sub-underwriters to procure independent placees to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The principal activity of the Company is investment holding. The Company's subsidiaries are engaged in property development with focuses on development projects of residential and commercial properties.

The Directors believe that it is in the interests of the Company and the Shareholders as a whole to raise long-term equity funding via the proposed Rights Issue to strengthen the Company's financial position and increase its general working capital for its future business development. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and the Non-Qualifying Shareholder(s) should note that their shareholdings in the Company will be diluted.**

The Rights Issue will better enhance the Company's ability to fund and develop the Group's business. On this basis, the Directors consider that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

The estimated net proceeds of the Rights Issue will be approximately HK$147.40 million, with approximately 82.06% of it intended to be used for payment of the outstanding registered capital of Jinzhong Chen Xing Hui Technology And Trade Company Limited (晉中辰興匯科貿有限公司) ("**Jinzhong Chen Xing Hui**") in the amount of RMB104,000,000 (equivalent to approximately HK$120.95 million based on the exchange rate of RMB1 to HK$1.163 as at the date of this announcement) for future investment opportunities in relation to the trading of construction materials and decorative materials business of Jinzhong Chen Xing Hui, if suitable opportunities arise; and (ii) HK$26.45 million, or approximately 17.94% of the net proceeds, intended to be used for the general working capital of the Company.

Jinzhong Chen Xing Hui is a wholly-foreign owned enterprise indirectly held by the Company and is principally engaged in the trading of construction materials and decorative materials.

The net subscription price per Rights Share is expected to be approximately HK$1.50.

The estimated expenses of the Rights Issue (including professional fees and other related expenses) amount to approximately HK$2.6 million and will be borne by the Company.

PREVIOUS FUND RAISING EXERCISE OF THE COMPANY

The Company has not undertaken any equity fund raising exercise in the past 12 months ending on the date of this announcement.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

"Acceptance Date"	the last business day on which payment for and acceptance of the Rights Shares can be made under the Rights Issue, which shall be Wednesday, 27 February 2019 (or such later date as may be agreed in writing between the Company and the Underwriter);
"acting in concert"	has the meaning ascribed to it under the Takeovers Code;
"Board"	The board of Directors;
"business day"	a day (other than a Saturday or Sunday) on which commercial banks in Hong Kong are generally open for business;
"CCASS"	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
"Company"	Chen Xing Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
"connected person"	has the meaning ascribed to it under the Listing Rules;
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules;
"Director(s)"	the director(s) of the Company;
"EAF(s)"	the excess application form(s) for additional Rights Shares proposed to be issued to the Qualifying Shareholders;
"Existing Shares"	the Shares which are in issue on the Record Date;
"Group"	the Company and its subsidiaries;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;

"Irrevocable Undertaking"	the irrevocable undertaking given by White Dynasty BVI in favour of the Company to take up 57,824,000 Rights Shares as described in the section headed "Irrevocable Undertaking";
"Last Closing Price"	the closing price of HK$1.59 per Share as quoted on the Stock Exchange on the Last Trading Day;
"Last Trading Day"	Friday,11 January 2019, being the last trading day of the Shares on the Stock Exchange immediately preceding the release of this announcement;
"Latest Time for Termination"	4:00 p.m. on Thursday, 28 February 2019 (or such later time/ date as may be agreed in writing between the Company and the Underwriter);
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Non-Qualifying Shareholder(s)"	those Overseas Shareholder(s) in respect of whom the Directors, based on legal opinions obtained by the Company, consider it necessary or expedient not to offer Rights Shares on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
"Overseas Shareholder(s)"	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register is/are outside Hong Kong;
"PAL(s)"	the renounceable provisional allotment letter(s) representing the Rights Shares proposed to be issued to the Qualifying Shareholders under the Rights Issue;
"PRC"	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau and Taiwan;
"Prospectus"	the prospectus relating to the issue of the Rights Shares to be despatched on the Prospectus Posting Date to the Qualifying Shareholders and, for information only, to the Non-Qualifying Shareholders, under the Rights Issue;
"Prospectus Documents"	the Prospectus, PAL and EAF;
"Prospectus Posting Date"	the business day on which the Prospectus Documents will be despatched to Shareholders, which is now expected to be Wednesday, 13 February 2019 (or such other date to be agreed in writing between the Company and the Underwriter);

"Qualifying Shareholder(s)"	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date;
"Record Date"	the record date by reference to which entitlements to the Rights Issue will be determined, which is now expected to be Monday, 11 February 2019 (or such other date to be agreed in writing between the Company and the Underwriter);
"Rights Issue"	the proposed issue by way of rights of one Rights Share for every five Existing Shares at the Subscription Price, payable in full on acceptance on the terms to be set out in the Prospectus Documents and summarised herein;
"Rights Share(s)"	not more than 99,999,989 Shares, being the new Share(s) to be allotted and issued by way of rights to the Qualifying Shareholders under the Rights Issue, the exact number of which shall be determined on the Record Date;
"Settlement Date"	Thursday, 7 March 2019 (or such later date as may be agreed in writing between the Company and the Underwriter);
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company;
"Shareholder(s)"	holder(s) of Share(s);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Subscription Price"	HK$1.50 per Rights Share;
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules;
"Takeovers Code"	The Codes on Takeovers and Mergers of Hong Kong;
"Underwriter"	SSIF Securities Limited, a company incorporated under the laws of Hong Kong with limited liability;
"Underwriting Agreement"	the Underwriting Agreement dated 11 January 2019 entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue;

"White Dynasty BVI"	White Dynasty Global Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability; and
"%"	per cent.

* *The number of Rights Shares attributable to a particular Shareholder set out in this announcement is for illustration purpose only and the actual number may change due to the fact that the Shares may be held by different nominees and as a result of rounding resulting from fractional entitlements.*

By Order of the Board
Cheng Xing Development Holdings Limited
Mr. Bai Xuankui
Chairman

Hong Kong, 11 January 2019

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. Bai Xuankui, Mr. Bai Wukui, Mr. Bai Guohua, Mr. Dong Shiguang

Independent Non-Executive Directors:

Mr. Gu Jiong, Mr. Tian Hua, Mr. Qiu Yongqing