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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)**

### **CONTINUING TRANSACTION AND CONTINUING CONNECTED TRANSACTION**

Reference is made to the announcement of the Company dated 22 June 2020 in relation to the entering into of the Acquisition Agreement, pursuant to which, Nanhai Canmanage, a wholly-owned subsidiary of the Company, agreed to acquire from Nanhai Lianhua an additional 2% equity interest in Guangdong Tiannuo. Following the completion of the Acquisition, Guangdong Tiannuo has become an indirect subsidiary of the Company and the financial results of which has consolidated into the consolidated financial statements of the Group.

Prior to the Acquisition, the Existing Sales and Purchase Agreement involving the sale and purchase of paper boxes was entered into between Nanhong Chemical, a subsidiary of Guangdong Tiannuo, and Nanhai Chemical, a substantial shareholder of Guangdong Tiannuo, in their respective ordinary and usual course of business. Upon completion of the Acquisition, Nanhong Chemical has become an indirect subsidiary of the Company through Guangdong Tiannuo, and Nanhai Chemical has become a connected person at the subsidiary level of the Company pursuant to the Listing Rules.

Accordingly, the Existing Sales and Purchase Agreement involving continuing transaction which was originally entered into between Nanhong Chemical and Nanhai Chemical constitutes a continuing connected transaction of the Group upon completion of the Acquisition. The Company is required to comply with the relevant disclosure requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 22 June 2020 in relation to the entering into of the Acquisition Agreement, pursuant to which, Nanhai Canmanage, a wholly-owned subsidiary of the Company, agreed to acquire from Nanhai Lianhua an additional 2% equity interest in Guangdong Tiannuo. As at the date of this announcement, all the equity registration procedures had been completed.

## **CONTINUING TRANSACTION**

Prior to the Acquisition, the Existing Sales and Purchase Agreement involving the sale and purchase of paper boxes was entered into between Nanhong Chemical and Nanhai Chemical in their respective ordinary and usual course of business.

Details of the Existing Sales and Purchase Agreement are as follows:

### **Date:**

26 June 2020

### **Parties:**

- (1) Nanhong Chemical, an indirect subsidiary of the Company, as the purchaser;
- (2) Nanhai Chemical, as the vendor.

### **Term:**

The Existing Sales and Purchase Agreement is effective from the date of the agreement and expiring on 31 March 2021, which will be subject to any renewal as may be agreed by both parties.

### **Subject Matter:**

Pursuant to the Existing Sales and Purchase Agreement, Nanhai Chemical agreed to sell on demand, and Nanhong Chemical agreed to purchase, paper boxes on the agreed pricing, payment and delivery terms. The paper boxes will be ready for collection by Nanhong Chemical within 10 days from the ordering date at the warehouse designated by Nanhai Chemical.

## **Consideration and Payment:**

The unit price of the paper boxes was agreed to be in the range from RMB7.5 (equivalent to approximately HK\$8.85) to RMB9.04 (equivalent to approximately HK\$10.67) which was determined by the parties after arm's length negotiations with reference to the prevailing market price of paper boxes of comparable quality and quantity.

Nanhong Chemical shall settle payment for the number of paper boxes purchased in cash on a monthly basis, from the internal resources of the Group.

## **CONTINUING CONNECTED TRANSACTION**

Prior to the Acquisition, the Existing Sales and Purchase Agreement involving the sale and purchase of paper boxes was entered into between Nanhong Chemical, a subsidiary of Guangdong Tiannuo, and Nanhai Chemical, a substantial shareholder of Guangdong Tiannuo, in their respective ordinary and usual course of business. Upon completion of the Acquisition, Guangdong Tiannuo has become an indirect subsidiary of the Company and the financial results of which has consolidated into the consolidated financial statements of the Group. Nanhong Chemical, has therefore become an indirect subsidiary of the Company through Guangdong Tiannuo, and Nanhai Chemical has become a connected person at the subsidiary level of the Company pursuant to the Listing Rules.

Accordingly, the Existing Sales and Purchase Agreement involving continuing transaction which was originally entered into between Nanhong Chemical and Nanhai Chemical constitutes a continuing connected transaction of the Group upon completion of the Acquisition. The Company is required to comply with the relevant disclosure requirements under Chapter 14A of the Listing Rules.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Existing Sales and Purchase Agreement was entered into in the ordinary and usual course of business of Nanhong Chemical to aid its product packaging and distribution.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Existing Sales and Purchase Agreement are fair and reasonable and on normal commercial terms and were entered into in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole. None of the Directors has any material interests in the Existing Sales and Purchase Agreement and the transaction contemplated thereunder.

## GENERAL INFORMATION

### 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 associates, the Group also participates and invests in fast growing sectors, including electric utilities in the PRC.

### Nanhong Chemical

Nanhong Chemical is principally engaged in production and sales of emulsion explosives and is ultimately owned by the Group and the State-owned Assets Supervision and Administration Bureau of Nanhai District, Foshan City\* (佛山市南海區國有資產監督管理局), being a governmental institution subordinated to the State Council in the PRC (the “**State-owned Assets Supervision and Administration Bureau**”).

### Nanhai Chemical

Nanhai Chemical is principally engaged in manufacturing chemicals and chemical products in the PRC and is ultimately owned by the State-owned Assets Supervision and Administration Bureau.

## DEFINITIONS

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

“Acquisition”	the acquisition of 2% paid-up equity interest in Guangdong Tiannuo by Nanhai Canmanage from Nanhai Lianhua
“Acquisition Agreement”	the equity transaction agreement dated 22 June 2020 entered into between Nanhai Canmanage and Nanhai Lianhua in respect of the Acquisition
“associate”	has the meaning ascribed to it under the Listing Rules
“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 Sales and Purchase Agreement”	the sales and purchase agreement dated 26 June 2020 entered into between Nanhong Chemical and Nanhai Chemical in relation to the sale and purchase of paper boxes
“Group”	the Company and its subsidiaries
“Guangdong Tiannuo”	Guangdong Tiannuo Civil Explosives Co., Ltd.* (廣東天諾民爆有限公司), a company incorporated in the PRC with limited liability and an indirect subsidiary of the Company
“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
“Independent Third Party(ies)”	third party(ies) independent of the Group and its connected persons as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanhai Canmanage”	Foshan City Nanhai Canmanage Investments Holdings Limited* (佛山市南海康美投資有限公司), a wholly foreign-owned enterprise incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Nanhai Lianhua”	Foshan City Nanhai District Lianhua Asset Operation & Management Co., Ltd.* (佛山市南海區聯華資產經營管理有限公司), a wholly State-owned company incorporated in the PRC with limited liability, and an Independent Third Party
“Nanhai Chemical”	Guangdong Nanhai Chemical Factory Co., Ltd.* (廣東省南海化工總廠有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Nanhai Lianhua
“Nanhong Chemical”	Guangdong Nanhong Chemical Co., Ltd.* (廣東南虹化工有限公司), a company incorporated in the PRC with limited liability and an indirect subsidiary of the Company

“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, 23 November 2020

*As at the date of this announcement, the Board consists of four executive Directors, namely Mr. HE Xiangming (Chairman and 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\$1.18. 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*