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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 TRANSACTIONS
ENTERING INTO FINANCE LEASES AS THE LESSOR**

On 12 December 2022, Greengold Leasing, a subsidiary of the Company, entered into (i) the Finance Leases A with Lessee A to obtain the ownership of Assets A from Lessee A for an aggregate consideration of RMB55,000,000 (equivalent to approximately HK\$61,215,000), 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 Lessees B to obtain the ownership of Assets B from Lessees B at a consideration of RMB180,000,000 (equivalent to approximately HK\$200,340,000), which would be leased back to Lessees B for their use and possession for a term of 3 years.

For the Finance Leases A, reference is made to the discloseable transaction announcement of the Company dated 5 July 2022 in relation to the entering into of the Existing Finance Lease A. As the lessee of the Finance Leases A is the same party as that of the Existing Finance Lease A, the transactions contemplated under the Finance Leases A is aggregated with the transactions under the Existing Finance Lease A pursuant to Rule 14.22 of the Listing Rules. As the applicable percentage ratios for the transactions contemplated under the Finance Leases A, whether on a standalone basis or an aggregated basis, fall under the discloseable transaction threshold, the entering into of the Finance Leases A constitutes a discloseable transaction for the Company under the Listing Rules.

For the Finance Lease B, reference is made to (1) the discloseable transaction announcement of the Company dated 27 September 2022 in relation to the entering into of the Existing Finance Lease B1, and (2) the discloseable transaction announcement of the Company dated 10 October 2022 in relation to the entering into of the Existing Finance Lease B2. As the ultimate controlling shareholder of the lessee of the Existing Finance Leases B is the spouse of the ultimate controlling shareholder of Lessees B, the transactions contemplated under the Finance Lease B is aggregated with the transactions under the Existing Finance Leases B pursuant to Rule 14.22 of the Listing Rules. As the applicable percentage ratios for the transactions contemplated under the Finance Lease B, whether on a standalone basis or an aggregated basis, fall under the discloseable transaction threshold, the entering into of the Finance Lease B constitutes a discloseable transaction for the Company under the Listing Rules.

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:

12 December 2022

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;
- (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 A1 and Assets A2 from Lessee A on an “as-is” basis at the consideration of RMB20,000,000 (equivalent to approximately HK\$22,260,000) and RMB35,000,000 (equivalent to approximately HK\$38,955,000) in cash pursuant to the Finance Lease A1 and the 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 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 RMB24,832,000 (equivalent to approximately HK\$27,638,000) and RMB45,169,000 (equivalent to approximately HK\$50,273,000) respectively as valued by an independent valuer as at 15 November 2022, and their state, 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 5 years commencing from the day the consideration for Assets A transfer has been paid by Greengold Leasing.

Payments under the Finance Leases A

In respect of Finance Lease A1, the total amount of payments is approximately RMB25,308,000 (equivalent to approximately HK\$28,168,000), comprising (a) the lease principal payment of RMB20,000,000 (equivalent to approximately HK\$22,260,000) and (b) the aggregate lease interest and other fees and expenses under the relevant Incidental Documentation A of approximately RMB5,308,000 (equivalent to approximately HK\$5,908,000). Both the lease principal and interest will be paid monthly over the lease period.

In respect of Finance Lease A2, the total amount of payments is approximately RMB44,289,000 (equivalent to approximately HK\$49,294,000), comprising (a) the lease principal payment of RMB35,000,000 (equivalent to approximately HK\$38,955,000) and (b) the aggregate lease interest and other fees and expenses under the relevant Incidental Documentation A of approximately RMB9,289,000 (equivalent to approximately HK\$10,339,000). Both the lease principal and interest will be paid monthly 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 3.65% 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 Assets A to Lessee A

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 ownership of Assets A at a nominal purchase price of RMB100 each (equivalent to approximately HK\$111.3).

Guarantee deposits

Lessee A will pay interest-free deposits of RMB1,000,000 (equivalent to approximately HK\$1,113,000) and RMB1,750,000 (equivalent to approximately HK\$1,948,000) 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 A1 and the Finance Lease A2 respectively.

Guarantee

Guarantors A had executed a guarantee on the date of the Finance Leases 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 Leases A.

Pledges

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

Lessee A had executed a receivables pledge agreement in favour of Greengold Leasing, pledging its rights in receivables under a heat supply franchise agreement and its supplemental agreements as security of Lessee A's payment obligations under the Finance Leases A and the Existing Finance Lease A.

Additionally, Guarantor A1 had executed a share pledge agreement, pledging 75% of its shareholding interests in Lessee A, in favour of Greengold Leasing for a term of 6 years, as security of Lessee A's payment obligations under the Finance Leases A and the Existing Finance Lease A.

Information on Assets A

Assets A1 comprise certain designated heat supply systems situated in Linqing City, Shandong Province, the PRC.

Assets A2 comprise other designated heat supply systems situated in Linqing City, Shandong Province, the PRC.

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

(B) THE FINANCE LEASE B

Date:

12 December 2022

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) Lessees B; and
- (3) Guarantors B (in relation to the relevant guarantee) and Pledgor B (in relation to the relevant pledge agreement).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Lessees B, Guarantors B, Pledgor 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 Lessees B on an “as-is” basis at the consideration of RMB180,000,000 (equivalent to approximately HK\$200,340,000) in cash, payable within 12 months from the date of the Finance Lease B. The transfer agreement was entered into between Greengold Leasing and Lessees 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 Lessees 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 Assets B of approximately RMB194,144,000 (equivalent to approximately HK\$216,082,000) as valued by an independent valuer as at 2 November 2022, and their state, 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 Lessees B for their use and possession for a term of 3 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 RMB215,333,000 (equivalent to approximately HK\$239,666,000), comprising (a) the lease principal payment of RMB180,000,000 (equivalent to approximately HK\$200,340,000) and (b) the aggregate lease interest and other fees and expenses under the Incidental Documentation B of approximately RMB35,333,000 (equivalent to approximately HK\$39,326,000). 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 3.65% 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 Lessees B

Lessees 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, Lessees B had agreed to purchase the ownership of Assets B at a nominal purchase price of RMB100 (equivalent to approximately HK\$111.3).

Guarantee deposit

Lessees B will pay an interest-free deposit of RMB9,000,000 (equivalent to approximately HK\$10,017,000) to Greengold Leasing on the same day the consideration for Assets B transfer has been paid by Greengold Leasing to secure their payment obligations under the Finance Lease B.

Guarantee

Guarantors B had executed a guarantee on the date of the Finance Lease B guaranteeing Greengold Leasing, effectively on a joint and several basis, the due and punctual settlement of any and all amount payable by Lessees B under the Finance Lease B.

Pledges

Pursuant to the asset pledge agreement entered into between Greengold Leasing and Lessees 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 Lessees B under the Finance Lease B and Lessees B may continue to utilize Assets B during the lease term.

Lessee B1, Guarantor B2 and Pledgor B had executed pledge agreements in favour of Greengold Leasing, pledging certain shop premises with total gross floor area of 12,589 square metres, 314 square metres and 1,766 square metres respectively situated in Foshan City, Guangdong Province, as security of Lessees B's payment obligations under the Finance Lease B and the Existing Finance Leases B.

Information on Assets B

Assets B comprise the emergency facilities situated in the International Sports and Arts Centre (國際體育演藝中心), Yicui Jinshengtai Garden (怡翠晉盛泰園), Yicui Jinsheng Garden (怡翠晉盛花園) and Xingcuihui Arcade (星翠滙商場), Foshan City, Guangdong Province, the PRC.

Lessees 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 the 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 the 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 Leases A, reference is made to the discloseable transaction announcement of the Company dated 5 July 2022 in relation to the entering into of the Existing Finance Lease A. As the lessee of the Finance Leases A is the same party as that of the Existing Finance Lease A, the transactions contemplated under the Finance Leases A is aggregated with the transactions under the Existing Finance Lease A pursuant to Rule 14.22 of the Listing Rules. As the applicable percentage ratios for the transactions contemplated under the Finance Leases A, whether on a standalone basis or an aggregated basis, fall under the discloseable transaction threshold, the entering into of the Finance Leases A constitutes a discloseable transaction for the Company under the Listing Rules.

For the Finance Lease B, reference is made to (1) the discloseable transaction announcement of the Company dated 27 September 2022 in relation to the entering into of the Existing Finance Lease B1, and (2) the discloseable transaction announcement of the Company dated 10 October 2022 in relation to the entering into of the Existing Finance Lease B2. As the ultimate controlling shareholder of the lessee of the Existing Finance Leases B is the spouse of the ultimate controlling shareholder of Lessees B, the transactions contemplated under the Finance Lease B is aggregated with the transactions under the Existing Finance Leases B pursuant to Rule 14.22 of the Listing Rules. As the applicable percentage ratios for the transactions contemplated under the Finance Lease B, whether on a standalone basis or an aggregated basis, fall under the discloseable transaction threshold, the entering into of the Finance Lease B constitutes a discloseable transaction for the Company under the Listing Rules.

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 heat supply in the PRC.

Lessee B1 is a limited liability company established in the PRC and is principally engaged in property development and operation in the PRC.

Lessee B2 is a limited liability company established in the PRC and is principally engaged in property development and operation in the PRC.

Lessee B3 is a limited liability company established in the PRC and is principally engaged in property development and operation in the PRC.

The guarantors

Guarantor A1 is a limited liability company established in the PRC and is principally engaged in urban infrastructure construction in the PRC.

Guarantor A2 and Guarantor A3 are natural persons.

Guarantor B1 is a limited liability company established in the PRC and is principally engaged in investment and corporate management and consultancy in the PRC.

Guarantor B2 is a limited liability company established in the PRC and is principally engaged in property development and operation in the PRC.

Guarantor B3 is a natural person.

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 Assets A” in this announcement
“Assets A2”	shall have the meaning as disclosed in the section headed “(A) THE FINANCE LEASES A – Information on 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 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 5 July 2022 entered into between Greengold Leasing and Lessee A at a consideration of RMB100,000,000
“Existing Finance Lease B1”	the finance lease agreement and incidental documentation dated 27 September 2022 entered into between Greengold Leasing and the then lessee at a consideration of RMB100,000,000
“Existing Finance Lease B2”	the finance lease agreement and incidental documentation dated 8 October 2022 entered into between Greengold Leasing and the then lessee at a consideration of RMB100,000,000
“Existing Finance Leases B”	collectively, the Existing Finance Lease B1 and the Existing Finance Lease B2
“Finance Lease A1”	the finance lease agreement and the relevant Incidental Documentation A dated 12 December 2022 entered into between Greengold Leasing and Lessee A in relation to the transfer of ownership and lease back of Assets A1

“Finance Lease A2”	the finance lease agreement and the relevant Incidental Documentation A dated 12 December 2022 entered into between Greengold Leasing and Lessee A in relation to the transfer of ownership and lease back of 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 12 December 2022 entered into between Greengold Leasing and Lessees 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)(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 A1”	China City Development Group Fourth Engineering Bureau Co., Ltd.* (中國城投建設集團第四工程局有限公司), a limited liability company incorporated in the PRC, which is a state-owned enterprise ultimately controlled by the Ministry of Foreign Economic Relations and Trade of the PRC, and an Independent Third Party
“Guarantor A2”	Huang Hongbao (黃宏保), a Chinese individual and an Independent Third Party
“Guarantor A3”	Mao Fei (毛菲), a Chinese individual and an Independent Third Party
“Guarantors A”	collectively, Guarantor A1, Guarantor A2 and Guarantor A3
“Guarantor B1”	Nengxing Holding Group Co., Ltd.* (能興控股集團有限公司), a limited liability company incorporated in the PRC, which is ultimately controlled by Guarantor B3, and an Independent Third Party
“Guarantor B2”	Foshan City Kaineng Property Development Co., Ltd.* (佛山市凱能房地產開發有限公司), a limited liability company incorporated in the PRC, which is ultimately controlled by Guarantor B3, and an Independent Third Party
“Guarantor B3”	Zhong Naixiong (鍾乃雄), a Chinese individual and an Independent Third Party

“Guarantors B”	collectively, Guarantor B1, Guarantor B2 and Guarantor B3
“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 Leases A, including the transfer agreements, the consultancy agreements, the guarantee, the asset pledge agreements, the share pledge agreement and the receivables pledge agreement
“Incidental Documentation B”	the agreements incidental to the Finance Lease B, including the transfer agreement, the consultancy agreement, the guarantee, the asset pledge agreement and the pledge agreements
“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”	Linqing Zhongyun City Development Co., Ltd.* (臨清市中運城市發展有限公司), a limited liability company incorporated in the PRC, which is ultimately held by the Ministry of Foreign Economic Relations and Trade and the State-owned Assets Supervision and Administration Bureau of the Linqing Municipal People’s Government* (臨清市人民政府國有資產監督管理局) of the PRC, and an Independent Third Party
“Lessee B1”	Foshan City Jiyun Property Co., Ltd.* (佛山市集韻置業有限公司), a limited liability company incorporated in the PRC, which is ultimately controlled by Chen Minling (陳敏玲), and an Independent Third Party
“Lessee B2”	Foshan City Jianbo Property Co., Ltd.* (佛山市鑒博置業有限公司), a limited liability company incorporated in the PRC, which is ultimately controlled by Chen Minling (陳敏玲), and an Independent Third Party
“Lessee B3”	Foshan City Jinhe Property Development Co., Ltd.* (佛山市晉合房地產開發有限公司), a limited liability company incorporated in the PRC, which is ultimately controlled by Chen Minling (陳敏玲), and an Independent Third Party
“Lessees B”	collectively, Lessee B1, Lessee B2 and Lessee B3

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pledgor B”	Foshan City Youjia Property Co., Ltd.* (佛山市佑嘉置業有限公司), a limited liability company incorporated in the PRC, which is ultimately controlled by Chen Minling (陳敏玲), and an Independent Third Party
“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, 12 December 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\$1.113.

* *For identification purpose only*