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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 24 April 2023, Greengold Leasing, a subsidiary of the Company, entered into the Finance Lease with the Lessee, to obtain the ownership of the Assets from the Lessee at the consideration of RMB100,000,000 (equivalent to approximately HK\$113,700,000), which would be leased back to the Lessee for its use and possession for a term of 5 years.

As some of the applicable percentage ratios for the transactions contemplated under the Finance Lease and Incidental Documentation exceed 5% but all of them 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:

24 April 2023

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

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

Transfer of Assets and consideration

Greengold Leasing will be transferred the unencumbered ownership of the Assets from the Lessee on an "as-is" basis at the consideration of RMB100,000,000 (equivalent to approximately HK\$113,700,000) in cash, payable within 12 months from the date of the Finance Lease. The transfer agreement was entered into between Greengold Leasing and the Lessee on the date of the Finance Lease, effecting the terms of the Finance Lease in relation to the transfer of the Assets from the Lessee to Greengold Leasing above.

Such consideration amount was determined following arm's length negotiations by the parties to the Finance Lease with reference to the amount of the Assets of approximately RMB138,382,000 (equivalent to approximately HK\$157,340,000) as valued by an independent valuer as at 20 March 2023, 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 Lessee for its 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 is approximately RMB122,604,000 (equivalent to approximately HK\$139,401,000), comprising (a) the lease principal payment of RMB100,000,000 (equivalent to approximately HK\$113,700,000) and (b) the aggregate lease interest and other fees and expenses under the Incidental Documentation of approximately RMB22,604,000 (equivalent to approximately HK\$25,701,000). Both the lease principal and interest will be paid monthly 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 3.65% 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 Lessee

The Lessee 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 Lessee had agreed to purchase the Assets at a nominal purchase price of RMB1,000 (equivalent to HK\$1,137).

Guarantee deposit

The Lessee will pay an interest-free deposit of RMB5,000,000 (equivalent to approximately HK\$5,685,000) to Greengold Leasing on the same day the consideration for the Assets transfer has been paid by Greengold Leasing to secure its payment obligations under the Finance Lease.

Guarantee

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

Pledges

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

The Lessee had executed a receivables pledge agreement in favour of Greengold Leasing, pledging its rights in receivables under several electricity and steam supply agreements and their supplemental agreements as security of the Lessee's payment obligations under the Finance Lease.

The Lessee had also executed a pledge agreement, pledging 35% and 40% interests respectively of its two bank accounts, in favour of Greengold Leasing for a term of 6 years, as security of the Lessee's payment obligations under the Finance Lease.

Feng Guangya had executed a pledge agreement, pledging 25% interests of his bank account, in favour of Greengold Leasing for a term of 6 years, as security of the Lessee's payment obligations under the Finance Lease.

Additionally, Guarantor 2 had executed a share pledge agreement, pledging 22% of his shareholding interests in the Lessee, in favour of Greengold Leasing for a term of 7 years, as security of the Lessee's payment obligations under the Finance Lease.

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 equipment and facilities of a power plant situated in Linxi County, Hebei Province, the PRC.

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

LISTING RULES IMPLICATION

As some of the applicable percentage ratios for the transactions contemplated under the Finance Lease and Incidental Documentation exceed 5% but all of them 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 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 Lessee

The Lessee is a limited liability company established in the PRC and is principally engaged in heat production and supply in the PRC.

The Guarantors

Guarantor 1, Guarantor 2 and Guarantor 3 are natural persons.

DEFINITIONS

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

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| “Assets” | shall have the meaning as disclosed in the section headed “INFORMATION ON THE ASSETS” 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 |

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| “Feng Guangya (豐光亞)” | a Chinese individual and an Independent Third Party |
| “Finance Lease” | the finance lease agreement dated 24 April 2023 entered into between Greengold Leasing and the Lessee 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 |
| “Guarantor 1” | Feng Dacai (豐德才), a Chinese individual and an Independent Third Party |
| “Guarantor 2” | Zhao Guojun (趙國俊), a Chinese individual and an Independent Third Party |
| “Guarantor 3” | Feng Guangzeng (豐光增), a Chinese individual and an Independent Third Party |
| “Guarantors” | collectively, Guarantor 1, Guarantor 2 and Guarantor 3 |
| “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, the guarantee, the asset pledge agreement, the receivables pledge agreement, the share 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 |

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| “Lessee” | Linxi Fuhao Heats Co., Ltd.* (臨西縣福皓熱力有限公司), a company incorporated in the PRC with limited liability, which is held as to 99% by Guarantor 2 and 1% by Guarantor 3, and an Independent Third Party |
| “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, 24 April 2023

As at the date of this announcement, the Board consists of three executive Directors, namely Mr. HE Xiangming (Chairman), Mr. FU Weiqiang (Managing Director) and Mr. YOU Guang Wu 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\$1.137.

* *For identification purpose only*