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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

**ACQUISITION OF EQUITY INTEREST IN
CANTON GREENGOLD FINANCIAL LEASING LTD.***

THE SEVENTH CAPITAL INJECTION AGREEMENT

On 4 June 2024, CIH Finance, Zhongchuang Xingke Investments, Yueqiao Construction Investment, Dali Water Supply, Huaxing Glass, Lianzhifu Investment, Zhizao Investment and Greengold Leasing entered into the Seventh Capital Injection Agreement, pursuant to which CIH Finance agreed to contribute RMB140,907,030.57 (equivalent to approximately HK\$152,179,593.02) in cash to the capital of Greengold Leasing to provide working capital for its operation. The Group's equity percentage interest in Greengold Leasing will increase from approximately 51.83% to 57.76% as a result.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Seventh Capital Injection is more than 25% but less than 100%, the Seventh Capital Injection Agreement and the transactions of the Group contemplated thereunder constitute a major transaction of the Company and is therefore subject to the announcement, circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

No Shareholder is materially interested in the Seventh Capital Injection Agreement and no Shareholder is required to abstain from voting at a general meeting of the Company approving the transactions contemplated under the Seventh Capital Injection Agreement, and the Company has, pursuant to Rule 14.44 of the Listing Rules, obtained written approval of the transactions contemplated under the Seventh Capital Injection Agreement 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 Seventh Capital Injection Agreement.

A circular containing further information on the Seventh Capital Injection Agreement is expected to be published on the websites of the Stock Exchange and the Company on or before 25 June 2024.

INTRODUCTION

The Board is pleased to announce that on 4 June 2024, CIH Finance, Zhongchuang Xingke Investments, Yueqiao Construction Investment, Dali Water Supply, Huaxing Glass, Lianzhifu Investment, Zhizao Investment and Greengold Leasing entered into the Seventh Capital Injection Agreement. Set out below is a summary of the principal terms of the Seventh Capital Injection Agreement.

THE SEVENTH CAPITAL INJECTION AGREEMENT

Date:

4 June 2024

Parties:

- (1) CIH Finance, a wholly-owned subsidiary of the Company;
- (2) Zhongchuang Xingke Investments, a wholly-owned subsidiary of the Company;
- (3) Yueqiao Construction Investment;
- (4) Dali Water Supply;
- (5) Huaxing Glass;
- (6) Lianzhifu Investment;
- (7) Zhizao Investment; and
- (8) Greengold Leasing, a subsidiary of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Yueqiao Construction Investment, Dali Water Supply, Huaxing Glass, Lianzhifu Investment, Zhizao Investment and their ultimate beneficial owners are third parties independent of the Group and its connected persons.

The Seventh Capital Injection

Pursuant to the terms of the Seventh Capital Injection Agreement, CIH Finance will contribute an amount of RMB140,907,030.57 (equivalent to approximately HK\$152,179,593.02) (of which RMB135,354,055.75 (equivalent to approximately HK\$146,182,380.21) will be contributed to the registered capital and the remainder to the capital reserve) in cash to the capital of Greengold Leasing.

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

Equity holder(s) of Greengold Leasing before the Seventh Capital Injection	Registered capital (RMB)	Approximate percentage	Paid-up capital (RMB)	Approximate percentage
CIH Finance	325,000,000.00	33.6911%	325,000,000.00	33.6911%
Zhongchuang Xingke Investments	175,000,000.00	18.1414%	175,000,000.00	18.1414%
Huaxing Glass	106,060,244.25	10.9947%	106,060,244.25	10.9947%
Yueqiao Construction Investment	102,145,000.00	10.5888%	102,145,000.00	10.5888%
Dali Water Supply	102,146,900.00	10.5891%	102,146,900.00	10.5891%
Zhizao Investment	102,146,900.00	10.5891%	102,146,900.00	10.5891%
Lianzhifu Investment	52,146,900.00	5.4058%	52,146,900.00	5.4058%
Total	<u>964,645,944.25</u>	<u>100%</u>	<u>964,645,944.25</u>	<u>100%</u>

Equity holder(s) of Greengold Leasing after the Seventh Capital Injection	Registered capital (RMB)	Approximate percentage	Paid-up capital (RMB)	Approximate percentage
CIH Finance	460,354,055.75	41.8504%	460,354,055.75	41.8504%
Zhongchuang Xingke Investments	175,000,000.00	15.9091%	175,000,000.00	15.9091%
Huaxing Glass	106,060,244.25	9.6418%	106,060,244.25	9.6418%
Yueqiao Construction Investment	102,145,000.00	9.2859%	102,145,000.00	9.2859%
Dali Water Supply	102,146,900.00	9.2861%	102,146,900.00	9.2861%
Zhizao Investment	102,146,900.00	9.2861%	102,146,900.00	9.2861%
Lianzhifu Investment	52,146,900.00	4.7406%	52,146,900.00	4.7406%
Total	<u>1,100,000,000.00</u>	<u>100%</u>	<u>1,100,000,000.00</u>	<u>100%</u>

Basis of determining the amount of the Seventh Capital Injection

The value of the Seventh Capital Injection was determined by CIH Finance following arm's length negotiations between the other shareholders (which have decided to forego this round of funding) with reference to the operational needs of Greengold Leasing, the financial resources of CIH Finance, and the appraised value of Greengold Leasing of RMB1,096,448,876.36 (equivalent to approximately HK\$1,184,164,786.46) in the Valuation Report determined using the asset-based approach with 31 December 2023 as the appraisal reference date, such value is materially the same and based on the audited net asset value of Greengold Leasing under PRC GAAP.

Other than CIH Finance, the other joint venture parties of Greengold Leasing will not participate in the current round of funding.

Timing for the Seventh Capital Injection

CIH Finance will pay the amount of the Seventh Capital Injection to Greengold Leasing in full by a lump sum payment before 30 June 2024 out of its/the Group's internal resources.

Management structure

Pursuant to the Seventh Capital Injection Agreement, the current management structure of Greengold Leasing will remain unchanged.

Registration procedures

Greengold Leasing will proceed with the change of industrial and commercial registration procedures and change of Sino-foreign joint venture filing and registration procedures within 10 business days from the effective date of the Seventh Capital Injection Agreement as well as all incidental documentation (including the amended constitutional documents and the supplemental joint venture agreement signed by all joint venture parties of Greengold Leasing).

Liabilities for breach

In the event that CIH Finance fails to pay the amount of the Seventh Capital Injection within 90 days from 30 June 2024, Zhongchuang Xingke Investments, Yueqiao Construction Investment, Dali Water Supply, Huaxing Glass, Lianzhifu Investment, Zhizao Investment and Greengold Leasing will be entitled to terminate the Seventh Capital Injection Agreement.

INFORMATION ON GREENGOLD LEASING

Greengold Leasing, established in the PRC on 19 December 2017, is principally engaged in the provision of finance, including through finance leasing, with a focus on environmental protection projects in the PRC.

According to the audited financial statements of Greengold Leasing, the net asset value of Greengold Leasing was approximately HK\$1,181,712,000 as at 31 December 2023, its net profits for the year ended 31 December 2022 before and after taxation were approximately HK\$148,000,000 and approximately HK\$111,267,000 respectively and its net profits for the year ended 31 December 2023 before and after taxation were approximately HK\$130,437,000 and approximately HK\$98,054,000 respectively.

INFORMATION ON THE PARTIES TO THE SEVENTH CAPITAL INJECTION AGREEMENT

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.

CIH Finance, a wholly-owned subsidiary of the Company, is principally engaged in finance and project investment.

Zhongchuang Xingke Investments, a wholly-owned subsidiary of the Company, is principally engaged in investment holding.

Yueqiao Construction Investment, a company incorporated in the PRC with limited liability, is principally engaged in assets management. So far as the Company is aware, Yueqiao Construction Investment is ultimately wholly controlled by the Public Assets Office of Xiqiao Town, Nanhai District, Foshan City* (佛山市南海區西樵鎮公有資產管理委員會辦公室).

Dali Water Supply, a company incorporated in the PRC, is principally engaged in real estate rental. So far as the Company is aware, Dali Water Supply is ultimately wholly controlled by the Municipal People's Government of Dali Town, Nanhai District, Foshan City* (佛山市南海區大瀝鎮人民政府).

Huaxing Glass, a company incorporated in the PRC with limited liability, is principally engaged in the research and development, design and manufacturing of daily glass products. So far as the Company is aware, Huaxing Glass is owned as to 45.37% by Li Shenhua* (李深華), 24.63% by Li Zhixiao* (李智校), 17.28% by Li Jianghua (李江華) and 12.72% by Li Zhichang* (李志昌).

Lianzhifu Investment, a company incorporated in the PRC with limited liability, is principally engaged in property and equity investment. So far as the Company is aware, Lianzhifu Investment is ultimately wholly controlled by the State-owned Assets Supervision and Administration Bureau of Nanhai District, Foshan City* (佛山市南海區國有資產監督管理局).

Zhizao Investment, a company incorporated in the PRC with limited liability, is principally engaged in project investment and management. So far as the Company is aware, Zhizao Investment is ultimately wholly controlled by the Public Assets Office of Shishan Town, Nanhai District, Foshan City* (佛山市南海區獅山鎮公有資產管理辦公室).

FINANCIAL EFFECT OF THE SEVENTH CAPITAL INJECTION

Upon completion of the Seventh Capital Injection, the Group's equity percentage interest in Greengold Leasing will increase from approximately 51.83% to 57.76% as a result, and Greengold Leasing will remain a subsidiary of the Company according to the relevant accounting standards. The financial results of Greengold Leasing will continue to be consolidated by the Group. Therefore, it is expected that the Group will not record any gain or loss from the Seventh Capital Injection in the consolidated income statement of the Group. The earnings attributable to owners of the Company will be increased by 5.93% (i.e. increase in the equity interest in Greengold Leasing held by the Group from 51.83% to 57.76%) of the profit or loss of Greengold Leasing upon Completion.

Regarding the consolidated financial position of the Group, it is expected that no effect will be resulted from the Seventh Capital Injection.

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

The principal business of Greengold Leasing continues to develop rapidly. The Seventh Capital Injection was aimed to provide funding for Greengold Leasing's normal operations and enhance the Company's equity interest in Greengold Leasing.

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

LISTING RULES IMPLICATION

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A circular containing further information on the Seventh Capital Injection Agreement is expected to be published on the websites of the Stock Exchange and the Company on or before 25 June 2024.

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
“CIH Finance”	CIH Finance Investments Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Company”	Hing Yip 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)
“Dali Water Supply”	Foshan City Nanhai Dali Water Supply Company* (佛山市南海大瀝自來水公司), a collectively-owned enterprise incorporated in the PRC
“Director(s)”	the director(s) of the Company

“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huaxing Glass”	Foshan Huaxing Glass Co., Ltd.* (佛山華興玻璃有限公司), a company incorporated in the PRC with limited liability
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Lianzhifu Investment”	Foshan City Nanhai District Lianzhifu Investment Co., Ltd.* (佛山市南海區聯智富投資有限公司), a company incorporated in the PRC with limited liability
“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
“Seventh Capital Injection”	the injection of RMB140,907,030.57 (equivalent to approximately HK\$152,179,593.02) made by CIH Finance in cash to the capital of Greengold Leasing pursuant to the terms of the Seventh Capital Injection Agreement
“Seventh Capital Injection Agreement”	the capital injection agreement dated 4 June 2024 entered into amongst CIH Finance, Zhongchuang Xingke Investments, Yueqiao Construction Investment, Dali Water Supply, Huaxing Glass, Lianzhifu Investment, Zhizao Investment and Greengold Leasing in relation to the Seventh Capital Injection
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Valuation Report”	the valuation report issued by Foshan Zhengxun Asset Appraisal and Real Estate Appraisal Co., Ltd.* (佛山市正迅資產評估與房地產評估有限公司) dated 11 March 2024 in respect of the valuation of Greengold Leasing for the Seventh Capital Injection
“Yueqiao Construction Investment”	Foshan City Yueqiao Construction Investment Co., Ltd.* (佛山市粵樵建設投資有限公司) (formerly known as Foshan City 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
“Zhizao Investment”	Foshan City Nanhai Zhizao Investment Co., Ltd.* (佛山市南海智造投資有限公司), a company incorporated in the PRC with limited liability
“Zhongchuang Xingke Investments”	Guangdong Zhongchuang Xingke Investments Co., Ltd.* (廣東中創興科投資有限公司)(formerly known as Zhong Chuang Xing Ke (Shenzhen) Investments Co., Ltd.* (中創興科(深圳)投資有限公司)), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

On behalf of
Hing Yip Holdings Limited
HE Xiangming
Chairman

Hong Kong, 4 June 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\$1.08.

* For identification purpose only