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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)

MAJOR TRANSACTIONS ENTERING INTO FINANCE LEASES AS THE LESSOR

On 29 October 2021, Greengold Leasing, a subsidiary of the Company, entered into (i) the Finance Leases A with Lessees A to acquire the ownership of the Assets A for an aggregate consideration of RMB280,000,000 (equivalent to approximately HK\$340,760,000), which would be leased back to Lessees A for their use and possession for a term of 5 years; and (ii) the Finance Lease B with Lessee B to acquire the ownership of the Assets B for the consideration of RMB100,000,000 (equivalent to approximately HK\$121,700,000), which would be leased back to Lessee B for its use and possession for a term of 5 years.

For the Finance Leases A, reference is made to (1) the discloseable transaction announcement of the Company dated 8 December 2020 in relation to the entering into of the Existing Finance Lease A1, (2) the Existing Finance Lease A2 dated 29 January 2021, pursuant to which all the applicable percentage ratios for the transactions contemplated thereunder were less than 5% and hence the transactions were exempt from the disclosure requirements under Chapter 14 of the Listing Rules, and (3) the discloseable transaction announcement of the Company dated 25 August 2021 in relation to the entering into of the Existing Finance Lease A3. As the lessees of the Finance Leases A are the same parties as those in the Existing Finance Leases A, the transactions contemplated under the Finance Leases A are required to be aggregated with the transactions contemplated under the Existing Finance Leases A pursuant to Rule 14.22 of the Listing Rules. As some of the applicable percentage ratios for the transactions contemplated under the Finance Leases A, whether or not they are calculated on a standalone basis or an aggregated basis with the transactions contemplated under the Existing Finance Leases A, exceed 25% but all of them are less than 100%, the entering into of such transactions constitutes a major transaction for the Company under the Listing Rules and is subject to the announcement, circular and shareholders' approval requirements under the Listing Rules.

For the Finance Lease B, reference is made to (1) the discloseable transaction announcement of the Company dated 4 March 2021 in relation to the entering into of the Existing Finance Lease B1, and (2) the discloseable transaction announcement of the Company dated 1 April 2021 in relation to the entering into the Existing Finance Lease B2. As the controlling shareholder of the lessee of the Finance Lease B is the same as the controlling shareholder of the lessees of the Existing Finance Leases B, the transactions contemplated under the Finance Lease B are required to be aggregated with the transactions contemplated under the Existing Finance Leases B pursuant to Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios for the transactions contemplated under the Finance Lease B, when calculated on an aggregated basis with the transactions contemplated under the Existing Finance Leases B, exceeds 25% but all of them are less than 100%, the entering into of such transactions constitutes a major transaction for the Company under the Listing Rules and is subject to the announcement, circular and shareholders' approval requirements under the Listing Rules.

No Shareholder is materially interested in the Finance Leases A and Finance Lease B and no Shareholder is required to abstain from voting at a general meeting of the Company approving the transactions contemplated under the Finance Leases A and Finance Lease B respectively, and the Company has, pursuant to Rule 14.44 of the Listing Rules, obtained written approvals of the transactions contemplated under the Finance Leases A and Finance Lease B respectively from Prize Rich Inc., a Shareholder holding 1,222,713,527 issued ordinary shares of the Company (representing 71.41% of its entire issued share capital). As such, the Company is exempt from convening a general meeting to approve the transactions contemplated under the Finance Leases A and Finance Lease B.

A circular containing further information on the Finance Leases A and Finance Lease B is expected to be despatched to the Shareholders on or before 19 November 2021.

The Board is pleased to announce that Greengold Leasing entered into the Finance Leases A and Finance Lease B, the principal terms of which are as follows:–

(A) THE FINANCE LEASES A

Date:

29 October 2021

The Finance Leases A will take effect upon compliance of the applicable requirements of the Listing Rules by the Company.

Parties:

- (1) Greengold Leasing, a subsidiary of the Company, as the lessor;
- (2) the Lessees A; and
- (3) the Guarantor A (in relation to the relevant guarantee).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Lessees A, Guarantor A and their ultimate beneficial owners are Independent Third Parties.

Transfer of the Assets A and consideration

Greengold Leasing will be transferred the unencumbered ownership of Assets A1 and Assets A2 from Lessees A on an "as-is" basis at the consideration of RMB150,000,000 (equivalent to approximately HK\$182,550,000) and RMB130,000,000 (equivalent to approximately HK\$158,210,000) in cash pursuant to Finance Lease A1 and Finance Lease A2 respectively, payable within 12 months from the date of the Finance Leases A. The transfer agreements were entered into between Greengold Leasing and the Lessees A on the date of the Finance Leases A, effecting the terms of the Finance Leases A in relation to the transfer of the Assets A from the Lessees A to Greengold Leasing above.

Such consideration amount was determined following arm's length negotiations by the parties to the Finance Leases A with reference to the original cost of Assets A1 and Assets A2 of approximately RMB212,723,000 (equivalent to approximately HK\$258,884,000) and RMB188,143,000 (equivalent to approximately 228,970,000) respectively, and their state, which were reviewed by Greengold Leasing's experienced leasing team. The consideration amount for the acquisition of the Assets A will be funded through the internal resources of the Group and/or external banking facilities.

Lease period

Greengold Leasing will lease back the Assets A to the Lessees A for their use and possession for a term of 5 years commencing from the day the consideration for the Assets A transfer has been paid by Greengold Leasing.

Payments under the Finance Leases A

In respect of Finance Lease A1, the total amount of lease payments is approximately RMB180,045,000 (equivalent to approximately HK\$219,115,000), comprising (a) the lease principal payment of RMB150,000,000 (equivalent to approximately HK\$182,550,000) and (b) the aggregate lease interest and other fees and expenses under the Incidental Documentation A of approximately RMB30,045,000 (equivalent to approximately HK\$36,565,000). Both the lease principal and interest will be paid quarterly over the lease period.

In respect of Finance Lease A2, the total amount of lease payments is approximately RMB158,712,000 (equivalent to approximately HK\$193,153,000), comprising (a) the lease principal payment of RMB130,000,000 (equivalent to approximately HK\$158,210,000) and (b) the aggregate lease interest and other fees and expenses under the Incidental Documentation A of approximately RMB28,712,000 (equivalent to approximately HK\$34,943,000). Both the lease principal and interest will be paid quarterly over the lease period.

The terms of the Finance Leases A, including the lease principal and lease interest, were determined after arm's length negotiations between the respective parties to the Finance Leases A with reference to the principal amount of the leases, the interest risk of financing, the prime lending rate published by the National Interbank Funding Center from time to time, the credit risks associated with the Finance Leases A and the targeted overall return of the Group for the Finance Leases A.

Termination and transfer of the Assets A to the Lessees A

The Lessees A may terminate the Finance Leases A provided that all outstanding amounts due thereunder have been settled by them. At the end of the lease period or in the event of an early termination of the Finance Leases A, subject to the settlement of all outstanding amounts due, Lessees A had agreed to purchase the Assets A at a nominal purchase price of RMB100 each (equivalent to approximately HK\$121.7).

Guarantee deposits

The Lessees A will pay interest-free deposits of RMB4,500,000 (equivalent to approximately HK\$5,477,000) and RMB3,900,000 (equivalent to approximately HK\$4,746,000) to Greengold Leasing on the same day the consideration for the Assets A transfer has been paid by Greengold Leasing to secure their payment obligations under Finance Lease A1 and Finance Lease A2 respectively.

Guarantees

Guarantor A had executed guarantees on the date of the Finance Leases A guaranteeing Greengold Leasing the due and punctual settlement of any and all amount payable by the Lessees A under the Finance Leases A.

Information on the Assets A

Assets A1 comprise certain designated sections of sewage collection and treatment system situated in Dali Town, Nanhai District, Foshan City, Guangdong Province, the PRC.

Assets A2 comprise certain designated sections of sewage collection system situated in Dali Town, Nanhai District, Foshan City, Guangdong Province, the PRC.

The Lessees A will bear any maintenance, taxation and other costs and levies associated with the Assets A.

(B) THE FINANCE LEASE B

Date:

29 October 2021

The Finance Lease B will take effect upon compliance of the applicable requirements of the Listing Rules by the Company.

Parties:

- (1) Greengold Leasing, a subsidiary of the Company, as the lessor;
- (2) the Lessee B; and
- (3) the Guarantors B (in relation to the relevant guarantee).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Lessee B, the Guarantors B and their ultimate beneficial owners are Independent Third Parties.

Transfer of the Assets B and consideration

Greengold Leasing will be transferred the unencumbered ownership of the Assets B from Lessee B on an “as-is” basis at the consideration of RMB100,000,000 (equivalent to approximately HK\$121,700,000) in cash pursuant to the Finance Lease B, payable within 12 months from the date of the Finance Lease B. The transfer agreement was entered into between Greengold Leasing and Lessee B on the date of the Finance Lease B, effecting the terms of the Finance Lease B in relation to the transfer of the Assets B from Lessee B to Greengold Leasing above.

Such consideration amount was determined following arm’s length negotiations by the parties to the Finance Lease B with reference to the original cost of the Assets B of approximately 141,548,000 (equivalent to approximately HK\$172,264,000), and their state, which were reviewed by Greengold Leasing’s experienced leasing team. The consideration amount for the acquisition of the Assets B will be funded through the internal resources of the Group and/or external banking facilities.

Lease period

Greengold Leasing will lease back the Assets B to Lessee B for its use and possession for a term of 5 years commencing from the day the consideration for the Assets B transfer has been paid by Greengold Leasing.

Payments under the Finance Lease B

The total amount of lease payments for the Finance Lease B is approximately RMB120,171,000 (equivalent to approximately HK\$146,248,000), comprising (a) the lease principal payment of RMB100,000,000 (equivalent to approximately HK\$121,700,000) and (b) the aggregate lease interest and other fees and expenses under the Incidental Documentation B of approximately RMB20,171,000 (equivalent to approximately HK\$24,548,000). Both the lease principal and interest will be paid quarterly over the lease period.

The terms of the Finance Lease B, including the lease principal and lease interest, were determined after arm’s length negotiations between the parties to the Finance Lease B with reference to the principal amount of the lease, the interest risk of financing, the prime lending rate published by the National Interbank Funding Center from time to time, the credit risks associated with the Finance Lease B and the targeted overall return of the Group for the Finance Lease B.

Termination and transfer of the Assets B to Lessee B

Lessee B may terminate the Finance Lease B provided that all outstanding amounts due thereunder and a compensation equivalent to 20% of the total outstanding lease interest amount as at the time of early termination have been settled. At the end of the lease period or in the event of an early termination of the Finance Lease B, subject to the settlement of all outstanding amounts due, Lessee B had agreed to purchase the Assets B at a nominal purchase price of RMB100 (equivalent to approximately HK\$121.7).

Guarantee deposit

Lessee B will pay an interest-free deposit of RMB7,000,000 (equivalent to approximately HK\$8,519,000) to Greengold Leasing on the same day the consideration for the Assets B transfer has been paid by Greengold Leasing to secure its payment obligations under the Finance Lease B.

Guarantee

The Guarantors B had executed a guarantee on the date of the Finance Lease B guaranteeing Greengold Leasing, effectively on a joint and several basis, the due and punctual settlement of any and all amount payable by Lessee B under the Finance Lease B.

Pledges

Pursuant to the asset pledge agreement entered into between Greengold Leasing and Lessee B, although the ownership of the Assets B shall be transferred to Greengold Leasing as lessor as part of the Finance Lease B, the Assets B are treated as security of payment obligations of Lessee B under the Finance Lease B and Lessee B may continue to utilize the Assets B during the lease term.

Guarantor B1 had executed a share pledge agreement, pledging 100% shareholding interests (representing RMB240,000,000 (equivalent to approximately HK\$292,080,000)) in Lessee B in favour of Greengold Leasing, as security of Lessee B's payment obligations under the Finance Lease B.

Additionally, Lessee B had executed a receivables pledge agreement in favour of Greengold Leasing, pledging its rights in receivables under an investment agreement for Sanjiangkou energy environmental ecological park and its supplemental agreement as security of Lessee B's payment obligations under the Finance Lease B.

Information on the Assets B

Assets B comprise certain designated equipment and facilities for sewage treatment situated in Xiangzhou, Guangxi Province, the PRC.

Lessee B will bear any maintenance, taxation and other costs and levies associated with the Assets B.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASES A AND FINANCE LEASE B

The entering into of the Finance Leases A and Finance Lease B is part of Greengold Leasing's ordinary and usual course of business and is expected to provide a stable revenue and cashflow to the Group.

The Directors consider that the Finance Leases A and Finance Lease B and the transactions contemplated thereunder are on normal commercial terms which are made on an arm's length basis and are fair and reasonable and in the best interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATION

As some of the applicable percentage ratios for the transactions contemplated under the Finance Leases A, whether or not they are calculated on a standalone basis or an aggregated basis with the transactions contemplated under the Existing Finance Leases A, exceed 25% but all of them are less than 100%, the entering into of such transactions constitutes a major transaction for the Company under the Listing Rules and is subject to the announcement, circular and shareholders' approval requirements under the Listing Rules.

As one of the applicable percentage ratios for the transactions contemplated under the Finance Lease B, when calculated on an aggregated basis with the transactions contemplated under the Existing Finance Leases B, exceeds 25% but all of them are less than 100%, the entering into of such transactions constitutes a major transaction for the Company under the Listing Rules and is subject to the announcement, circular and shareholders' approval requirements under the Listing Rules.

No Shareholder is materially interested in the Finance Leases A and Finance Lease B and no Shareholder is required to abstain from voting at a general meeting of the Company approving the transactions contemplated under the Finance Leases A and Finance Lease B respectively, and the Company has, pursuant to Rule 14.44 of the Listing Rules, obtained written approvals of the transactions contemplated under the Finance Leases A and Finance Lease B respectively from Prize Rich Inc., a Shareholder holding 1,222,713,527 issued ordinary shares of the Company (representing 71.41% of its entire issued share capital). As such, the Company is exempt from convening a general meeting to approve the transactions contemplated under the Finance Leases A and Finance Lease B.

A circular containing further information on the Finance Leases A and Finance Lease B is expected to be despatched to the Shareholders on or before 19 November 2021.

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.

Greengold Leasing

Greengold Leasing is a subsidiary of the Company, which is principally engaged in the provision of finance, including through finance leasing, with a focus on environmental protection projects in the PRC.

The lessees

Lessee A1 is a limited liability company established in the PRC and is principally engaged in the business of property leasing in the PRC.

Lessee A2 is a limited liability company established in the PRC and is principally engaged in the investment, construction and operation management of sewage treatment and its ancillary facilities in the PRC.

Lessee A3 is a collective enterprise established in the PRC and is principally engaged in the business of property leasing in the PRC.

Lessee B is a limited liability company established in the PRC and is principally engaged in heat production and supply in the PRC.

The guarantors

Guarantor A is a collective enterprise established in the PRC and is principally engaged in the business of property leasing in the PRC.

Guarantor B1 is a limited liability company established in the PRC and is principally engaged in the treatment of solid waste in the PRC.

Guarantor B2 is a limited liability company established in the PRC and is principally engaged in sewage treatment, water supply and production of heat and energy in the PRC.

DEFINITIONS

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

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| “Assets A1” | shall have the meaning as disclosed in the section headed “(A) THE FINANCE LEASES A – Information on the Assets A” in this announcement |
| “Assets A2” | shall have the meaning as disclosed in the section headed “(A) THE FINANCE LEASES A – Information on the Assets A” in this announcement |
| “Assets A” | collectively, Assets A1 and Assets A2 |
| “Assets B” | shall have the meaning as disclosed in the section headed “(B) THE FINANCE LEASE B – Information on the Assets B” in this announcement |
| “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) |
| “Director(s)” | the director(s) of the Company |
| “Existing Finance Lease A1” | the finance lease agreement and incidental documentation dated 7 December 2020 entered into between Greengold Leasing and the Lessees A, the details of which have been disclosed in the announcement of the Company dated 8 December 2020 |

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| “Existing Finance Lease A2” | the finance lease agreement and incidental documentation dated 29 January 2021 entered into between Greengold Leasing and the Lessees A for the acquisition and leaseback consideration amount of RMB20,000,000 |
| “Existing Finance Lease A3” | the finance lease agreement and incidental documentation dated 23 August 2021 entered into between Greengold Leasing and the Lessees A, the details of which have been disclosed in the announcement of the Company dated 25 August 2021 |
| “Existing Finance Leases A” | collectively, the Existing Finance Lease A1, the Existing Finance Lease A2 and the Existing Finance Lease A3 |
| “Existing Finance Lease B1” | the finance lease agreement and incidental documentation dated 3 March 2021 entered into between Greengold Leasing and the then lessee, the details of which have been disclosed in the announcement of the Company dated 4 March 2021 |
| “Existing Finance Lease B2” | the finance lease agreement and incidental documentation dated 1 April 2021 entered into between Greengold Leasing and the then lessee, the details of which have been disclosed in the announcement of the Company dated 1 April 2021 |
| “Existing Finance Leases B” | collectively, the Existing Finance Lease B1 and the Existing Finance Lease B2 |
| “Finance Lease A1” | the finance lease agreement and the relevant Incidental Documentation A dated 29 October 2021 entered into between Greengold Leasing and the Lessees A in relation to the transfer of ownership and lease back of the Assets A1 |
| “Finance Lease A2” | the finance lease agreement and the relevant Incidental Documentation A dated 29 October 2021 entered into between Greengold Leasing and the Lessees A in relation to the transfer of ownership and lease back of the Assets A2 |
| “Finance Leases A” | collectively, the Finance Lease A1 and the Finance Lease A2 |

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| “Finance Lease B” | the finance lease agreement and the Incidental Documentation B dated 29 October 2021 entered into between Greengold Leasing and Lessee B in relation to the transfer of ownership and lease back of the Assets B |
| “Greengold Leasing” | Canton Greengold Financial Leasing Ltd.* (廣東綠金融資租賃有限公司)(formerly known as Canton Risen Financial Leasing Co., Ltd.* (廣東粵盛科融資租賃有限公司)), a company incorporated in the PRC with limited liability and a subsidiary of the Company |
| “Group” | the Company and its subsidiaries |
| “Guarantor A” | Foshan City Nanhai District Dali Land Resources Development Co.* (佛山市南海區大瀝土地資源開發公司), a collective enterprise incorporated in the PRC, which is ultimately controlled by the People’s Government of Dali Town, Nanhai District, Foshan City, and an Independent Third Party |
| “Guarantor B1” | Guangzhou Agile Solid Waste Treatment Co., Ltd.* (廣州雅居樂固體廢物處理有限公司), a company incorporated in the PRC with limited liability, which is ultimately controlled by Agile Group Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3383), and an Independent Third Party |
| “Guarantor B2” | Yulin City Xintao Environmental Technology Co., Ltd.* (玉林市新滔環保科技有限公司), a company incorporated in the PRC with limited liability, which is ultimately controlled by Agile Group Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3383), and an Independent Third Party |
| “Guarantors B” | Collectively, Guarantor B1 and Guarantor B2 |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “HK\$” | Hong Kong Dollar, the lawful currency of Hong Kong |
| “Incidental Documentation A” | the agreements incidental to the Finance Leases A, including the transfer agreements, the consultancy agreements and the guarantees |

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| “Incidental Documentation B” | the agreements incidental to the Finance Lease B, including the transfer agreement, the consultancy agreement, the guarantee, the asset pledge agreement, the share pledge agreement and the receivables pledge agreement |
| “Independent Third Party(ies)” | (an) independent third party(ies) not connected with the Group and any Director, chief executive or substantial shareholder of the Group or any of its subsidiaries or their respective associate of any of them as defined in the Listing Rules |
| “Lessee A1” | Foshan City Nanhai Hengyuan Property Management Co., Ltd.* (佛山市南海恒源物業管理有限公司), a limited liability company incorporated in the PRC, which is ultimately controlled by the People’s Government of Yanbu Town, Nanhai District, Foshan City, and an Independent Third Party |
| “Lessee A2” | Foshan City Nanhai District Dali Town Yuansheng Water Treatment Co., Ltd.* (佛山市南海區大瀝鎮源生水處理有限公司), a limited liability company incorporated in the PRC, which is ultimately controlled by the People’s Government of Dali Town, Nanhai District, Foshan City, and an Independent Third Party |
| “Lessee A3” | Foshan City Nanhai District Dali Agricultural Machinery Co.* (佛山市南海區大瀝農業機械公司), a collective enterprise incorporated in the PRC, which is ultimately controlled by the Urban and Rural Coordination Bureau of Dali Town, Nanhai District, Foshan City, and an Independent Third Party |
| “Lessees A” | collectively, Lessee A1, Lessee A2 and Lessee A3 |
| “Lessee B” | Guangxi Laibin Agile Energy Environmental Technology Co., Ltd.* (廣西來賓雅居樂節能環保科技有限公司), a company incorporated in the PRC with limited liability, which is ultimately controlled by Agile Group Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3383), and an Independent Third Party |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |

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| “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 |
| “%” | per cent |

On behalf of
China Investments Holdings Limited
HE Xiangming
Chairman

Hong Kong, 29 October 2021

As at the date of this announcement, the Board consists of six executive Directors, namely Mr. HE Xiangming (Chairman), Mr. FU Weiqiang (Managing Director), Mr. YOU Guang Wu (Director), Mr. HUANG Zhihe (Deputy Managing Director), Ms. WANG Xin (Deputy Managing Director) and Mr. CHENG Weidong (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\$1.217. 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*