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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 CAPITAL INJECTION TO A PRC CIVIL EXPLOSIVES MANUFACTURER

THE CAPITAL INJECTION AGREEMENT

The Board is pleased to announce that on 25 March 2019, Nanhai Canmanage, a wholly-owned subsidiary of the Company, entered into the Capital Injection Agreement with Nanhai Lianhua, Nanhai Chemical and the Target Company in relation to the Capital Injection on the basis of their respective shareholding proportion in the Target Company. Pursuant to the Capital Injection Agreement, Nanhai Canmanage has agreed to inject an amount of RMB40,000,000 (equivalent to approximately HK\$46,760,000) to the capital of the Target Company. Upon completion of the Capital Injection, the percentage shareholding interest of Nanhai Canmanage, Nanhai Lianhua and Nanhai Chemical in the Target Company will remain unchanged at 49%, 2% and 49% respectively.

LISTING RULES IMPLICATIONS

As an applicable percentage ratio in respect of the Capital Injection Agreement and the transactions of the Group contemplated thereunder is more than 5% but less than 25%, the Capital Injection will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

References are made to the announcement and circular of the Company dated 28 March 2018 and 9 May 2018 respectively in relation to, among other things, the Capital Contribution to the Target Company and the acquisition of Nanhong Chemical, the then supplier target, by the Target Company thereafter.

THE CAPITAL INJECTION AGREEMENT

The Board is pleased to announce that on 25 March 2019, Nanhai Canmanage entered into the Capital Injection Agreement with Nanhai Lianhua, Nanhai Chemical and the Target Company in relation to the Capital Injection. Set out below is a summary of the principal terms of the Capital Injection Agreement:

Date:

25 March 2019

Parties:

- (1) Nanhai Canmanage;
- (2) Nanhai Lianhua;
- (3) Nanhai Chemical; and
- (4) the Target Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Target Company, Nanhai Lianhua, Nanhai Chemical and their ultimate beneficial owners are considered third parties independent of the Group and its connected persons.

The Capital Injection

Pursuant to the terms of the Capital Injection Agreement, Nanhai Canmanage, Nanhai Lianhua and Nanhai Chemical will respectively inject an amount of RMB40,000,000 (equivalent to approximately HK\$46,760,000), RMB1,632,700 (equivalent to approximately HK\$1,908,626) and RMB40,000,000 (equivalent to approximately HK\$46,760,000) to the registered capital of the Target Company on the basis of their respective shareholding proportion in the Target Company through bank transfer to the designated bank account of the Target Company.

The approximate equity-holding structures of the Target Company both before and after the Capital Injection are illustrated below:

Shareholder(s) of the Target Company	Equity-holding before the Capital Injection	Equity-holding after the Capital Injection
Nanhai Canmanage	49%	49%
Nanhai Lianhua	2%	2%
Nanhai Chemical	49%	49%

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 funding needs of the Target Group for the enhancement and development of its business.

Timing for the Capital Injection

The parties to the Capital Injection Agreement will pay each of their contribution of the Capital Injection to the Target Company by 3 installments before 30 September 2019.

Nanhai Canmanage shall pay to the Target Company (i) RMB15,000,000 (equivalent to approximately HK\$17,535,000) before 31 March 2019, (ii) RMB10,000,000 (equivalent to approximately HK\$11,690,000) before 30 June 2019 and (iii) the remaining amount before 30 September 2019.

Liabilities for breach

In the event that any of the parties to the Capital Injection Agreement fails to make the Capital Injection in full before 30 September 2019, the defaulting party shall pay the Target Company capital utilization fees according to the benchmark loan interest rate for RMB loans published by the PBOC and shall assume liability for breach of contract to the shareholders of the Target Company who have made the Capital Injection in full punctually.

LISTING RULES IMPLICATIONS

As an applicable percentage ratio in respect of the Capital Injection Agreement and the transactions of the Group contemplated thereunder is more than 5% but less than 25%, the Capital Injection will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

INFORMATION ON THE PARTIES TO THE CAPITAL INJECTION AGREEMENT

The Group

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

Target Group

The Target Group is principally engaged in manufacturing and distributing civil explosives in the PRC.

Nanhai Canmanage

Nanhai Canmanage is a wholly-owned subsidiary of the Company and is principally engaged in property and project investment.

Nanhai Lianhua

Nanhai Lianhua, a PRC State-owned enterprise, is principally engaged in State-owned assets operation and management in the PRC.

Nanhai Chemical

Nanhai Chemical, a company incorporated in the PRC with limited liability, is principally engaged in manufacturing chemicals and chemical products in the PRC.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INJECTION AGREEMENT

The Capital Injection is expected to be deployed for the improvement of technologies, the enhancement of efficiency of the production units of the Target Company and compliance of safety specifications in the business operation of explosives.

The Capital Injection aligns with the Group's continuing efforts to invest in businesses with long-term development potential and return.

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
“Capital Contribution”	the contribution of RMB130,333,102.44 (equivalent to approximately HK\$152,359,396.75) and RMB5,319,718.47 (equivalent to approximately HK\$6,218,750.89) to the capital of the Target Company respectively by Nanhai Canmanage and Nanhai Lianhua pursuant to the terms of the Capital Contribution Agreement
“Capital Contribution Agreement”	the capital contribution agreement dated 28 March 2018 entered into amongst Nanhai Canmanage, Nanhai Lianhua, Nanhai Chemical, and the Target Company in relation to the Capital Contribution
“Capital Injection”	the injection of RMB40,000,000 (equivalent to approximately HK\$46,760,000), RMB1,632,700 (equivalent to approximately HK\$1,908,626) and RMB40,000,000 (equivalent to approximately HK\$46,760,000) to the capital of the Target Company respectively by Nanhai Canmanage, Nanhai Lianhua and Nanhai Chemical pursuant to the terms of the Capital Injection Agreement

“Capital Injection Agreement”	the capital injection agreement dated 25 March 2019 entered into amongst Nanhai Canmanage, Nanhai Lianhua, Nanhai Chemical, and the Target Company in relation to the Capital Injection
“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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanhai Canmanage”	Foshan City Nanhai Canmanage Investments Holdings Limited* (佛山市南海康美投資有限公司), a wholly foreign-owned enterprise incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Nanhai Chemical”	Guangdong Nanhai Chemical Factory Co., Ltd.* (廣東省南海化工總廠有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Nanhai Lianhua
“Nanhai Lianhua”	Foshan City Nanhai District Lianhua Asset Operation & Management Co., Ltd* (佛山市南海區聯華資產經營管理有限公司), a wholly State-owned company incorporated in the PRC with limited liability
“Nanhong Chemical”	Guangdong Nanhong Chemical Co., Ltd.* (廣東南虹化工有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Target Company

“PBOC”	The People’s Bank of China (中國人民銀行)
“percentage ratio”	has the meaning ascribed to it under the Listing Rules
“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
“Target Company”	Guangdong Tiannuo Civil Explosives Co., Ltd.* (廣東天諾民爆有限公司), a company incorporated in the PRC with limited liability
“Target Group”	the Target Company and its subsidiaries
“%”	per cent

On behalf of
China Investments Holdings Limited
HE Xiangming
Chairman

Hong Kong, 25 March 2019

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\$1.169. 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