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CHINA INVESTMENTS HOLDINGS LIMITED

中國興業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 132)

CONNECTED TRANSACTION DISPOSAL OF EQUITY INTEREST IN GDCA

THE DISPOSAL

The Board is pleased to announce that, on 27 November 2020, ZCXC, an indirect wholly-owned subsidiary of the Company, and Nanhai Holding, a controlling shareholder of Prize Rich Inc., a Shareholder holding 1,222,713,527 issued shares of the Company (representing 71.41% of the entire issued share capital of the Company), entered into the Equity Transfer Agreement, pursuant to which ZCXC has agreed to sell, and Nanhai Holding has agreed to purchase 5% equity interest in GDCA at a cash consideration of RMB7,604,510 (equivalent to approximately HK\$8,958,113).

LISTING RULES IMPLICATIONS

As Nanhai Holding is the controlling shareholder of Prize Rich Inc., it is a connected person of the Company. The transaction contemplated under the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Disposal exceed 0.1% but are less than 5%, the Disposal is subject to the reporting and announcement requirements, but is exempt from the independent Shareholders' approval requirement under the Chapter 14A of the Listing Rules.

THE DISPOSAL

On 27 November 2020, ZCXXK, an indirect wholly-owned subsidiary of the Company, and Nanhai Holding, a controlling shareholder of Prize Rich Inc., a Shareholder holding 1,222,713,527 issued shares of the Company (representing 71.41% of the entire issued share capital of the Company), entered into the Equity Transfer Agreement, pursuant to which ZCXXK has agreed to sell, and Nanhai Holding has agreed to purchase 5% equity interest in GDCA at a cash consideration of RMB7,604,510 (equivalent to approximately HK\$8,958,113).

Details of the Equity Transfer Agreement are set out below:

Date:

27 November 2020

Parties:

- (1) ZCXXK, as vendor; and
- (2) Nanhai Holding, as the purchaser.

Asset:

5% equity interest in GDCA, representing the entire equity interest of the Group in GDCA.

Consideration and payment:

The consideration of RMB7,604,510 (equivalent to approximately HK\$8,958,113) was determined after arm's length negotiations between the parties with reference to the appraised value attributable to 5% equity interest of GDCA in the amount of RMB152,090,200 (equivalent to approximately HK\$179,162,256) as at 30 November 2019 based on a valuation conducted by an independent professional valuer. The consideration is to be settled by Nanhai Holding in full before 29 November 2020.

Completion:

Completion of the Disposal shall take place by way of transfer-by-agreement through the National SME Share Transfer System and upon completion of the share transfer registration procedures. Upon completion of the Disposal, the Group will no longer have any interest in GDCA.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

The Company considered the Disposal an opportunity to realise the appreciated value of the equity investment in GDCA. The Disposal would also help enhance the Group's cashflow and focus on the development of the core business of the Group.

As a result of the Disposal, the Group is expected to recognize a gain of RMB1,454,510 (equivalent to approximately HK\$1,713,413) which is calculated on the basis of the difference between the carrying amount of RMB6,150,000 (equivalent to approximately HK\$7,244,700) and the cash consideration of RMB7,604,510 (equivalent to approximately HK\$8,958,113). The Group intends to apply the proceeds from the Disposal as the Group's general working capital.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement are fair and reasonable and on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

None of the Directors has any material interests in the transaction contemplated under the Equity Transfer Agreement. As such, no Directors were required to abstain from voting on the Board resolution in approving the transaction contemplated under the Equity Transfer Agreement.

LISTING RULES IMPLICATION

As Nanhai Holding is the controlling shareholder of Prize Rich Inc., it is a connected person of the Company. The transaction contemplated under the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Disposal exceed 0.1% but are less than 5%, the Disposal is subject to the reporting and announcement requirements, but is exempt from the independent Shareholders' approval requirement under the Chapter 14A of the Listing Rules.

PRINCIPAL BUSINESSES OF THE PARTIES

The Group

The Group is principally engaged in hotel investment, management and operation, property investments in both properties held for sale and investment properties, finance leasing, wellness elderly care, big data and civil explosives businesses. Through its joint ventures and associated companies, the Group also participates and invests in fast growing sectors, including electric utilities in the PRC.

ZCXK

ZCXK, a wholly foreign-owned enterprise incorporated in the PRC and an indirect wholly-owned subsidiary of the Company, is principally engaged in investment holding.

Nanhai Holding

Nanhai Holding is a limited liability company incorporated in the PRC and is principally engaged in investment holding. It is ultimately owned by the State-owned Assets Supervision and Administration Bureau of Nanhai District, Foshan City* (佛山市南海區國有資產監督管理局), being a governmental institution subordinated to the State Council in the PRC.

GDCA

GDCA is a limited liability company incorporated in the PRC, the shares of which are listed on the National Equities Exchange and Quotations (Stock Code: 871932). It is principally engaged in the provision of electronic certification services in Guangdong Province, the PRC.

The audited net profit attributable to the 5% equity interest in GDCA for the years ended 31 December 2018 and 2019, and the net asset value of GDCA as at 31 December 2019, based on the audited consolidated financial statements of GDCA prepared in accordance with the PRC accounting standards, were approximately:

	For the year ended 31 December 2018	For the year ended 31 December 2019
Net profit before taxation	RMB2,658,608 (equivalent to approximately HK\$3,131,840)	RMB1,670,134 (equivalent to approximately HK\$1,967,418)
Net profit after taxation	RMB2,392,955 (equivalent to approximately HK\$2,818,901)	RMB2,087,507 (equivalent to approximately HK\$2,461,439)
	As at 31 December 2019	
Net assets		RMB133,011,319 (equivalent to approximately HK\$156,689,334)

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings as respectively ascribed below:

“Board”	the board of Directors of the Company
“Company”	China Investments Holdings Limited (中國興業控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 132)
“connected person(s)”	shall have the meaning as ascribed to it under the Listing Rules
“controlling shareholder(s)”	shall have the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 5% equity interest in GDCA by ZCXX to Nanhai Holding pursuant to the terms of the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated 27 November 2020 entered into between ZCXX and Nanhai Holding in relation to the Disposal
“GDCA”	Global Digital Cybersecurity Authority Co., Ltd.* (數安時代科技股份有限公司), a company incorporated in the PRC with limited liability, the shares of which are listed on the National Equities Exchange and Quotations (Stock Code: 871932), and, as at the date of this announcement, 5% of its equity interest is owned by ZCXX
“Nanhai Holding”	Guangdong Nanhai Holding Investment Co., Ltd.* (廣東南海控股投資有限公司), a company incorporated in the PRC with limited liability and a controlling shareholder of Prize Rich Inc.
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“ZCXK”	Zhong Chuang Xing Ke (Shenzhen) Investments Company Limited* (中創興科(深圳)投資有限公司), a wholly foreign-owned enterprise incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“%”	per cent

On behalf of
China Investments Holdings Limited
HE Xiangming
Chairman

Hong Kong, 30 November 2020

As at the date of this announcement, the Board consists of four executive Directors, namely Mr. HE Xiangming (Chairman and Managing Director), Mr. YOU Guang Wu (Director), Mr. HUANG Zhihe (Deputy Managing Director) and Ms. WANG Xin (Deputy Managing Director) and three independent non-executive Directors, namely Mr. CHAN Kwok Wai, Mr. CHEN Da Cheng and Mr. DENG Hong Ping.

For the purpose of this announcement, amounts denominated in RMB have been translated into HK\$ at the exchange rate of RMB1 = HK\$1.178. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

* For identification purpose only