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HING YIP HOLDINGS LIMITED
興業控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00132)

MAJOR TRANSACTION
ENTERING INTO A FINANCE LEASE AS THE LESSOR

On 6 March 2024, 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 a consideration of RMB85,000,000 (equivalent to approximately HK\$92,395,000), which would be leased back to the Lessee for its use and possession for a term of 6 years.

Reference is made to the discloseable transaction announcement of the Company dated 2 February 2024 in relation to the entering into of the Existing Finance Lease between Greengold Leasing and the Lessee. As one of the applicable percentage ratios for the transactions contemplated under the Finance Lease, whether on a standalone basis or an aggregate basis with the transactions under the Existing Finance Lease, exceeds 25% but all of them are less than 100%, the entering into of the Finance Lease constitutes a major transaction for the Company under the Listing Rules and is subject to the announcement, circular and shareholders' approval requirements under the Listing Rules.

No Shareholder is materially interested in the Finance Lease and Incidental Documentation and no Shareholder is required to abstain from voting at a general meeting of the Company approving the transactions contemplated under the Finance Lease and Incidental Documentation, and the Company has, pursuant to Rule 14.44 of the Listing Rules, obtained written approval of the transactions contemplated under the Finance Lease and Incidental Documentation from Prize Rich Inc., a Shareholder holding 1,222,713,527 issued ordinary shares of the Company (representing 71.41% of its entire issued share capital). As such, the Company is exempted from convening a general meeting to approve the transactions contemplated under the Finance Lease and Incidental Documentation.

A circular containing further information on the Finance Lease and Incidental Documentation is expected to be uploaded to the websites of the Stock Exchange and the Company on or before 27 March 2024.

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:

6 March 2024

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 relevant guarantee) and the Pledgors (in relation to the relevant pledge).

To the best of the Directors's knowledge, information and belief having made all reasonable enquiry, the Lessee, the Guarantors, the Pledgors 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 RMB85,000,000 (equivalent to approximately HK\$92,395,000) 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 above-mentioned transfer of the Assets from the Lessee to Greengold Leasing.

Such consideration or financing amount was determined following arm's length negotiations by the parties to the Finance Lease with reference to the original cost of the Assets of approximately RMB92,516,000 (equivalent to approximately HK\$100,565,000), and their state including serviceable condition and depreciable life, which were reviewed by Greengold Leasing's experienced leasing team. The consideration amount for the transfer of 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 6 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 RMB109,966,000 (equivalent to approximately HK\$119,533,000), comprising (a) the lease principal payment of RMB85,000,000 (equivalent to approximately HK\$92,395,000) and (b) the aggregate lease interest and other fees and expenses under the Incidental Documentation of approximately RMB24,966,000 (equivalent to approximately HK\$27,138,000). Both the lease principal and interest will be paid quarterly 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 loan prime rate published by the National Interbank Funding Center from time to time (for reference purpose, the prevailing loan prime rate was 3.45% 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 overall return target 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 (1) all outstanding amounts due thereunder and a compensation equivalent to 8% of the total outstanding lease interest amount as at the time of early termination have been settled if the early termination occurs within 3 years from the date of commencement of the lease period and there are no events of default caused by the Lessee under the Finance Lease; or (2) 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 if there are events of default caused by the Lessee under the Finance Lease. 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 RMB100 (equivalent to approximately HK\$108.7).

Guarantees

The Lessee and the Guarantors had executed guarantees 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 and the Existing 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 and Guarantor 5 had executed receivables pledge agreements in favour of Greengold Leasing respectively, pledging their rights in receivables under certain agreements related to heat supply and steam supply and their supplemental agreements (with pledged receivables in the total amount of RMB225,000,000 each (equivalent to approximately HK\$244,575,000)) as security of the Lessee's payment obligations under the Finance Lease and Existing Finance Lease.

The Lessee and Guarantor 5 had executed pledge agreements in favour of Greengold Leasing respectively, pledging 100% interests of their respective two bank accounts (each representing the pledged receivables of all the outstanding amounts due) for a term of 7 years, as security of the Lessee's payment obligations under the Finance Lease and Existing Finance Lease.

Guarantor 5 had also executed another pledge agreement, pledging certain designated equipment and facilities of heat-transmission, distribution and supply in an industrial park, the book value of which is approximately RMB45,832,000 (equivalent to approximately HK\$49,819,000), situated in Guigang City, Guangxi Zhuang Autonomous Region for a term of 7 years, as security of the Lessee's payment obligations under the Finance Lease and the Existing Finance Lease.

Guarantor 3, Pledgor 1, Guarantor 6, Pledgor 2 and Guarantor 8 had executed share pledge agreements in favour of Greengold Leasing individually, pledging 45%, 21%, 20%, 8% and 6% of their shareholding interests in the Lessee respectively (with pledged receivables in the total amount of RMB225,000,000 each (equivalent to approximately HK\$244,575,000)) for a term of 7 years, as security of the Lessee's payment obligations under the Finance Lease and the Existing Finance Lease.

Additionally, Guarantor 6, Guarantor 4, Guarantor 10, Pledgor 3, Guarantor 7, Pledgor 4 and Guarantor 8 had executed share pledge agreements in favour of Greengold Leasing individually, pledging 50%, 30%, 5%, 5%, 5%, 2.5% and 2.5% of their shareholding interests in Guarantor 5 respectively (with pledged receivables in the total amount of RMB225,000,000 each (equivalent to approximately HK\$244,575,000)) for a term of 7 years, as security of the Lessee's payment obligations under the Finance Lease and the Existing 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 heat-transmission, distribution and supply equipment and facilities of the Lessee situated in Liuzhou City, Guangxi Zhuang Autonomous Region, the PRC.

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

LISTING RULES IMPLICATION

Reference is made to the discloseable transaction announcement of the Company dated 2 February 2024 in relation to the entering into of the Existing Finance Lease between Greengold Leasing and the Lessee. As one of the applicable percentage ratios for the transactions contemplated under the Finance Lease, whether on a standalone basis or an aggregate basis with the transactions under the Existing Finance Lease, exceeds 25% but all of them are less than 100%, the entering into of the Finance Lease constitutes a major transaction for the Company under the Listing Rules and is subject to the announcement, circular and shareholders' approval requirements under the Listing Rules.

No Shareholder is materially interested in the Finance Lease and Incidental Documentation and no Shareholder is required to abstain from voting at a general meeting of the Company approving the transactions contemplated under the Finance Lease and Incidental Documentation, and the Company has, pursuant to Rule 14.44 of the Listing Rules, obtained written approval of the transactions contemplated under the Finance Lease and Incidental Documentation from Prize Rich Inc., a Shareholder holding 1,222,713,527 issued ordinary shares of the Company (representing 71.41% of its entire issued share capital). As such, the Company is exempted from convening a general meeting to approve the transactions contemplated under the Finance Lease and Incidental Documentation.

A circular containing further information on the Finance Lease and Incidental Documentation is expected to be uploaded to the websites of the Stock Exchange and the Company on or before 27 March 2024.

PRINCIPAL BUSINESSES OF THE PARTIES

The Group

The Group is principally engaged in wellness elderly care, finance leasing, big data and civil explosives 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 financing, 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 generation and supply.

The Guarantors and the Pledgors

Guarantor 1 is a limited liability company established in the PRC and is principally engaged in heat generation and supply.

Guarantor 2 is a limited liability company established in the PRC and is principally engaged in research and development of rotary compensators.

Guarantor 3 is a limited liability company established in the PRC and is principally engaged in engineering supervision service.

Guarantor 4 is a limited liability company established in the PRC and is principally engaged in investments and asset management.

Guarantor 5 is a limited liability company established in the PRC and is principally engaged in heat generation and supply.

Guarantor 6 is a natural person and is a director of several companies which are principally engaged in the goods import and export trade in the PRC.

Guarantor 7 is a natural person and is a director of a company which is principally engaged in heat generation and supply in the PRC.

Guarantor 8 is a natural person and is a director of several companies which are principally engaged in research and development of bio-based material technology, technical services and environmental protection consultation services in the PRC.

Guarantor 9 is a natural person and is the spouse of Guarantor 8.

Guarantor 10 is a natural person and is a director of a company which is principally engaged in heat generation and supply in the PRC.

Pledgor 1 is a limited liability company established in the PRC and is principally engaged in labour dispatch.

Pledgor 2 is a natural person and is a director of a company which is principally engaged in heat generation and supply in the PRC.

Pledgor 3 is a natural person and is an entrepreneur who is principally engaged in heat generation and supply in the PRC.

Pledgor 4 is a natural person and is a director of several companies which are principally engaged in sales of building materials, research and development of plant fiber production technology and equipment in the PRC.

DEFINITIONS

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

“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”	Hing Yip Holdings Limited (formerly known as 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)
“Director(s)”	the director(s) of the Company

“Existing Finance Lease”	the finance lease agreement and incidental documentation dated 2 February 2024 entered into between Greengold Leasing and the Lessee, the details of which have been disclosed in the announcement of the Company dated 2 February 2024
“Finance Lease”	the finance lease agreement dated 6 March 2024 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”	Guangxi Fangchenggang Guineng Thermal Co., Ltd.* (廣西防城港桂能熱力有限公司), a company incorporated in the PRC with limited liability, which is held as to 20% by Guarantor 6, 20% by Guarantor 4, 14% by Guarantor 8, 12% by Pledgor 4, 10% by Guarantor 10, 10% by Guarantor 7, 10% by Pledgor 3, 2% by Wu Qifeng* (吳奇鋒) and 2% by Yang Bin* (楊彬), all being Independent Third Parties
“Guarantor 2”	Jiangsu Hongxin Rotary Compensator Technology Co., Ltd.* (江蘇宏鑫旋轉補償器科技有限公司), a company incorporated in the PRC with limited liability, which is held as to approximately 91% by Guarantor 6, approximately 7% by Guarantor 7 and approximately 2% by Guarantor 10, all being Independent Third Parties
“Guarantor 3”	Jiangsu Hongxin Pipeline Engineering Design Co., Ltd.* (江蘇宏鑫管道工程設計有限公司), a company incorporated in the PRC with limited liability, which is held as to 70% by Guarantor 2 and 30% by Guarantor 6, all being Independent Third Parties
“Guarantor 4”	Jiangsu Hongxin Annaite Energy Investment Co., Ltd.* (江蘇宏鑫安耐特能源投資有限公司), a company incorporated in the PRC with limited liability, which is wholly owned by Guarantor 6, all being Independent Third Parties
“Guarantor 5”	Guangxi Hongxin Energy Technology Co., Ltd.* (廣西宏鑫能源科技股份有限公司), a company incorporated in the PRC with limited liability, which is held as to 50% by Guarantor 6, 30% by Guarantor 4, 5% by Guarantor 7, 5% by Guarantor 10, 5% by Pledgor 3, 2.5% by Pledgor 4 and 2.5% by Guarantor 8, all being Independent Third Parties

“Guarantor 6”	Song Zhanggen* (宋章根), a Chinese individual and an Independent Third Party
“Guarantor 7”	Sun Jie* (孫潔), a Chinese individual and an Independent Third Party
“Guarantor 8”	Song Pugen* (宋普根), a Chinese individual and an Independent Third Party
“Guarantor 9”	Jiang Lijuan* (蔣麗娟), a Chinese individual and an Independent Third Party
“Guarantor 10”	Song Suwei* (宋蘇煒), a Chinese individual and an Independent Third Party
“Guarantors”	collectively, Guarantor 1, Guarantor 2, Guarantor 3, Guarantor 4, Guarantor 5, Guarantor 6, Guarantor 7, Guarantor 8, Guarantor 9 and Guarantor 10
“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 agreements, the guarantees, the asset pledge agreement, the receivables pledge agreements, share pledge agreements 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
“Lessee”	Guangxi Liuzhou Liuneng Thermal Co., Ltd.* (廣西柳州柳能熱力有限公司), a company incorporated in the PRC with limited liability, which is held as to 45% by Guarantor 3, 21% by Pledgor 1, 20% by Guarantor 6, 6% by Guarantor 8 and 8% by Pledgor 2, all being Independent Third Parties
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Pledgor 1”	Huizhou Daya Bay Yuantong Labor Co., Ltd.* (惠州大亞灣遠通勞務派遣有限公司), a company incorporated in the PRC with limited liability, which is held as to 34% by Wang Tongda* (王同達), 33% by Wu Xinggang* (吳興剛) and 33% by Pledgor 2, all being Independent Third Parties
“Pledgor 2”	Liu Huabing* (劉華兵), a Chinese individual and an Independent Third Party
“Pledgor 3”	Song Zhicheng* (宋治承), a Chinese individual and an Independent Third Party
“Pledgor 4”	Yu Wenhai* (余文海), a Chinese individual and an Independent Third Party
“Pledgors”	collectively, Pledgor 1, Pledgor 2, Pledgor 3 and Pledgor 4
“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
Hing Yip Holdings Limited
HE Xiangming
Chairman

Hong Kong, 6 March 2024

As at the date of this announcement, the Board consists of three executive Directors, namely Mr. HE Xiangming (Chairman), Mr. FU Weiqiang (President) and Mr. YOU Guang Wu, one non-executive Director, namely Mr. SHI Xuguang and three independent non-executive Directors, namely Mr. CHAN Kwok Wai, Mr. PENG Xinyu and Ms. LIN Junxian.

For the purpose of this announcement, amounts denominated in RMB have been translated into HK\$ at the indicative exchange rate of RMB1 = HK\$1.087.

* For identification purpose only