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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**

#### **THE DISPOSAL**

The Board is pleased to announce that, on 31 August 2017, the Vendor, a wholly-owned subsidiary of the Company, entered into the Letter of Intent with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares (being all the issued shares of the Target Companies) at the Consideration.

#### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios in respect of the disposal of the Sale Shares calculated under Chapter 14 of the Listing Rules is more than 5% and all the applicable percentage ratios are less than 25%, the disposal of the Sale Shares constitutes a discloseable transaction for the Company and is subject to the requirements of notification and announcement under Chapter 14 of the Listing Rules.

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\* *For identification purpose only*

## **THE LETTER OF INTENT**

Date: 31 August 2017

Parties: (i) the Vendor, a wholly-owned subsidiary of the Company; and  
(ii) the Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser, the Purchaser's nominee(s) for the purchase of the Sale Shares (if any) and its ultimate beneficial owner(s) are third parties independent of the Group and its connected persons.

### **The Disposal**

Pursuant to the Letter of Intent, the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares at the Consideration of RMB39,500,000.

The Sale Shares comprise the entire equity interest of the Target Companies. The Target Companies, which hold the Properties including tenancies (if any), are companies incorporated in Hong Kong and are indirect wholly-owned subsidiaries of the Company. For further information of the Target Companies, please refer to the paragraph headed "INFORMATION ON THE TARGET COMPANIES" below.

### **Consideration and Manner of Payment**

The Consideration will be satisfied by the Purchaser to the Vendor in the following manner:

- (i) upon the execution of the Letter of Intent, the Purchaser will pay RMB1,000,000 as initial deposit;
- (ii) the Purchaser will pay the equivalent of RMB13,000,000 in Hong Kong dollars (based on the average of the mean exchange rates for the conversion of RMB to HK\$ as published by the Bank of China Limited as at 11:00 a.m. on the relevant date of payment in Hong Kong) on or before 30 September 2017;

- (iii) the Purchaser will pay the equivalent of RMB24,000,000 in Hong Kong dollars (based on the average of the mean exchange rates for the conversion of RMB to HK\$ as published by the Bank of China Limited as at 11:00 a.m. on the relevant date of payment in Hong Kong) on or before 30 November 2017; and
- (iv) the Purchaser will immediately pay RMB1,500,000, which the Purchaser has the right to temporarily withhold as a security deposit for the taxes of certain Target Companies, once the Vendor has assisted with the discharge of the relevant taxation liabilities.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser by reference to the prevailing market value of the Properties after taking into account that the Target Companies do not own any material assets other than the Properties.

The Directors hold the view that the terms of the Letter of Intent (including the basis of the Consideration), are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

### **Completion**

Completion of the Disposal is expected to take place on or before 30 November 2017. Immediately after Completion, the Company will cease to hold any equity interest of the Target Companies and the Target Companies will cease to be subsidiaries of the Company.

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

The Board is of the view that it is in the interests of the Company and the Shareholders as a whole to dispose of the Properties by way of disposal of the Target Companies as the disposal of the Properties is in line with the Group's principal business.

### **USE OF PROCEEDS OF THE DISPOSAL**

The proceeds from the Disposal of RMB39,500,000 will be used as working capital and for business expansion of the Group.

## INFORMATION ON THE TARGET COMPANIES

Set out below is the aggregate amount of the audited financial information for each of the financial year ended 31 December 2015 and 31 December 2016 of the Target Companies prepared under the Hong Kong Financial Reporting Standards:

	<b>For the year ended 31 December 2015 <i>HK\$'000</i></b>	<b>For the year ended 31 December 2016 <i>HK\$'000</i></b>
Net profit before tax	3,895	992
Net profit after tax	<u>3,895</u>	<u>992</u>

As at 31 December 2016, based on the accounts of the holding companies for the year ended 31 December 2016, the net book value of the Target Companies amounted to approximately HK\$32,247,000.

## FINANCIAL IMPACTS OF THE DISPOSAL

Having taken into account of the net book value of the Target Companies and the Consideration receivable under the Disposal and other costs, the Company is expected to record unaudited gain from the Disposal of approximately HK\$8,734,000.

## INFORMATION OF THE GROUP AND THE VENDOR

The Vendor is a wholly-owned subsidiary of the Company and its principal activity is investment holding.

The Group is principally engaged in hotel investment, management and operation, and property investments in both properties held for sale and investment properties.

## LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the disposal of the Sale Shares calculated under Chapter 14 of the Listing Rules is more than 5% and all the applicable percentage ratios are less than 25%, the disposal of the Sale Shares constitutes a discloseable transaction for the Company and is subject to the requirements of notification and announcement under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions shall have the respective meanings ascribed adjacently below, unless the context requires otherwise:

“Board”	the board of Directors
“Company”	China Investments Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00132)
“Completion”	Completion of the Disposal
“Consideration”	the aggregate consideration of RMB39,500,000 for the sale and purchase of the Sale Shares
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Properties by way of disposal of the Sale Shares under the Letter of Intent
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Letter of Intent”	the letter of intent entered into between the Vendor and the Purchaser on 31 August 2017, whereby the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares at the Consideration in accordance with the terms and conditions of the letter of intent
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“Properties”	comprised of 33 offices and 4 shops located at Shantou Commercial Plaza, 106 Jinsha Road, Shantou of Guangdong Province in the PRC
“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 PRC and Taiwan
“Purchaser”	LIN Zhongxing
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	collectively, all the issued shares of the Target Companies
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Collectively, 13 companies incorporated in Hong Kong with limited liability, indirect wholly-owned subsidiaries of the Company prior to the Disposal

“Vendor” China Investments Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company

“%” per cent

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

Hong Kong, 31 August 2017

*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.*