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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 6 July 2022, Greengold Leasing, a subsidiary of the Company, entered into the Finance Lease and Incidental Documentation with the Lessee, to obtain the ownership of the Assets from the Supplier at the consideration of RMB50,000,000 (equivalent to approximately HK\$58,450,000), which would be leased back to the Lessee for its use and possession for a term of 5 years.

Reference is made to (1) the major transaction announcement of the Company dated 29 October 2021 in relation to the entering into of the Existing Finance Lease 1, and (2) the Existing Finance Lease 2 dated 16 February 2022 entered into between Greengold Leasing and the Lessee, pursuant to which all the applicable percentage ratios for the transactions thereunder were less than 5% and hence exempt from the disclosure requirements under Chapter 14 of the Listing Rules. The Lessee of the Finance Lease is the same party as that in the Existing Finance Leases.

As some of the applicable percentage ratios for the transactions contemplated under the Finance Lease and Incidental Documentation on a standalone basis 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 under the Listing Rules. The transactions contemplated under the Finance Lease and Incidental Documentation, when aggregated with the transactions under the Existing Finance Leases, still remain as a major transaction under the Listing Rules. Since the Company has complied with the major transaction requirements in respect of the transactions under the Existing Finance Leases as set out in the announcement of the Company dated 29 October 2021, the Company is not required to reclassify the transactions contemplated under the Finance Lease and Incidental Documentation by aggregating them with the transactions under the Existing Finance Leases. 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:**

6 July 2022

The Finance Lease 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;
- (3) the Guarantors (in relation to the guarantee); and
- (4) the Supplier (in relation to the S & P Agreement).

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

### **Transfer of Assets and consideration**

Pursuant to the S & P Agreement, Greengold Leasing will obtain the unencumbered ownership of the Assets from the Supplier for RMB50,000,000 (equivalent to approximately HK\$58,450,000) in cash, payable within 15 working days upon receipt of the invoice from the Supplier. Such consideration amount was determined with reference to the price of the Assets of RMB59,778,000 (equivalent to approximately HK\$69,880,000) and their state, which were reviewed by Greengold Leasing's experienced leasing team, as well as the amount of RMB9,778,000 (equivalent to approximately HK\$11,430,000) which has been settled by the Lessee directly with the Supplier. The consideration amount for the ownership 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 Lessee for its use and possession for a term of 5 years commencing from the day the consideration for the Assets has been paid by Greengold Leasing to the Supplier.

## **Payments under the Finance Lease**

The total amount of lease payments for the Finance Lease is approximately RMB59,706,000 (equivalent to approximately HK\$69,796,000), comprising (a) the lease principal payment of RMB50,000,000 (equivalent to approximately HK\$58,450,000) and (b) the aggregate lease interest and other fees and expenses under the Incidental Documentation of approximately RMB9,706,000 (equivalent to approximately HK\$11,346,000). Both the lease principal and interest will be paid every three months over the lease period.

The terms of the Finance Lease, including the lease principal and interest, were determined after arm's length negotiations between the parties to the Finance Lease with reference to the lending and interest rate environment including the prime lending rate published by the National Interbank Funding Center from time to time (for reference purpose, the prevailing prime lending rate was 3.7% as at the date of the Finance Lease), and adjustments taking into account the principal amount of the Finance Lease and availability of funds, the interest risk of financing and servicing costs over the lease period, the credit risks associated and the targeted overall return and risk tolerance of the Group for the Finance Lease on a case by case basis.

## **Termination and transfer of the Assets to the Lessee**

The Lessee may terminate the Finance Lease 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, subject to the settlement of all outstanding amounts due, the Lessee had agreed to purchase the Assets at a nominal purchase price of RMB1,000 (equivalent to approximately HK\$1,169).

## **Guarantee deposit**

The Lessee will pay an interest-free deposit of RMB3,500,000 (equivalent to approximately HK\$4,092,000) to Greengold Leasing before the consideration for the Assets being paid by Greengold Leasing to secure its payment obligations under the Finance Lease.

## **Guarantee**

The Guarantors 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 Lessee under the Finance Lease and the Existing Finance Leases.

## **Pledges**

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

The Lessee had executed a receivables pledge agreement in favour of Greengold Leasing, pledging its rights in receivables under certain water supply, heat and electricity supply and sewage treatment agreements and their supplemental agreements as security of the Lessee's payment obligations under the Finance Lease and the Existing Finance Leases.

The Lessee had also executed a charge in favour of Greengold Leasing, charging several pieces of land and a property with a total area of approximately 364,363 square meters situated in Xiangzhou, Guangxi Province, the PRC as security of its payment obligations under the Finance Lease and the Existing Finance Leases.

Additionally, Guarantor 1 had executed a share pledge agreement, pledging 100% of its shareholding interests in the Lessee, in favour of Greengold Leasing for a term of 9 years, as security of the Lessee's payment obligations under the Finance Lease and the Existing Finance Leases.

## **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 designated facilities and equipment for heat and power cogeneration situated in Xiangzhou, Guangxi Province.

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

## **LISTING RULES IMPLICATION**

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As some of the applicable percentage ratios for the transactions contemplated under the Finance Lease and Incidental Documentation on a standalone basis 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 under the Listing Rules. The transactions contemplated under the Finance Lease and Incidental Documentation, when aggregated with the transactions under the Existing Finance Leases, still remain as a major transaction under the Listing Rules. Since the Company has complied with the major transaction requirements in respect of the transactions under the Existing Finance Leases as set out in the announcement of the Company dated 29 October 2021, the Company is not required to reclassify the transactions contemplated under the Finance Lease and Incidental Documentation by aggregating them with the transactions under the Existing Finance Leases. 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 Lessee**

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

## **The guarantors**

Guarantor 1 is a limited liability company established in the PRC and is principally engaged in the treatment of solid waste in the PRC.

Guarantor 2 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.

## **The Supplier**

The Supplier is a limited liability company established in the PRC and is principally engaged in construction projects design in the PRC.

## **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 29 October 2021 entered into between Greengold Leasing and the Lessee, the details of which have been disclosed in the announcement of the Company dated 29 October 2021
“Existing Finance Lease 2”	the finance lease agreement and incidental documentation dated 16 February 2022 entered into between Greengold Leasing and the Lessee in the consideration of RMB12,000,000
“Existing Finance Leases”	collectively, the Existing Finance Lease 1 and the Existing Finance Lease 2

“Finance Lease”	the finance lease agreement dated 6 July 2022 entered into between Greengold Leasing and the Lessee 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
“Guarantor 1”	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 held by Agile Group Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3383) and Guangzhou Kaiya Environmental Investment Partnership (Limited Partnership)* (廣州凱雅環保投資合伙企業(有限合伙)), and an Independent Third Party
“Guarantor 2”	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 wholly owned by Guarantor 1, and an Independent Third Party
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Incidental Documentation”	the agreements incidental to the Finance Lease, including the S & P Agreement, the consultancy agreement, the guarantee, the asset pledge agreement, the share pledge agreement, the receivables pledge agreement and the charge
“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”	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 wholly owned by Guarantor 1, 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
“S & P Agreement”	the sales and purchase agreement of the Assets dated 6 July 2022 entered into among Greengold Leasing, the Lessee and the Supplier
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplier”	Shanghai Canzhou Environmental Engineering Co., Ltd.* (上海燦州環境工程有限公司), a company incorporated in the PRC with limited liability, which is held as to 51% by Guarantor 1 and 49% by Liu Jianhua* (劉建華) (a Chinese individual and an Independent Third Party), and an Independent Third Party
“%”	per cent

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

Hong Kong, 6 July 2022

*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. DENG Hong Ping and Mr. PENG Xinyu.*

*For the purpose of this announcement, amounts denominated in RMB have been translated into HK\$ at the indicative exchange rate of RMB1 = HK\$1.169.*

\* For identification purpose only