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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 25 September 2023, Greengold Leasing, a subsidiary of the Company, entered into (i) the Finance Leases A with Lessee A to obtain the ownership of Assets A at an aggregate consideration of RMB150,000,000 (equivalent to approximately HK\$161,100,000), which would be leased back to Lessee A for its use and possession for a term of 5 years; and (ii) the Finance Lease B with Lessee B to obtain the ownership of Assets B at a consideration of RMB100,000,000 (equivalent to approximately HK\$107,400,000), 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 the discloseable transaction announcement of the Company dated 18 September 2023 in relation to the entering into of the Existing Finance Lease A between Greengold Leasing and Lessee A. As one of the applicable percentage ratios for the transactions contemplated under the Finance Leases A, whether on a standalone basis or an aggregated basis with the transactions under the Existing Finance Lease A, exceeds 25% but all of them are less than 100%, the entering into of the Finance Leases A 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, as one of the applicable percentage ratios for the transactions contemplated under the Finance Lease B exceeds 25% but all of them are less than 100%, the entering into of the Finance Lease B 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 17 October 2023.

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:

25 September 2023

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; and
- (2) Lessee A.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Lessee A and its ultimate beneficial owner 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 Lessee A on an "as-is" basis at the consideration of RMB80,000,000 (equivalent to approximately HK\$85,920,000) and RMB70,000,000 (equivalent to approximately HK\$75,180,000) 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 Lessee 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 Lessee 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 amount of Assets A1 and Assets A2 of approximately RMB92,630,000 (equivalent to approximately HK\$99,485,000) and RMB83,687,000 (equivalent to approximately HK\$89,880,000) as valued by an independent valuer as at 31 July 2023 respectively, and their state, which were reviewed by Greengold Leasing's experienced leasing team. The consideration amount for the ownership 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 Lessee A for its use and possession for a term of 5 years commencing from the day the relevant consideration for Assets A1 and Asset A2 transfer has been paid respectively by Greengold Leasing.

Payments under the Finance Leases A

In respect of Finance Lease A1, the total amount of lease payments is approximately RMB94,348,000 (equivalent to approximately HK\$101,330,000), comprising (a) the lease principal payment of RMB80,000,000 (equivalent to approximately HK\$85,920,000) and (b) the aggregate lease interest of approximately RMB14,348,000 (equivalent to approximately HK\$15,410,000). 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 RMB82,645,000 (equivalent to approximately HK\$88,761,000), comprising (a) the lease principal payment of RMB70,000,000 (equivalent to approximately HK\$75,180,000) and (b) the aggregate lease interest of approximately RMB12,645,000 (equivalent to approximately HK\$13,581,000). 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 interest, were determined after arm's length negotiations between the parties to the Finance Leases A 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 3.45% as at the date of the Finance Leases A), and adjustments taking into account the principal amount of the Finance Leases A 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 Leases A on a case by case basis.

Termination and transfer of the Assets A to Lessee A

The Lessee A may terminate the Finance Leases A 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 Leases A, subject to the settlement of all outstanding amounts due, Lessee A had agreed to purchase the Assets A at a nominal purchase price of RMB1 each (equivalent to approximately HK\$1.074).

Information on the Assets A

Assets A1 comprise certain designated facilities of vehicles parking and equipment and facilities of ventilation, lighting, water supply and drainage and lightning protection situated in Foshan City, Guangdong Province.

Assets A2 comprise other designated facilities of vehicles parking and equipment and facilities of ventilation, lighting, water supply and drainage and lightning protection situated in Foshan City, Guangdong Province.

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

(B) THE FINANCE LEASE B

Date:

25 September 2023

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) Lessee B; and
- (3) Guarantor B (in relation to the guarantee).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Lessee B, Guarantor 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\$107,400,000) 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 amount of the Assets B of approximately RMB168,257,000 (equivalent to approximately HK\$180,708,000) as valued by an independent valuer as at 31 March 2023, and their state, which were reviewed by Greengold Leasing’s experienced leasing team. The consideration amount for the ownership 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 RMB115,707,000 (equivalent to approximately HK\$124,269,000), comprising (a) the lease principal payment of RMB100,000,000 (equivalent to approximately HK\$107,400,000) and (b) the aggregate lease interest and other fees and expenses under the Incidental Documentation B of approximately RMB15,707,000 (equivalent to approximately HK\$16,869,000). 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 interest, were determined after arm’s length negotiations between the parties to the Finance Lease B 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 3.45% as at the date of the Finance Lease B), and adjustments taking into account the principal amount of the Finance Lease B 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 B on a case by case basis.

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\$107.4).

Guarantee deposit

Lessee B will pay an interest-free deposit of RMB5,000,000 (equivalent to approximately HK\$5,370,000) 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

Guarantor B had executed a guarantee on the date of the Finance Lease B guaranteeing Greengold Leasing the due and punctual settlement of any and all amount payable by Lessee B under the Finance Lease B.

Information on the Assets B

Assets B comprise certain designated equipment and facilities for rainwater and sewage conveyance situated in Zhaoqing City, Guangdong Province.

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 one of the applicable percentage ratios for the transactions contemplated under the Finance Leases A, whether on a standalone basis or an aggregated basis with the transactions under the Existing Finance Lease A, exceeds 25% but all of them are less than 100%, the entering into of the Finance Leases A 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 exceeds 25% but all of them are less than 100%, the entering into of the Finance Leases B 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 17 October 2023.

PRINCIPAL BUSINESSES OF THE PARTIES

The Group

The Group is principally engaged in wellness elderly care, finance leasing, property investments in both properties held for sale and investment properties, big data, civil explosives and hotel investment, management and operation 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 A is a limited liability company established in the PRC and is principally engaged in asset operation and management in the PRC.

Lessee B is a limited liability company established in the PRC and is principally engaged in industrial park infrastructure investment, land development, investment promotion, services and consultation in the PRC.

The guarantor

Guarantor B is a limited liability company established in the PRC and is principally engaged in investment and asset management in the PRC.

DEFINITIONS

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

“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 A”	the finance lease agreement and incidental documentation dated 18 September 2023 entered into between Greengold Leasing and Lessee A, the details of which have been disclosed in the announcement of the Company dated 18 September 2023

“Finance Lease A1”	the finance lease agreement and the relevant Incidental Documentation A dated 25 September 2023 entered into between Greengold Leasing and Lessee 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 25 September 2023 entered into between Greengold Leasing and Lessee 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
“Finance Lease B”	the finance lease agreement and the Incidental Documentation B dated 25 September 2023 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), a company incorporated in the PRC with limited liability and a subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guarantor B”	Zhaoqing Gaoxin Investment Holdings Ltd.* (肇慶高新區投資控股有限公司), a Company incorporated in the PRC, which is a state-owned enterprise wholly controlled by Zhaoqing High-Tech Industry Development Zone Administration Committee* (肇慶高新技術產業開發區管理委員會), 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 A”	the transfer agreements incidental to the Finance Leases A
“Incidental Documentation B”	the agreements incidental to the Finance Lease B, including the transfer agreement, the consultancy 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 A”	Foshan Nanhai Xiqiao Construction Investment Co., Ltd.* (佛山市南海區西樵建設投資有限公司), a company incorporated in the PRC with limited liability, which is a state-owned enterprise ultimately controlled by the Public Assets Office of Xiqiao Town, Nanhai District, Foshan City* (佛山市南海區西樵鎮公有資產管理委員會辦公室), and an Independent Third Party
“Lessee B”	Zhaoqing Gaoxin Construction Investment Development Limited* (肇慶市高新區建設投資開發有限公司), a company incorporated in the PRC with limited liability, which is ultimately controlled by Guarantor B, 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, 25 September 2023

As at the date of this announcement, the Board consists of three executive Directors, namely Mr. HE Xiangming (Chairman), Mr. FU Weiqiang (President) and Mr. YOU Guang Wu, one non-executive Director, namely SHI Xuguang and three independent non-executive Directors, namely Mr. CHAN Kwok Wai, Mr. PENG Xinyu and Ms. LIN Junxian.

For the purpose of this announcement, amounts denominated in RMB have been translated into HK\$ at an indicative exchange rate of RMB1 = HK\$1.074.

* For identification purpose only