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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 19 December 2023, Greengold Leasing, a subsidiary of the Company, entered into (i) the Finance Lease A with Lessee A to obtain the ownership of Assets A at a consideration of RMB40,000,000 (equivalent to approximately HK\$43,760,000), which would be leased back to Lessee A for its use and possession for a term of 8 years; and (ii) the Finance Lease B with Lessee B to obtain the ownership of Assets B at a consideration of RMB70,000,000 (equivalent to approximately HK\$76,580,000), which would be leased back to Lessee B for its use and possession for a term of 6 years.

For the Finance Lease A, reference is made to the discloseable transaction announcement of the Company dated 25 May 2023 in relation to the entering into of the Existing Finance Lease A1 between Greengold Leasing and Lessee A and the discloseable transaction announcement of the Company dated 15 August 2023 in relation to the entering into of the Existing Finance Lease A2 between Greengold Leasing and the then lessee pursuant to which Lessee A is one of the guarantors. As one of the applicable percentage ratios for the transactions contemplated under the Finance Lease A, when calculated on an aggregate basis with the transactions under the Existing Finance Leases A, exceeds 25% but all of them are less than 100%, the entering into of the Finance Lease 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, reference is made to the discloseable transaction announcement of the Company dated 13 December 2023 in relation to the entering into of the Existing Finance Lease B between Greengold Leasing and Lessee B. As one of the applicable percentage ratios for the transactions contemplated under the Finance Lease B, whether on a standalone basis or an aggregate basis with the transactions under the Existing 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 Lease 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 Lease 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 Lease 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 Lease A and Finance Lease B.

A circular containing further information on the Finance Lease A and Finance Lease B is expected to be despatched to the Shareholders on or before 11 January 2024.

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

### **(A) THE FINANCE LEASE A**

**Date:**

19 December 2023

The Finance Lease 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) Lessee A; and
- (3) Guarantors A (in relation to the relevant guarantee).

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

**Transfer of Assets A and consideration**

Greengold Leasing will be transferred the unencumbered ownership of Assets A from Lessee A on an "as-is" basis at the consideration of RMB40,000,000 (equivalent to approximately HK\$43,760,000) in cash pursuant to Finance Lease A, payable within 12 months from the date of the Finance Lease A. The transfer agreement was entered into between Greengold Leasing and Lessee A on the date of the Finance Lease A, effecting the terms of the Finance Lease A in relation to the transfer of Assets A from Lessee A to Greengold Leasing above.

Such consideration or financing amount was determined following arm's length negotiations by the parties to the Finance Lease A with reference to the original cost of Assets A of approximately RMB65,880,000 (equivalent to approximately HK\$72,073,000), and their state including serviceable condition and depreciable life, which were reviewed by Greengold Leasing's experienced leasing team. The consideration amount for the ownership of Assets A will be funded through the internal resources of the Group and/or external banking facilities.

### **Lease period**

Greengold Leasing will lease back Assets A to Lessee A for its use and possession for a term of 8 years commencing from the day the consideration for Assets A transfer has been paid by Greengold Leasing.

### **Payments under the Finance Lease A**

The total amount of payments for the Finance Lease A is approximately RMB53,078,000 (equivalent to approximately HK\$58,067,000), comprising (a) the lease principal payment of RMB40,000,000 (equivalent to approximately HK\$43,760,000) and (b) the aggregate lease interest and other fees and expenses under the Incidental Documentation A of approximately RMB13,078,000 (equivalent to approximately HK\$14,307,000). Both the lease principal and interest will be paid quarterly over the lease period.

The terms of the Finance Lease A, including the lease principal and interest, were determined after arm's length negotiations between the parties to the Finance Lease 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 Lease A), and adjustments taking into account the principal amount of the Finance Lease 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 Lease A on a case by case basis.

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

Lessee A may terminate the Finance Lease A provided that all outstanding amounts due thereunder and a compensation equivalent to 30% of the lease interest amount of that instalment (whether paid or not) 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 A, subject to the settlement of all outstanding amounts due, Lessee A had agreed to purchase Assets A at a nominal purchase price of RMB100 (equivalent to approximately HK\$109.4).

## **Guarantee deposit**

Lessee A will pay an interest-free deposit of RMB2,000,000 (equivalent to approximately HK\$2,188,000) to Greengold Leasing on the same day the consideration for Assets A transfer has been paid by Greengold Leasing to secure its payment obligations under the Finance Lease A.

## **Guarantees**

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

## **Pledges**

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

Guarantor A3 had executed a share pledge agreement in favour of Greengold Leasing, pledging 60% of his shareholding interests in Lessee A for a term of 9 years, as security of Lessee A's payment obligations under the Finance Lease A and Existing Finance Leases A.

Lessee A and Guarantor A1 had respectively executed a receivables pledge agreement in favour of Greengold Leasing, pledging their rights in relevant receivables under certain sewage treatment agreements and their supplemental agreements (with each pledged receivables in the total amount of RMB225,000,000 (equivalent to approximately HK\$246,150,000)), as security of Lessee A's payment obligations under the Finance Lease A and Existing Finance Leases A.

Additionally, Lessee A and Guarantor A1 had respectively executed a pledge agreement in favour of Greengold Leasing, pledging 100% interests of their relevant bank account (each representing the pledge receivables of all the outstanding amounts due) for a term of 9 years, as security of Lessee A's payment obligations under the Finance Lease A and Existing Finance Leases A.

## **Information on Assets A**

Assets A comprise certain designated sewage treatment equipment and facilities situated in Zhoukou City, Henan Province.

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

## **(B) THE FINANCE LEASE B**

### **Date:**

19 December 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 Assets B and consideration**

Greengold Leasing will be transferred the unencumbered ownership of Assets B from Lessee B on an "as-is" basis at the consideration of RMB70,000,000 (equivalent to approximately HK\$76,580,000) 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 Assets B from Lessee B to Greengold Leasing above.

Such consideration or financing amount was determined following arm's length negotiations by the parties to the Finance Lease B with reference to the original cost of Assets B of approximately RMB70,506,000 (equivalent to approximately HK\$77,134,000), and their state including serviceable condition and depreciable life, which were reviewed by Greengold Leasing's experienced leasing team. The consideration amount for the ownership of Assets B will be funded through the internal resources of the Group and/or external banking facilities.

## **Lease period**

Greengold Leasing will lease back Assets B to Lessee B for its use and possession for a term of 6 years commencing from the day the consideration for Assets B transfer has been paid by Greengold Leasing.

## **Payments under the Finance Lease B**

The total amount of payments for the Finance Lease B is approximately RMB85,048,000 (equivalent to approximately HK\$93,043,000), comprising (a) the lease principal payment of RMB70,000,000 (equivalent to approximately HK\$76,580,000) and (b) the aggregate lease interest and other fees and expenses under the Incidental Documentation B of approximately RMB15,048,000 (equivalent to approximately HK\$16,463,000). 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 Assets B to Lessee B**

Lessee B may terminate the Finance Lease B 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 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\$109.4).

## **Guarantee deposit**

Lessee B will pay an interest-free deposit of RMB1,400,000 (equivalent to approximately HK\$1,532,000) to Greengold Leasing on the same day the consideration for 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 and Existing Finance Lease B.

## **Pledges**

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

Lessee B had executed a receivables pledge agreement in favour of Greengold Leasing, pledging its rights in receivables under certain power supply agreements and their supplemental agreements (with pledged receivables in the total amount of RMB180,000,000 (equivalent to approximately HK\$196,920,000)) as security of its payment obligations under the Finance Lease B and Existing Finance Lease B.

Additionally, Lessee B had executed a pledge agreement in favour of Greengold Leasing, pledging 100% interests of its bank account (representing the pledge receivables of all the outstanding amounts due) for a term of 7 years, as security of its payment obligations under the Finance Lease B and Existing Finance Lease B.

## **Information on Assets B**

Assets B comprise certain designated cogeneration equipment and facilities situated in Linyi City, Shandong Province.

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

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

The entering into of the Finance Lease 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 Lease 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**

For the Finance Lease A, reference is made to the discloseable transaction announcement of the Company dated 25 May 2023 in relation to the entering into of the Existing Finance Lease A1 between Greengold Leasing and Lessee A and the discloseable transaction announcement of the Company dated 15 August 2023 in relation to the entering into of the Existing Finance Lease A2 between Greengold Leasing and the then lessee pursuant to which Lessee A is one of the guarantors. As one of the applicable percentage ratios for the transactions contemplated under the Finance Lease A, when calculated on an aggregate basis with the transactions under the Existing Finance Leases A, exceeds 25% but all of them are less than 100%, the entering into of the Finance Lease 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, reference is made to the discloseable transaction announcement of the Company dated 13 December 2023 in relation to the entering into of the Existing Finance Lease B between Greengold Leasing and Lessee B. As one of the applicable percentage ratios for the transactions contemplated under the Finance Lease B, whether on a standalone basis or an aggregate basis with the transactions under the Existing 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 Lease 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 Lease 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 Lease 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 Lease A and Finance Lease B.

A circular containing further information on the Finance Lease A and Finance Lease B is expected to be despatched to the Shareholders on or before 11 January 2024.

## **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 sewage and garbage treatment in the PRC.

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

### **The guarantors**

Guarantor A1 is a limited liability company established in the PRC and is principally engaged in sewage treatment in the PRC.

Guarantor A2 is a limited liability company established in the PRC and is principally engaged in sewage treatment in the PRC.

Guarantor A3 is a natural person.

Guarantor B is a limited liability company established in the PRC and is principally engaged in solid waste treatment, biomass power generation and heat supply in the PRC.

## DEFINITIONS

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

“Assets A”	shall have the meaning as disclosed in the section headed “(A) THE FINANCE LEASE A – Information on Asset A” in this announcement
“Assets B”	shall have the meaning as disclosed in the section headed “(B) THE FINANCE LEASE B – Information on 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 24 May 2023 entered into between Greengold Leasing and Lessee A, the details of which have been disclosed in the announcement of the Company dated 25 May 2023
“Existing Finance Lease A2”	the finance lease agreement and incidental documentation dated 15 August 2023 entered into between Greengold Leasing and the then lessee pursuant to which Lessee A is one of the guarantors, the details of which have been disclosed in the announcement of the Company dated 15 August 2023
“Existing Finance Leases A”	collectively, Existing Finance Lease A1 and Existing Finance Lease A2
“Existing Finance Lease B”	the finance lease agreement and incidental documentation dated 13 December 2023 entered into between Greengold Leasing and Lessee B, the details of which have been disclosed in the announcement of the Company dated 13 December 2023
“Finance Lease A”	the finance lease agreement and Incidental Documentation A dated 19 December 2023 entered into between Greengold Leasing and Lessee A in relation to the transfer of ownership and lease back of Assets A

“Finance Lease B”	the finance lease agreement and Incidental Documentation B dated 19 December 2023 entered into between Greengold Leasing and Lessee B in relation to the transfer of ownership and lease back of 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 A1”	Zhoukou Chengrui Environmental Industrial Co., Ltd.* (周口市誠睿環保產業有限公司), a company incorporated in the PRC with limited liability, which is wholly owned by Lessee A, and an Independent Third Party
“Guarantor A2”	Zhoukou Chengrui Water Purification Co., Ltd.* (周口市誠睿淨水有限公司), a company incorporated in the PRC with limited liability, which is wholly owned by Lessee A, and an Independent Third Party
“Guarantor A3”	Ma Yibiao* (馬義彪), a Chinese individual and an Independent Third Party
“Guarantors A”	collectively, Guarantor A1, Guarantor A2 and Guarantor A3
“Guarantor B”	Guangdong Chant (Group) Holding Co., Ltd.* (廣東長青(集團)股份有限公司), a limited liability company incorporated in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (Stock code: 002616)
“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 Lease A, including the transfer agreement, the consultancy agreements, the guarantees, the asset pledge agreement, the receivables pledge agreements, the share pledge agreement and the pledge agreements
“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 receivables pledge agreement and the 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 A”	Henan Chengrui Environmental Industrial Co., Ltd.* (河南省誠睿環保產業有限公司), a company incorporated in the PRC with limited liability, which is held as to 80% by Guarantor A3 and 20% by 2 Chinese individuals equally, all being Independent Third Parties
“Lessee B”	Yishui Chant Environmental Energy Co., Ltd.* (沂水長青環保能源有限公司), a company incorporated in the PRC with limited liability, which is wholly owned by Guarantor B
“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, 19 December 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\$1.094.*

\* For identification purpose only