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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)**

### **DISCLOSEABLE TRANSACTION ENTERING INTO A FINANCE LEASE AS LESSEE**

On 22 November 2021, Greengold Leasing, a subsidiary of the Company (as lessee), entered into the Finance Lease with Zhujiang Financial Leasing (as lessor), pursuant to which Greengold Leasing shall transfer the ownership of the Assets, which was originally obtained by Greengold Leasing from Shishan Meijing pursuant to the Existing Finance Leases, to Zhujiang Financial Leasing for the consideration of RMB150,000,000 (equivalent to approximately HK\$183,150,000). The Assets would be leased back to Greengold Leasing for a term of 2 years, subject to Shishan Meijing being the actual user of the Assets pursuant to the Existing Finance Leases.

As some of the applicable percentage ratios for the transactions contemplated under the Finance Lease and Incidental Documentation are more than 5% but all of them are less than 25%, the entering into of the Finance Lease and Incidental Documentation can constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules, which is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, the Company hereby makes an announcement on discloseable transaction in relation to such transactions.

### **THE FINANCE LEASE AND INCIDENTAL DOCUMENTATION**

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

#### **Date of the Finance Lease:**

22 November 2021

**Parties:**

- (1) Greengold Leasing, a subsidiary of the Company, as the lessee; and
- (2) Zhujiang Financial Leasing, as the lessor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Zhujiang Financial Leasing and its ultimate beneficial owner are Independent Third Parties.

**Transfer of Assets and consideration**

Greengold Leasing will transfer the ownership of the Assets, which was originally obtained by Greengold Leasing from Shishan Meijing pursuant to the Existing Finance Leases, to Zhujiang Financial Leasing for the consideration of RMB150,000,000 (equivalent to approximately HK\$183,150,000) in cash, which will be paid by Zhujiang Financial Leasing in one lump sum to Greengold Leasing upon fulfillment of certain conditions precedent including on documentation, registration and transaction approvals.

Such consideration amount was determined following arm's length negotiations by the parties with reference to the aggregate consideration paid by Greengold Leasing to Shishan Meijing for the Assets transfer pursuant to the Existing Finance Leases as a starting point and the expected additional financial resources requirements of Greengold Leasing to develop its finance leasing business.

**Lease period**

Subject to Shishan Meijing being the actual user of the Assets pursuant to the Existing Finance Leases, Zhujiang Financial Leasing will lease back the Assets to Greengold Leasing for a term of 2 years commencing from the day the consideration for the Assets transfer has been paid by Zhujiang Financial Leasing.

**Payments under the Finance Lease**

The total amount of lease payments for the Finance Lease is RMB166,288,125 (equivalent to approximately HK\$203,037,801), comprising (a) the lease principal payment of RMB150,000,000 (equivalent to approximately HK\$183,150,000) and (b) the aggregate lease interest of RMB16,288,125 (equivalent to approximately HK\$19,887,801). Both the lease principal and interest will be paid every six months over the lease period.

The terms of the Finance Lease, including the lease principal and lease interest, were determined after arm's length negotiations between the parties to the Finance Lease with reference to the principal amount of the lease and the market prevailing financing interest for the Assets.

## **Termination and transfer of the Assets to Greengold Leasing**

Greengold Leasing may terminate the Finance Lease provided that all outstanding amounts due thereunder have been settled. At the end of the lease period or in the event of an early termination of the Finance Lease, subject to the settlement of all outstanding amounts due, Greengold Leasing had agreed to purchase the Assets at a nominal purchase price of RMB100 (equivalent to approximately HK\$122.1).

## **Pledge**

Greengold Leasing had executed a receivables pledge agreement in favour of Zhujiang Financial Leasing, pledging its rights in receivables under the finance lease agreement dated 27 September 2021 entered into between Greengold Leasing (as lessor) and Nanhai Boai and Nanhai Songgang (as lessees) in relation to the transfer of ownership and lease back of certain facilities of Boai Retention Lake (lakeshore) situated in Shishan Town, Nanhai District, Foshan City, Guangdong Province, as security of Greengold Leasing's payment obligations under the Finance Lease.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AND INCIDENTAL DOCUMENTATION**

The proceeds from the Finance Lease and the transactions contemplated thereunder are expected to benefit the Group by providing the Group with additional financial resources to develop its finance leasing business.

The Directors consider that the Finance Lease and Incidental Documentation 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.

## **INFORMATION ON THE ASSETS**

The Assets comprise sewage collection systems situated in Foshan City, Guangdong Province, which are the subject assets under the Existing Finance Leases. Pursuant to the Existing Finance Leases, ownership of the Assets had been transferred to Greengold Leasing and leased back to Shishan Meijing for its use for a term of 5 years. Commencing from the date on which the transfer consideration has been paid by Zhujiang Financial Leasing, ownership of the Assets will be transferred to and vested in Zhujiang Financial Leasing, subject to Shishan Meijing being the actual user of the Assets pursuant to the Existing Finance Leases. In the event of early termination of the Existing Finance Leases by Shishan Meijing whereby ownership of the Assets shall then be transferred back to Shishan Meijing, Zhujiang Financial Leasing shall have the right to (i) require early termination of the Finance Lease by Greengold Leasing, subject to the settlement by Greengold Leasing of all outstanding amounts due under the Finance Lease, or (ii) require Greengold Leasing to replace the Assets with other assets approved by Zhujiang Financial Leasing pursuant to the terms and conditions of the Finance Lease.

Greengold Leasing will bear any maintenance, taxation and other costs and levies associated with the Assets in relation to the Finance Lease.

The Group did not record any book value, revenue or net profits attributable to the Assets.

## **LISTING RULES IMPLICATION**

As some of the applicable percentage ratios for the transactions contemplated under the Finance Lease and Incidental Documentation are more than 5% but all of them are less than 25%, the entering into of the Finance Lease and Incidental Documentation can constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules, which is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, the Company hereby makes an announcement on disclosable transaction in relation to such transactions.

Notwithstanding the transfer of ownership of the Assets from Greengold Leasing to Zhujiang Financial Leasing, as the substance of the transaction under the applicable financial reporting standards constitutes a financing arrangement, no gain or loss is expected to accrue to the Group as a result of the transfer.

## **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.

### **Zhujiang Financial Leasing**

Zhujiang Financial Leasing is a limited liability company established in the PRC and is principally engaged in financial leasing services. Zhujiang Financial Leasing is a wholly-owned subsidiary of Guangzhou Rural Commercial Bank Co., Ltd.\* (廣州農村商業銀行股份有限公司), a joint stock company incorporated in the PRC and listed on the Stock Exchange (stock code: 1551).

## DEFINITIONS

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

“Assets”	shall have the meaning as disclosed in the section headed “INFORMATION ON THE ASSETS” in this announcement
“Board”	the board of Directors
“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 1”	the finance lease agreement and incidental documentation dated 8 January 2021 entered into between Greengold Leasing and the then lessee, Shishan Meijing, the details of which have been disclosed in the announcement of the Company dated 11 January 2021
“Existing Finance Lease 2”	the finance lease agreement and incidental documentation dated 3 February 2021 entered into between Greengold Leasing and the then lessee, Shishan Meijing, the details of which have been disclosed in the announcement and circular of the Company dated 3 February 2021 and 26 February 2021 respectively
“Existing Finance Leases”	collectively, Existing Finance Lease 1 and Existing Finance Lease 2
“Finance Lease”	the finance lease agreement dated 22 November 2021 entered into between Greengold Leasing (as lessee) and Zhujiang Financial Leasing (as lessor) in relation to the transfer of ownership and lease back of the Assets
“Greengold Leasing”	Canton Greengold Financial Leasing Ltd.* (廣東綠金融租賃有限公司)(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
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Incidental Documentation”	the receivables pledge agreement incidental to the Finance Lease
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanhai Boai”	Foshan City Nanhai Boai Investment and Construction Co., Ltd.* (佛山市南海博愛投資建設有限公司), a company incorporated in the PRC with limited liability, which is ultimately controlled by the Public Assets Office of Shishan Town, Nanhai District, Foshan City* (佛山市南海區獅山鎮公有資產管理辦公室), and an Independent Third Party
“Nanhai Songgang”	Foshan City Nanhai Songgang Songwei Property Management Co., Ltd.* (佛山市南海區松崗松威物業管理有限公司), a company incorporated in the PRC with limited liability, which is ultimately controlled by the Public Assets Office of Shishan Town, Nanhai District, Foshan City* (佛山市南海區獅山鎮公有資產管理辦公室), and an Independent Third Party
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macao 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

“Shishan Meijing”	Foshan City Nanhai District Shishan Meijing Sewage Treating Co., Ltd.* (佛山市南海區獅山美景污水處理有限公司), a company incorporated in the PRC with limited liability, which is ultimately controlled by the Public Assets Office of Shishan Town, Nanhai District, Foshan City* (佛山市南海區獅山鎮公有資產管理辦公室), and an Independent Third Party
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhujiang Financial Leasing”	Zhujiang Financial Leasing Co., Ltd.* (珠江金融租賃有限公司), a company incorporated in the PRC with limited liability, and an Independent Third Party
“%”	per cent.

On behalf of  
**China Investments Holdings Limited**  
**HE Xiangming**  
*Chairman*

Hong Kong, 23 November 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\$1.221. 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