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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 TRANSACTION
ENTERING INTO A FINANCE LEASE AS THE LESSOR**

On 12 August 2022, Greengold Leasing, a subsidiary of the Company, entered into the Finance Lease with the Lessees, to obtain the ownership of the Assets from the Lessees at a consideration of RMB50,000,000 (equivalent to approximately HK\$58,100,000), which would be leased back to the Lessees for their use and possession for a term of 5 years.

Reference is made to (1) the discloseable transaction announcement of the Company dated 25 August 2021 in relation to the entering into of the Existing Finance Lease 1, (2) the major transaction announcement of the Company dated 29 October 2021 in relation to, among others, the entering into of the Existing Finance Leases 2, (3) the discloseable transaction announcement of the Company dated 24 January 2022 in relation to the entering into of the Existing Finance Leases 3, (4) the discloseable transaction announcement of the Company dated 17 February 2022 in relation to the entering into of the Existing Finance Lease 4, and (5) the discloseable transaction announcement of the Company dated 2 June 2022 in relation to the entering into of the Existing Finance Lease 5. As Lessee 2 is the controlling shareholder of the lessees of the Existing Finance Leases 3 and Existing Finance Lease 4 and one of the lessees of the Existing Finance Lease 1 and Existing Finance Leases 2, and is one of the lessees of the Existing Finance Lease 5, the transactions contemplated under the Finance Lease were aggregated with the transactions under the Existing Finance Leases for consideration.

As all of the applicable percentage ratios for the transactions contemplated under the Finance Lease and Incidental Documentation, when calculated on an aggregate basis with the transactions under the Existing Finance Leases, exceed 5% but are less than 25%, the entering into of the Finance Lease and Incidental Documentation constitutes a discloseable transaction for the Company under the Listing Rules.

THE FINANCE LEASE AND INCIDENTAL DOCUMENTATION

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

Date of the Finance Lease:

12 August 2022

Parties:

- (1) Greengold Leasing, a subsidiary of the Company, as the lessor; and
- (2) the Lessees.

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

Transfer of Assets and consideration

Greengold Leasing will be transferred the unencumbered ownership of the Assets from the Lessees on an "as-is" basis at the consideration of RMB50,000,000 (equivalent to approximately HK\$58,100,000) in cash pursuant to the Finance Lease, payable within 12 months from the date of the Finance Lease. The transfer agreement for the Finance Lease was entered into between Greengold Leasing and Lessee 1 on the date of the Finance Lease, effecting the terms of the Finance Lease in relation to the transfer of the Assets from Lessee 1 to Greengold Leasing above.

Such consideration amount was determined following arm's length negotiations by the parties to the Finance Lease with reference to including the original cost of the Assets of approximately RMB75,880,000 (equivalent to approximately HK\$88,173,000), and their state, which were reviewed by Greengold Leasing's experienced leasing team. The consideration amount for the ownership of the Assets will be funded through the internal resources of the Group and/or external banking facilities.

Lease period

Greengold Leasing will lease back the Assets to the Lessees for their use and possession for a term of 5 years commencing from the day the consideration for the Assets transfer has been paid by Greengold Leasing.

Payments under the Finance Lease

The total amount of payments for the Finance Lease and Incidental Documentation is approximately RMB60,350,000 (equivalent to approximately HK\$70,127,000), comprising (a) the lease principal payment of RMB50,000,000 (equivalent to approximately HK\$58,100,000) and (b) the aggregate lease interest and other fees and expenses under the Incidental Documentation of approximately RMB10,350,000 (equivalent to approximately HK\$12,027,000). Both the lease principal and the interest will be paid every three months over the lease period.

The terms of the Finance Lease, including the lease principal and interest, were determined after arm's length negotiations between the parties to the Finance Lease 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 3.7% as at the date of the Finance Lease), and adjustments taking into account the principal amount of the Finance Lease 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 on a case by case basis.

Termination and transfer of the Assets to the Lessees

The Lessees may terminate the Finance Lease 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, subject to the settlement of all outstanding amounts due, the Lessees had agreed to purchase the Assets at a nominal purchase price of RMB100 (equivalent to approximately HK\$116.2).

Guarantee deposit

The Lessees will pay an interest-free deposit of RMB1,500,000 (equivalent to approximately HK\$1,743,000) to Greengold Leasing on the same day the consideration for the Assets transfer has been paid by Greengold Leasing to secure their payment obligations under the Finance Lease.

Pledges

Yanbu Construction had executed a share pledge agreement, pledging 100% of its shareholding interests in Lessee 1, in favour of Greengold Leasing for a term of 6 years, as security of the Lessees' payment obligations under the Finance Lease and the Existing Finance Lease 5.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AND INCIDENTAL DOCUMENTATION

The entering into of the Finance Lease and Incidental Documentation 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 and Incidental Documentation 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.

INFORMATION ON THE ASSETS

The Assets comprise certain designated lighting and drainage facilities situated in Dali Town, Nanhai District, Foshan City, Guangdong Province, the PRC.

The Lessees will bear any maintenance, taxation and other costs and levies associated with the Assets.

LISTING RULES IMPLICATION

Reference is made to (1) the discloseable transaction announcement of the Company dated 25 August 2021 in relation to the entering into of the Existing Finance Lease 1, (2) the major transaction announcement of the Company dated 29 October 2021 in relation to, among others, the entering into of the Existing Finance Leases 2, (3) the discloseable transaction announcement of the Company dated 24 January 2022 in relation to the entering into of the Existing Finance Leases 3, (4) the discloseable transaction announcement of the Company dated 17 February 2022 in relation to the entering into of the Existing Finance Lease 4, and (5) the discloseable transaction announcement of the Company dated 2 June 2022 in relation to the entering into of the Existing Finance Lease 5. As Lessee 2 is the controlling shareholder of the lessees of the Existing Finance Leases 3 and Existing Finance Lease 4 and one of the lessees of the Existing Finance Lease 1 and Existing Finance Leases 2, and is one of the lessees of the Existing Finance Lease 5, the transactions contemplated under the Finance Lease were aggregated with the transactions under the Existing Finance Leases for consideration.

As all of the applicable percentage ratios for the transactions contemplated under the Finance Lease and Incidental Documentation, when calculated on an aggregate basis with the transactions under the Existing Finance Leases, exceed 5% but are less than 25%, the entering into of the Finance Lease and Incidental Documentation constitutes a discloseable transaction for the Company under the Listing Rules.

PRINCIPAL BUSINESSES OF THE PARTIES

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 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 1 is a limited liability company established in the PRC and is principally engaged in property management and corporate management consultancy in the PRC.

Lessee 2 is a collective ownership company established in the PRC and is principally engaged in property management in the PRC.

DEFINITIONS

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

“Assets”	shall have the meaning as disclosed in the section headed “INFORMATION ON THE ASSETS” in this announcement
“Board”	the board of Directors
“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 1”	the finance lease agreement and incidental documentation dated 23 August 2021 entered into between Greengold Leasing and the then lessees, the details of which have been disclosed in the announcement of the Company dated 25 August 2021
“Existing Finance Leases 2”	the finance lease agreements and incidental documentation dated 29 October 2021 entered into between Greengold Leasing and the then lessees, the details of which have been disclosed in the announcement and circular of the Company dated 29 October 2021 and 19 November 2021 respectively
“Existing Finance Leases 3”	the finance lease agreements and incidental documentation dated 24 January 2022 entered into between Greengold Leasing and the then lessees, the details of which have been disclosed in the announcement of the Company dated 24 January 2022
“Existing Finance Lease 4”	the finance lease agreement and incidental documentation dated 16 February 2022 entered into between Greengold Leasing and the then lessees, the details of which have been disclosed in the announcement of the Company dated 17 February 2022
“Existing Finance Lease 5”	the finance lease agreement and incidental documentation dated 2 June 2022 entered into between Greengold Leasing and the Lessees, the details of which have been disclosed in the announcement of the Company dated 2 June 2022
“Existing Finance Leases”	collectively, Existing Finance Lease 1, Existing Finance Leases 2, Existing Finance Leases 3, Existing Finance Lease 4 and Existing Finance Lease 5
“Finance Lease”	the finance lease agreement dated 12 August 2022 entered into between Greengold Leasing and the Lessees in relation to the transfer of ownership and lease back of the Assets
“Greengold Leasing”	Canton Greengold Financial Leasing Ltd.* (廣東綠金融租賃有限公司)(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

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Incidental Documentation”	the agreements incidental to the Finance Lease, including the transfer agreement, the consultancy agreement and the share 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 1”	Foshan City Nanhai District Guangfo Trade Town Development Co., Ltd.* (佛山市南海區廣佛商貿城發展有限公司), a limited liability company incorporated in the PRC, which is ultimately controlled by the People’s Government of Dali Town, Nanhai District, Foshan City, and an Independent Third Party
“Lessee 2”	Foshan City Nanhai District Dali Land Resources Development Co.* (佛山市南海區大瀝土地資源開發公司), a collective ownership company incorporated in the PRC, which is ultimately controlled by the People’s Government of Dali Town, Nanhai District, Foshan City, and an Independent Third Party
“Lessees”	collectively, Lessee 1 and Lessee 2
“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, shall exclude Hong Kong, the Macao 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

“Yanbu Construction”

Foshan City Nanhai District Yanbu Construction Co., Ltd.* (佛山市南海區鹽步建設工程有限公司), a limited liability company incorporated in the PRC, which is ultimately controlled by the People’s Government of Dali Town, Nanhai District, Foshan City, and an Independent Third Party

“%”

per cent

On behalf of
China Investments Holdings Limited
HE Xiangming
Chairman

Hong Kong, 12 August 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 an indicative exchange rate of RMB1 = HK\$1.162.

* *For identification purpose only*