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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 THE LESSOR

On 27 September 2021, Greengold Leasing, a subsidiary of the Company, entered into the Finance Lease with the Lessees, to obtain the ownership of the Assets from the Lessees for an aggregate consideration of RMB150,000,000 (equivalent to approximately HK\$180,750,000), which would be leased back to the Lessees for their use and possession for a term of 5 years.

Reference is made to the announcement of the Company dated 11 January 2021 in relation to the entering into of the Existing Finance Lease 1 and the announcement and circular of the Company dated 3 February 2021 and 26 February 2021 respectively in relation to the entering into of the Existing Finance Lease 2. The controlling shareholder of the Lessees of the Finance Lease is the same as the controlling shareholder of the lessee of the Existing Finance Lease 1 and Existing Finance Lease 2.

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 constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules. The Finance Lease and Incidental Documentation, when aggregated with the transactions contemplated under the Existing Finance Leases, will not classify the matter in a transaction class higher than the major transaction already approved and disclosed as per the announcement and circular of the Company of 3 February 2021 and 26 February 2021 respectively. Therefore, the Finance Lease and Incidental Documentation shall only be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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:

27 September 2021

The Finance Lease would be effective 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; and
- (2) the Lessees.

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

Transfer of Assets and consideration

Greengold Leasing will be transferred the unencumbered ownership of the Assets from the Lessees on an "as-is" basis at the consideration of RMB150,000,000 (equivalent to approximately HK\$180,750,000) in cash, payable within 12 months from the date of the Finance Lease. The transfer agreement was entered into between Greengold Leasing and the Lessees on the date of the Finance Lease, effecting the terms of the Finance Lease in relation to the transfer of the Assets from the Lessees to Greengold Leasing above.

Such consideration amount was determined following arm's length negotiations by the parties to the Finance Lease with reference to the original cost of the Assets of approximately RMB169,409,000 (equivalent to approximately HK\$204,138,000), and their state, which were reviewed by Greengold Leasing's experienced leasing team. The consideration amount for the acquisition of the Assets will be funded through the internal resources of the Group and/or external banking facilities.

Lease period

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

Payments under the Finance Lease

The total amount of lease payments for the Finance Lease is approximately RMB179,899,000 (equivalent to approximately HK\$216,778,000), comprising (a) the lease principal payment of RMB150,000,000 (equivalent to approximately HK\$180,750,000) and (b) the aggregate lease interest of approximately RMB29,899,000 (equivalent to approximately HK\$36,028,000). 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, 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 and the targeted overall return of the Group for the Finance Lease.

Termination and transfer of the Assets to the Lessees

The Lessees may terminate the Finance Lease provided that all outstanding amounts due thereunder and a compensation equivalent to 20 percent 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, subject to the settlement of all outstanding amounts due, the Lessees had agreed to purchase the Assets at a nominal purchase price of RMB100 (equivalent to approximately HK\$120.5).

Guarantee

Lessee 2 had executed a guarantee on the date of the Finance Lease guaranteeing Greengold Leasing, effectively on a joint and several basis, the due and punctual settlement of any and all amount payable by the Lessees under the Finance Lease.

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

The entering into of the Finance Lease and Incidental Documentation 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 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 certain facilities of Boai Retention Lake (lakeshore) situated in Shishan Town, Nanhai District, Foshan City, Guangdong Province.

The Lessees will bear any maintenance, taxation and other costs and levies associated with 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 constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules. The Finance Lease and Incidental Documentation, when aggregated with the transactions contemplated under the Existing Finance Leases, will not classify the matter in a transaction class higher than the major transaction already approved and disclosed as per the announcement and circular of the Company of 3 February 2021 and 26 February 2021 respectively. Therefore, the Finance Lease and Incidental Documentation shall only be subject to the reporting and announcement requirements under Chapter 14 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.

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 1 is a limited liability company established in the PRC and is principally engaged in investment and construction in Foshan City, Guangdong Province.

Lessee 2 is a limited liability company established in the PRC and is principally engaged in property management in Foshan City, Guangdong Province.

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 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 1”	the finance lease agreement and incidental documentation dated 8 January 2021 entered into between Greengold Leasing and the then lessee, 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, 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, the Existing Finance Lease 1 and the Existing Finance Lease 2
“Finance Lease”	the finance lease agreement dated 27 September 2021 entered into between Greengold Leasing and the Lessees 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
“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
“Incidental Documentation”	the agreements incidental to the Finance Lease, including the transfer agreement and the guarantee
“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 1”	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
“Lessee 2”	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
“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
“%”	per cent

On behalf of
China Investments Holdings Limited
HE Xiangming
Chairman

Hong Kong, 27 September 2021

As at the date of this announcement, the Board consists of five executive Directors, namely Mr. HE Xiangming (Chairman and 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\$1.205. 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