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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 DEEMED DISPOSAL OF EQUITY INTEREST IN CANTON RISEN FINANCIAL LEASING CO., LTD.*

THE CAPITAL INJECTION AGREEMENT

On 27 September 2018 (after trading hours), CIH Finance (a wholly-owned subsidiary of the Company), ZCXK (a wholly-owned subsidiary of the Company) and Canton Risen (a wholly-owned subsidiary of the Company immediately before the Capital Injection) entered into the Capital Injection Agreement with Yueqiao Assets Management in relation to the Capital Injection. Pursuant to the Capital Injection Agreement, Yueqiao Assets Management agreed to contribute RMB52,145,000 (equivalent to approximately HK\$59,236,720) in cash to the capital of Canton Risen, thereby enlarging the equity of Canton Risen as disclosed below.

LISTING RULES IMPLICATIONS

Following the completion of the Capital Injection, the Group's equity interest in Canton Risen will be reduced, which will constitute a deemed disposal pursuant to Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Capital Injection is more than 5% but less than 25%, the Capital Injection Agreement and the transactions of the Group contemplated thereunder constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

THE CAPITAL INJECTION AGREEMENT

The Board is pleased to announce that on 27 September 2018 (after trading hours), CIH Finance, ZCXXK and Canton Risen entered into the Capital Injection Agreement with Yueqiao Assets Management in relation to the Capital Injection. Set out below is a summary of the principal terms of the Capital Injection Agreement:

Date:

27 September 2018 (after trading hours)

The Capital Injection Agreement will take effect on the date on which the Capital Injection Agreement is approved by the relevant authorities.

Parties:

- (1) CIH Finance, a wholly-owned subsidiary of the Company;
- (2) ZCXXK, a wholly-owned subsidiary of the Company;
- (3) Canton Risen, a wholly-owned subsidiary of the Company immediately before the Capital Injection and the target company; and
- (4) Yueqiao Assets Management.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Yueqiao Assets Management and its ultimate beneficial owners are third parties independent of the Group and its connected persons.

The Capital Injection

Pursuant to the terms of the Capital Injection Agreement, Yueqiao Assets Management will contribute an amount of RMB52,145,000 (equivalent to approximately HK\$59,236,720) (of which RMB50,000,000 (equivalent to approximately HK\$56,800,000) will be contributed to the registered capital of Canton Risen and the remainder to its capital reserve) in cash to the capital of Canton Risen.

The equity-holding structures of Canton Risen both before and after the Capital Injection with reference to the amount of registered capital currently paid-up are illustrated below:

Equity holder(s) of Canton Risen before the Capital Injection	Registered capital (RMB)	Percentage	Paid-up capital (RMB)	Percentage
CIH Finance	325,000,000	65%	33,068,400	19.44%
ZCXX	175,000,000	35%	137,000,000	80.56%
Total	500,000,000	100%	170,068,400	100%
Equity holder(s) of Canton Risen after the Capital Injection	Registered capital (RMB)	Percentage	Paid-up capital (RMB)	Percentage
CIH Finance	325,000,000	59.09%	33,068,400	15.03%
ZCXX	175,000,000	31.82%	137,000,000	62.25%
Yueqiao Assets Management	50,000,000	9.09%	50,000,000	22.72%
Total	550,000,000	100%	220,068,400	100%

Basis of determining the amount of the Capital Injection

The amount of the Capital Injection was determined after arm's length negotiations amongst the parties to the Capital Injection Agreement with reference to the net asset value of Canton Risen in the amount of RMB177,370,800 (equivalent to approximately HK\$201,493,229) as valued by an independent third party valuer as at 31 August 2018 and the percentages of equity interests as held by the parties on a fully paid-up and enlarged basis.

Timing for the Capital Injection

Yueqiao Assets Management will pay the amount of the Capital Injection to Canton Risen in full by a lump sum payment before 31 October 2018.

Board representation

Pursuant to the Capital Injection Agreement, except that Yueqiao Assets Management is entitled to nominate a supervisor to Canton Risen, the current management structure of Canton Risen will remain unchanged.

Shareholders' rights and benefits and sharing of profit and loss

If the Payment Period is not more than 60 days, the profit and loss resulting from the operation of Canton Risen during the Payment Period will be shared by all of CIH Finance, ZCXX and Yueqiao Assets Management; if the Payment Period is more than 60 days, the profit and loss resulting from the operation of Canton Risen during the Payment Period will be shared by CIH Finance and ZCXX only.

Upon completion of the Capital Injection, each of the equity holders will be entitled to such rights and benefits (including dividends) in proportion to its respective paid-up capital.

Registration procedures

Canton Risen will proceed with the change of industrial and commercial registration procedures and change of Sino-foreign joint venture filing and registration procedures within 5 business days from the effective date of the Capital Injection Agreement as well as all incidental documentation (including the amended constitutional documents and the supplemental joint venture agreement in relation to Canton Risen).

Termination of the Capital Injection Agreement by CIH Finance, ZCXK and Canton Risen

CIH Finance, ZCXK and Canton Risen will be entitled to terminate the Capital Injection Agreement if Yueqiao Assets Management fails to pay the amount of the Capital Injection within 90 days from 30 October 2018.

INFORMATION ON CANTON RISEN

Canton Risen, established in the PRC on 19 December 2017, is principally engaged in the provision of finance, including through finance leasing, with an initial focus on government public utility, environmental protection, new energy and telecommunication projects in the PRC.

According to the unaudited financial statements of Canton Risen, the net asset value of Canton Risen was approximately RMB177,370,473 (equivalent to approximately HK\$201,492,857) as at 31 August 2018 and its net profits for the period since 1 January 2018 and ended 31 August 2018 before and after taxation were approximately RMB9,736,098 (equivalent to approximately HK\$11,060,207) and RMB7,302,073 (equivalent to approximately HK\$8,295,155) respectively.

INFORMATION ON OTHER PARTIES TO THE CAPITAL INJECTION AGREEMENT

The Group is engaged in hotel investment, management and operation, property investments in both properties held for sale and investment properties, wellness elderly care businesses and finance leasing. Through its joint ventures and associates, the Group also participates and invests in fast-growing sectors, including electric utilities, civil explosives and finance leasing in the PRC.

CIH Finance, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company, is principally engaged in finance and project investment.

ZCXK, a wholly foreign-owned enterprise incorporated in the PRC and a wholly-owned subsidiary of the Company, is principally engaged in investment holding.

Yueqiao Assets Management, a company incorporated in the PRC with limited liability, is principally engaged in assets management.

FINANCIAL EFFECT OF THE DEEMED DISPOSAL TO THE GROUP

Upon completion of the Capital Injection, Canton Risen will remain a subsidiary of the Company. The financial results of Canton Risen will continue to be consolidated by the Group. Therefore, it is expected that the Group will not record any gain or loss from the deemed disposal in the consolidated income statement of the Group.

USE OF THE AMOUNT RECEIVED FROM THE CAPITAL INJECTION

The amount of the Capital Injection provided by Yueqiao Assets Management will be used by Canton Risen in its ordinary course of business.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE CAPITAL INJECTION AGREEMENT

The Company believes that the businesses of Canton Risen will be further strengthened with a broader shareholder base and the Capital Injection will provide an additional source of capital for Canton Risen to develop its existing businesses.

The Directors are of the view that the terms of the Capital Injection Agreement are on normal commercial terms and fair and reasonable and the Capital Injection and the transactions contemplated thereunder are in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATION

Following the completion of the Capital Injection, the Group's equity interest in Canton Risen will be reduced, which will constitute a deemed disposal pursuant to Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Capital Injection is more than 5% but less than 25%, the Capital Injection Agreement and the transactions of the Group contemplated thereunder constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Canton Risen”	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 wholly-owned subsidiary of the Company immediately before the Capital Injection
“Capital Injection”	the injection of RMB52,145,000 (equivalent to approximately HK\$59,236,720) by Yueqiao Assets Management in cash to the capital of Canton Risen pursuant to the terms of the Capital Injection Agreement
“Capital Injection Agreement”	the capital injection agreement dated 27 September 2018 entered into amongst CIH Finance, ZCXX, Yueqiao Assets Management and Canton Risen in relation to the Capital Injection
“CIH Finance”	CIH Finance Investments Holdings Limited (中國興業金融投資控股有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary 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)
“connected persons”	shall have the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Payment Period”	the period between 31 August 2018 and the date of completion of the Capital Injection (which will be the date on which Yueqiao Assets Management has paid the amount of the Capital Injection to Canton Risen in full)
“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 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

“Yueqiao Assets Management”	Foshan Yueqiao Assets Management Co., Ltd.* (佛山市粵樵資產管理有限公司), a company incorporated in the PRC with limited liability
“ZCXX”	Zhong Chuang Xing Ke (Shenzhen) Investments Company Limited* (中創興科(深圳)投資有限公司), a wholly foreign-owned enterprise incorporated in the PRC and a wholly-owned subsidiary of the Company
“%”	per cent

On behalf of
China Investments Holdings Limited
HE Xiangming
Chairman

Hong Kong, 28 September 2018

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.

For the purpose of this announcement, amounts denominated in RMB have been translated into HK\$ at the exchange rate of RMB1 = HK\$1.136. 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