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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 TRANSACTION**

### **DEEMED DISPOSAL OF EQUITY INTEREST IN CANTON RISEN FINANCIAL LEASING CO., LTD.\***

References are made to (i) the announcement dated 28 September 2018, (ii) the announcement dated 28 December 2018 and the circular dated 15 February 2019, (iii) the announcement dated 10 April 2019 and (iv) the announcement dated 22 August 2019 of the Company in relation to the First Capital Injection, the Second Capital Injection, the Third Capital Injection and the Fourth Capital Injection respectively.

#### **THE FIFTH CAPITAL INJECTION AGREEMENT**

On 30 August 2019, CIH Finance, ZCXX, Yueqiao Assets Management, Dali Water Supply, Huaxing Glass, Lianzhifu Investment and Canton Risen entered into the Fifth Capital Injection Agreement with Zhizao Investment in relation to the Fifth Capital Injection. Pursuant to the Fifth Capital Injection Agreement, Zhizao Investment agreed to contribute RMB52,146,900 (equivalent to approximately HK\$57,100,856) in cash to the capital of Canton Risen, thereby enlarging the equity of Canton Risen as disclosed below.

## **LISTING RULES IMPLICATIONS**

Following the completion of the Fifth Capital Injection, the Group's equity interest in Canton Risen will be reduced, which will constitute a deemed disposal of the Company's interest in a subsidiary pursuant to Rule 14.29 of the Listing Rules. As the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Fifth Capital Injection are more than 5% but less than 25%, the Fifth Capital Injection Agreement and the transactions of the Group contemplated thereunder constitute a discloseable transaction of the Company itself pursuant to Chapter 14 of the Listing Rules.

Subsequent to the major transaction disclosed as per the announcement and circular of the Company of 28 December 2018 and 15 February 2019 respectively, the Injections involve deemed disposal of equity interest by the Group in Canton Risen, all of which are conducted within 12 months, the Fifth Capital Injection is therefore subject to aggregation with the Third Capital Injection and the Fourth Capital Injection pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Transactions on an aggregate basis is more than 25% but less than 75%, the Transactions constitute a major transaction of the Company and the Fifth Capital Injection is therefore subject to the announcement, circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

As no Shareholder is materially interested in the Fifth Capital Injection and no Shareholder is required to abstain from voting at a general meeting of the Company approving the transactions contemplated under the Fifth Capital Injection, the Company has, pursuant to Rule 14.44 of the Listing Rules, obtained a written approval of the transactions contemplated under the Fifth Capital Injection 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 exempted from convening a general meeting to approve the transactions contemplated under the Fifth Capital Injection.

A circular of the Company containing further details of the Fifth Capital Injection as required by the Listing Rules is expected to be despatched to the Shareholders on or before 20 September 2019.

## **INTRODUCTION**

References are made to (i) the announcement dated 28 September 2018, (ii) the announcement dated 28 December 2018 and the circular dated 15 February 2019, (iii) the announcement dated 10 April 2019 and (iv) the announcement dated 22 August 2019 of the Company in relation to the First Capital Injection, the Second Capital Injection, the Third Capital Injection and the Fourth Capital Injection respectively.

To partly pay its portion of the registered capital in Canton Risen, CIH Finance had made the Supplemental Injection in injecting an amount of RMB22,532,500 (equivalent to approximately HK\$24,673,088) in cash to the capital of Canton Risen on 28 August 2019.

The Board is pleased to announce that on 30 August 2019, CIH Finance, ZCXX, Yueqiao Assets Management, Dali Water Supply, Huaxing Glass, Lianzhifu Investment and Canton Risen entered into the Fifth Capital Injection Agreement with Zhizao Investment in relation to the Fifth Capital Injection. Set out below is a summary of the principal terms of the Fifth Capital Injection Agreement.

## **THE FIFTH CAPITAL INJECTION AGREEMENT**

### **Date:**

30 August 2019

### **Parties:**

- (1) CIH Finance, a wholly-owned subsidiary of the Company;
- (2) ZCXX, a wholly-owned subsidiary of the Company;
- (3) Yueqiao Assets Management;
- (4) Dali Water Supply;
- (5) Huaxing Glass;
- (6) Lianzhifu Investment;
- (7) Zhizao Investment; and
- (8) Canton Risen, a subsidiary of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Yueqiao Assets Management, Dali Water Supply, Huaxing Glass, Lianzhifu Investment, Zhizao Investment and their ultimate beneficial owners are third parties independent of the Group and its connected persons.

## The Fifth Capital Injection

Pursuant to the terms of the Fifth Capital Injection Agreement, Zhizao Investment will contribute an amount of RMB52,146,900 (equivalent to approximately HK\$57,100,856) (of which RMB50,000,000 (equivalent to HK\$54,750,000) will be contributed to the registered capital and the remainder to the capital reserve) in cash to the capital of Canton Risen.

The equity-holding structures of Canton Risen both before and after the Fifth Capital Injection with reference to the registered capital and the currently paid-up capital are illustrated below:

### Equity holder(s) of Canton Risen before the Fifth Capital Injection

<b>(and after the Supplemental Injection)</b>	<b>Registered capital (RMB)</b>	<b>Approximate percentage</b>	<b>Paid-up capital (RMB)</b>	<b>Approximate percentage</b>
CIH Finance	325,000,000	46.428%	55,600,900	14.1621%
ZCXK	175,000,000	25.000%	137,000,000	34.8955%
Yueqiao Assets Management	50,000,000	7.143%	50,000,000	12.7356%
Dali Water Supply	50,000,000	7.143%	50,000,000	12.7356%
Huaxing Glass	50,000,000	7.143%	50,000,000	12.7356%
Lianzhifu Investment	50,000,000	7.143%	50,000,000	12.7356%
<b>Total</b>	<b>700,000,000</b>	<b>100%</b>	<b>392,600,900</b>	<b>100%</b>

### Equity holder(s) of Canton Risen after the Fifth Capital Injection

	<b>Registered capital (RMB)</b>	<b>Approximate percentage</b>	<b>Paid-up capital (RMB)</b>	<b>Approximate percentage</b>
CIH Finance	325,000,000	43.333%	55,600,900	12.562%
ZCXK	175,000,000	23.333%	137,000,000	30.953%
Yueqiao Assets Management	50,000,000	6.666%	50,000,000	11.297%
Dali Water Supply	50,000,000	6.666%	50,000,000	11.297%
Huaxing Glass	50,000,000	6.666%	50,000,000	11.297%
Lianzhifu Investment	50,000,000	6.666%	50,000,000	11.297%
Zhizao Investment	50,000,000	6.666%	50,000,000	11.297%
<b>Total</b>	<b>750,000,000</b>	<b>100%</b>	<b>442,600,900</b>	<b>100%</b>

## **Basis of determining the amount of the Fifth Capital Injection**

The amount of the Fifth Capital Injection was determined with reference to the funding allocation schedule of the Group and the amount of additional capital the Group allows for injection taking into account the relative equity percentages of the equity holders of Canton Risen on a paid-up and enlarged basis.

## **Timing for the Fifth Capital Injection**

Zhizao Investment will pay the amount of the Fifth Capital Injection to Canton Risen in full by a lump sum payment before 31 October 2019.

## **Management structure**

Pursuant to the Fifth Capital Injection Agreement, except that Zhizao Investment is entitled to nominate a supervisor to Canton Risen, the current management structure of Canton Risen will remain unchanged.

## **Equity holders' rights and benefits and sharing of profit and loss**

During the Relevant Period, Zhizao Investment will not share the profit and loss resulting from the operation of Canton Risen.

Upon completion of the Fifth Capital Injection, each of the equity holders will be entitled to such rights and benefits (including receiving dividends) in proportion to its respective paid-up capital, which is in compliance with Section 34 of the Company Law of the PRC. According to the articles of association of Canton Risen, the Group will pay up its portion of the registered capital in Canton Risen before 18 December 2019.

## **Registration procedures**

Canton Risen will proceed with the change of industrial and commercial registration procedures and change of Sino-foreign joint venture filing and registration procedures within 5 business days from the effective date of the Fifth Capital Injection Agreement as well as all incidental documentation (including the amended constitutional documents and the supplemental joint venture agreement signed by all shareholders of Canton Risen).

## **Liabilities for breach**

In the event that Zhizao Investment fails to pay the amount of the Fifth Capital Injection within 90 days from 31 October 2019, CIH Finance, ZCXK, Yueqiao Assets Management, Dali Water Supply, Huaxing Glass, Lianzhifu Investment and Canton Risen will be entitled to terminate the Fifth Capital Injection Agreement.

## **INFORMATION ON CANTON RISEN**

Canton Risen, established in the PRC on 19 December 2017, is principally engaged in the provision of finance, including through finance leasing, with an initial focus on government public utility, environmental protection, new energy and telecommunication projects in the PRC.

According to the audited financial statements of Canton Risen, the net asset value of Canton Risen was approximately RMB289,706,361 (equivalent to approximately HK\$317,228,465) as at 31 December 2018 and its net profits for the 12 months period ended 31 December 2018 before and after taxation were approximately RMB20,474,024 (equivalent to approximately HK\$22,419,056) and RMB15,346,061 (equivalent to approximately HK\$16,803,937) respectively.

## **INFORMATION ON THE PARTIES TO THE FIFTH CAPITAL INJECTION AGREEMENT**

The Group is principally engaged in hotel investment, management and operation, property investments in both properties held for sale and investment properties, wellness elderly care, finance leasing and big data businesses. Through its joint ventures and associates, the Group also participates and invests in fast growing sectors, including electric utilities, civil explosives and finance leasing in the PRC.

CIH Finance, a wholly-owned subsidiary of the Company, is principally engaged in finance and project investment.

ZCXK, a wholly-owned subsidiary of the Company, is principally engaged in investment holding.

Yueqiao Assets Management, a company incorporated in the PRC with limited liability, is principally engaged in assets management.

Dali Water Supply, a company incorporated in the PRC, is principally engaged in real estate rental.

Huaxing Glass, a company incorporated in the PRC with limited liability, is principally engaged in the research and development, design and manufacturing of daily glass products.

Lianzhifu Investment, a company incorporated in the PRC with limited liability, is principally engaged in property and equity investment.

Zhizao Investment, a company incorporated in the PRC with limited liability, is principally engaged in project investment and management.

## **FINANCIAL EFFECT OF THE DEEMED DISPOSAL TO THE GROUP**

Upon completion of the Fifth Capital Injection, Canton Risen will remain a subsidiary of the Company according to the relevant account standard. The financial results of Canton Risen will continue to be consolidated by the Group. Therefore, it is expected that the Group will not record any gain or loss from the deemed disposal in the consolidated income statement of the Group.

## **USE OF THE FIFTH CAPITAL INJECTION AMOUNT**

The amount of the Fifth Capital Injection provided by Zhizao Investment will be used by Canton Risen in its ordinary course of business.

## **REASONS FOR AND BENEFITS OF ENTERING INTO OF THE FIFTH CAPITAL INJECTION AGREEMENT**

The principal business of Canton Risen continues to develop rapidly. The Company believes that the businesses of Canton Risen will be further strengthened with a broader equity holder base pooling resources and capabilities together while sharing in the associated risks. The Fifth Capital Injection will provide further source of capital for Canton Risen to develop its existing businesses while lightening the Group's financial load. The Group will continue to evaluate the funding needs of Canton Risen from time to time.

The Directors are of the view that the terms of the Fifth Capital Injection Agreement are on normal commercial terms and fair and reasonable and the Fifth Capital Injection and the transactions contemplated thereunder are in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Following the completion of the Fifth Capital Injection, the Group's equity interest in Canton Risen will be reduced, which will constitute a deemed disposal of the Company's interest in a subsidiary pursuant to Rule 14.29 of the Listing Rules. As the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Fifth Capital Injection are more than 5% but less than 25%, the Fifth Capital Injection Agreement and the transactions of the Group contemplated thereunder constitute a discloseable transaction of the Company itself pursuant to Chapter 14 of the Listing Rules.

Subsequent to the major transaction disclosed as per the announcement and circular of the Company of 28 December 2018 and 15 February 2019 respectively, the Injections involve deemed disposal of equity interest by the Group in Canton Risen, all of which are conducted within 12 months, the Fifth Capital Injection is therefore subject to aggregation with the Third Capital Injection and the Fourth Capital Injection pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Transactions on an aggregate basis is more than 25% but less than 75%, the Transactions constitute a major transaction of the Company and the Fifth Capital Injection is therefore subject to the announcement, circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

As no Shareholder is materially interested in the Fifth Capital Injection and no Shareholder is required to abstain from voting at a general meeting of the Company approving the transactions contemplated under the Fifth Capital Injection, the Company has, pursuant to Rule 14.44 of the Listing Rules, obtained a written approval of the transactions contemplated under the Fifth Capital Injection 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 exempted from convening a general meeting to approve the transactions contemplated under the Fifth Capital Injection.

A circular of the Company containing further details of the Fifth Capital Injection as required by the Listing Rules is expected to be despatched to the Shareholders on or before 20 September 2019.

## DEFINITIONS

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

“Board”	the board of Directors of the Company
“Canton Risen”	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
“CIH Finance”	CIH Finance Investments Holdings Limited (中國興業金融投資控股有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary 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)



“connected persons”	shall have the meaning as ascribed to it under Listing Rules
“Dali Water Supply”	Foshan City Nanhai Dali Water Supply Company* ( 佛山市南海大瀝自來水公司 ) , a collectively-owned enterprise incorporated in the PRC
“Director(s) ”	the director(s) of the Company
“Fifth Capital Injection”	the injection of RMB52,146,900 (equivalent to approximately HK\$57,100,856) by Zhizao Investment in cash to the capital of Canton Risen pursuant to the terms of the Fifth Capital Injection Agreement
“Fifth Capital Injection Agreement”	the capital injection agreement dated 30 August 2019 entered into amongst CIH Finance, ZCXX, Yueqiao Assets Management, Dali Water Supply, Huaxing Glass, Lianzhifu Investment, Zhizao Investment and Canton Risen in relation to the Fifth Capital Injection
“First Capital Injection”	the injection of RMB52,145,000 (equivalent to approximately HK\$57,098,775) by Yueqiao Assets Management in cash to the capital of Canton Risen pursuant to the terms of the First Capital Injection Agreement
“First Capital Injection Agreement”	the capital injection agreement dated 27 September 2018 entered into amongst CIH Finance, ZCXX, Yueqiao Assets Management and Canton Risen in relation to the First Capital Injection
“Fourth Capital Injection”	the injection of RMB52,146,900 (equivalent to approximately HK\$57,100,856) by Lianzhifu Investment in cash to the capital of Canton Risen pursuant to the terms of the Fourth Capital Injection Agreement
“Fourth Capital Injection Agreement”	the capital injection agreement dated 20 August 2019 entered into amongst CIH Finance, ZCXX, Yueqiao Assets Management, Dali Water Supply, Huaxing Glass, Lianzhifu Investment and Canton Risen in relation to the Fourth Capital Injection
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huaxing Glass”	Foshan Huaxing Glass Co., Ltd.* ( 佛山華興玻璃有限公司 ) , a company incorporated in the PRC with limited liability

“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Injections”	collectively, the Third Capital Injection, the Fourth Capital Injection and the Fifth Capital Injection
“Lianzhifu Investment”	Foshan City Nanhai District Lianzhifu Investment Co., Ltd.* ( 佛山市南海區聯智富投資有限公司 ), a company incorporated in the PRC with limited liability
“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 and the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Relevant Period”	the period between 31 August 2018 up to and including the date of completion of the Fifth Capital Injection (which will be the date on which Zhizao Investment has paid the amount of the Fifth Capital Injection to Canton Risen in full)
“RMB”	Renminbi, the lawful currency of the PRC
“Second Capital Injection”	the injection of RMB52,146,900 (equivalent to approximately HK\$57,100,856) made by Dali Water Supply in cash to the capital of Canton Risen pursuant to the terms of the Second Capital Injection Agreement
“Second Capital Injection Agreement”	the capital injection agreement dated 28 December 2018 entered into amongst CIH Finance, ZCXX, Yueqiao Assets Management, Dali Water Supply and Canton Risen in relation to the Second Capital Injection
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Injection”	the injection of RMB22,532,500 (equivalent to approximately HK\$24,673,088) by CIH Finance in cash to the capital of Canton Risen on 28 August 2019

“Third Capital Injection”	the injection of RMB52,146,900 (equivalent to approximately HK\$57,100,856) made by Huaxing Glass in cash to the capital of Canton Risen pursuant to the terms of the Third Capital Injection Agreement
“Third Capital Injection Agreement”	the capital injection agreement dated 10 April 2019 entered into between Canton Risen and Huaxing Glass in relation to the Third Capital Injection
“Transactions”	the transactions contemplated under the Third Capital Injection, the Fourth Capital Injection and the Fifth Capital Injection and the transactions of the Group contemplated thereunder
“Yueqiao Assets Management”	Foshan City Yueqiao Assets Management Co., Ltd.* (佛山市粵樵資產管理有限公司), a company incorporated in the PRC with limited liability
“Zhizao Investment”	Foshan City Nanhai Zhizao Investment Co., Ltd.* (佛山市南海智造投資有限公司), a company incorporated in the PRC with limited liability
“ZCXK”	Zhong Chuang Xing Ke (Shenzhen) Investments Company Limited* (中創興科(深圳)投資有限公司), a wholly foreign-owned enterprise incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 30 August 2019

*As at the date of this announcement, the Board consists of five executive Directors, namely Mr. HE Xiangming (Chairman), Mr. LIN Pingwu (Managing Director), Mr. YOU Guang Wu (Director), Mr. HUANG Zhihe (Deputy Managing Director) and Ms. WANG Xin (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\$1.095. 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