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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 PURCHASES OF WEALTH MANAGEMENT PRODUCTS

PURCHASES OF WEALTH MANAGEMENT PRODUCTS

On 31 July 2019, Sino Rock Tyco, a non-wholly owned subsidiary of the Company, entered into the ICBC Wealth Management Agreement with Industrial and Commercial Bank of China, pursuant to which Sino Rock Tyco has agreed to purchase wealth management products of RMB100,000,000 (equivalent to approximately HK\$113,600,000).

LISTING RULES IMPLICATION

As the applicable percentage ratios for the transactions contemplated under the ICBC Wealth Management Agreement exceed 5% but are less than 25%, the purchases of such wealth management products constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

BACKGROUND

The Board is pleased to announce that on 31 July 2019, Sino Rock Tyco, a non-wholly owned subsidiary of the Company, entered into the ICBC Wealth Management Agreement with ICBC, pursuant to which Sino Rock Tyco agreed to purchase wealth management products of RMB100,000,000 (equivalent to approximately HK\$113,600,000), the material terms of which are as follows:–

Date : 31 July 2019

Parties : (i) Sino Rock Tyco; and
(ii) Industrial and Commercial Bank of China

ICBC is a licensed bank incorporated under the laws of the PRC. To the best of their knowledge, information and belief and having made all reasonable enquiries, the Directors confirm that ICBC and its ultimate beneficial owner are third parties independent of the Group and its connected persons.

Product name : ICBC Wealth Management Principal Guaranteed “Sui Xin E” (Directional) 2017 No.3

Type of product : Principal-protected and floating income structured product

Principal amount : RMB100,000,000 (equivalent to approximately HK\$113,600,000)

Term : 94 days, from 31 July 2019 to 1 November 2019

Interest commencement date and maturity date : 1 August 2019 and 1 November 2019, respectively

Risk level of the product (internal risk assessment by ICBC) : Minimal risk

Annualised rate of return of product : 3.4%

Early termination : Industrial and Commercial Bank of China has the right of early termination whereas Sino Rock Tyco is not entitled to such right.

Repayment of principal and return upon maturity : The principal and the corresponding return will be repaid in a lump sum one day after the date of redemption.

The principal amount of the ICBC Wealth Management Agreement was determined after taking into account the risk level of the wealth management products, terms of investment, type of investment return and expected annualised return rate. The purchases of the wealth management products were fully funded by the internal resources of the Group.

REASONS FOR AND BENEFITS OF THE INVESTMENT

Reasonable investment of temporarily idle funds helps enhance the overall financial returns of the Company, which is consistent with the core objectives of the Group to ensure capital safety and liquidity. Not only are the wealth management products under the ICBC Wealth Management Agreement 100% principal-protected, they also offer better potential returns to the Company when compared to the fixed-term deposit interest rates normally offered by commercial banks in the PRC.

The Directors (including the independent non-executive Directors) consider that the ICBC Wealth Management Agreement is on normal commercial terms which is made on an arm's length basis and is fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

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INFORMATION ABOUT 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, 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 finance leasing in the PRC.

Industrial and Commercial Bank of China

ICBC is a licensed bank in the PRC principally engaged in the provision of corporate and personal banking, assets management and other financial services.

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
“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
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“ICBC Wealth Management Agreement”	ICBC Wealth Management Product Sale Contract entered into between Sino Rock Tyco and ICBC on 31 July 2019
“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
“Industrial and Commercial Bank of China”/“ICBC”	Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the shares of which are listed on both the Shanghai Stock Exchange (Stock code: 601398) and The Stock Exchange of Hong Kong Limited (Stock code: 1398)
“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
“Sino Rock Tyco”	Guangdong Sino Rock Tyco Construction Co., Ltd.* (廣東中岩泰科建設有限公司), a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary 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, 2 August 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\$1.136. 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