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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 29 August 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 RMB30,000,000 (equivalent to approximately HK\$32,850,000), which would be leased back to the Lessee for its use and possession for a term of 5 years.

Reference is made to the discloseable transaction announcement of the Company dated 16 May 2024 in relation to the entering into of the Existing Finance Leases. The controlling shareholder of the Lessee is the same as the controlling shareholder of the then lessee of the Existing Finance Leases. As one of the applicable percentage ratios for the transactions contemplated under the Finance Lease, when calculated on an aggregate basis with the transactions under the Existing Finance Leases, 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 published on the websites of the Stock Exchange and the Company on or before 20 September 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:**

29 August 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 guarantee).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Lessee, the Guarantors 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 RMB30,000,000 (equivalent to approximately HK\$32,850,000) 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 RMB32,793,000 (equivalent to approximately HK\$35,908,000), 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 5 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 RMB36,456,000 (equivalent to approximately HK\$39,919,000), comprising (a) the lease principal payment of RMB30,000,000 (equivalent to approximately HK\$32,850,000) and (b) the aggregate lease interest and other fees and expenses under the Incidental Documentation of approximately RMB6,456,000 (equivalent to approximately HK\$7,069,000). 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 3.35% 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 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. 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\$109.5).

## **Guarantee deposit**

The Lessee will pay an interest-free deposit of RMB1,500,000 (equivalent to approximately HK\$1,643,000) to Greengold Leasing on the same day the consideration for the Assets transfer has been paid by Greengold Leasing to secure its payment obligations under the Finance Lease.

## **Guarantee**

The Guarantors had executed a guarantee 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.

## **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 had executed a receivables pledge agreement in favour of Greengold Leasing, pledging its rights in receivables under certain steam and heat supply agreements and their supplemental agreements (with pledge receivables in the total amount of approximately RMB209,622,000 (equivalent to approximately HK\$229,536,000)) as security of its payment obligations under the Finance Lease.

The Lessee had also executed a pledge agreement in favour of Greengold Leasing, pledging 100% interests of its bank account (representing the pledge receivables of all outstanding amounts due) for a term of 5 years, as security of its payment obligations under the Finance Lease.

In addition, the Lessee had executed an equity pledge agreement in favour of Greengold Leasing, pledging 10% of its shareholding interests in Guarantor 2 (with pledged receivables in the total amount of approximately RMB209,622,000 (equivalent to approximately HK\$229,536,000)), for a term of 5 years, as security of its payment obligations under the 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 and distribution equipment and facilities of the Lessee situated in Dongying City, Shandong Province, 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 16 May 2024 in relation to the entering into of the Existing Finance Leases. The controlling shareholder of the Lessee is the same as the controlling shareholder of the then lessee of the Existing Finance Leases. As one of the applicable percentage ratios for the transactions contemplated under the Finance Lease, when calculated on an aggregate basis with the transactions under the Existing Finance Leases, 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 published on the websites of the Stock Exchange and the Company on or before 20 September 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 electricity generation and heat supply.

## The Guarantors

Guarantor 1 is a limited liability company established in the PRC and is principally engaged in the business of research and development, production and sales of chemical, tire, cable and electronic products.

Guarantor 2 is a limited liability company established in the PRC and is principally engaged in heat generation and supply.

## 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, 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
“Dongying Baoda”	Dongying Baoda Equity Investment Center (Limited Partnership)* (東營寶達股權投資中心(有限合夥)), a limited partnership incorporated in the PRC, which is held as to 11.52% by Zhou Guomin* (周國民), 11.52% by Sun Shantian* (孫善田), 11.52% by Shang Weihua* (尚衛華), 8.71% by Xu Xiaoyu* (許孝玉), 8.56% by Ba Hongjun* (巴洪軍), 8.32% by Shang Shenghua* (尚升華), 8.10% by Zhang Jimin* (張繼敏), 6.73% by Zhang Linxun* (張凌訓), 6.45% by Shang Jianli* (尚建立), and 18.57% by 29 other individuals (each of whom holds less than 5% of the shareholding interests in Dongying Baoda), all being Independent Third Parties

“Dongying Baorui”	Dongying Baorui Equity Investment Center (Limited Partnership)* (東營寶瑞股權投資中心(有限合夥)), a limited partnership incorporated in the PRC, which is held as to 27.43% by Zhang Ruiguo* (張瑞國), 10.54% by Qin Guangsheng* (秦光生) and 62.03% by 47 individuals (each of whom holds less than 5% of the shareholding interests in Dongying Baorui), all being Independent Third Parties
“Existing Finance Leases”	the existing finance lease agreements and incidental documentation dated 16 May 2024 entered into between Greengold Leasing and the then lessee, being Guarantor 2, the details of which have been disclosed in the announcement of the Company dated 16 May 2024
“Finance Lease”	the finance lease agreement dated 29 August 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”	Wanda Group Co., Ltd.* (萬達集團股份有限公司), a limited liability company incorporated in the PRC, which is held as to 50.24% by Wanda Holding, 23.98% by Mingshi Innovation, 7.46% by Shang Jiyong* (尚吉永) and 18.32% held by 1,079 entities and individuals (each of whom holds less than 5% of the shareholding interests in Guarantor 1), all being Independent Third Parties
“Guarantor 2”	Shandong Xingda New Energy Co., Ltd.* (山東興達新能源有限公司), a company incorporated in the PRC with limited liability, which is held as to 27% by the Wanda Holding, 20.80% by Shandong Xiangda, 15% by Wanda Guomao Group Co., Ltd.* (萬達國貿集團有限公司) that is wholly-owned by Wanda Holding, 14.09% by Shanghai Xiangda, 12.12% by the Lessee and 10.99% by Dongying Kenli Urban Asset Operation Group Co., Ltd.* (東營市墾利區城市資產運營集團有限公司) which is wholly-owned by a public institution, namely Public Assets Management Service Center of Kenli District, Dongying City (東營市墾利區國有資產管理服務中心), all being Independent Third Parties

“Guarantors”	collectively, Guarantor 1 and Guarantor 2
“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 agreement, the guarantee, the asset pledge agreement, equity pledge agreement, the receivables pledge agreement and the pledge agreement
“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”	Shandong Wanda Heat & Electricity Co., Ltd.* (山東萬達熱電有限公司), a limited liability company incorporated in the PRC, which is wholly owned by Guarantor 1, being an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mingshi Innovation”	Mingshi Innovation Technology Group Co., Ltd.* (明石創新技術集團股份有限公司), a company incorporated in the PRC with limited liability, which is held as to 46.03% by Gao Shaochen* (高少臣), 26.47% by Tang Huanxin* (唐煥新) and 27.5% held by 8 entities and individuals (each of whom holds less than 5% of the shareholding interests in Mingshi Innovation), all being Independent Third Parties
“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
“Shandong Xiangda”	Shandong Xiangda Finance Lease Co., Ltd.* (山東祥達融資租賃有限公司), a company incorporated in the PRC with limited liability, which is held as to 82.09% by Wanda Holding and 17.91% by Shang Jiyong* (尚吉永), all being Independent Third Parties

“Shanghai Xiangda”	Shanghai Xiangda Finance Lease Co., Ltd.* (上海祥達融資租賃有限公司), a company incorporated in the PRC with limited liability, which is held as to 76.13% by Wanda Holding and 23.87% by Shang Jiyong* (尚吉永), all being Independent Third Parties
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wanda Holding”	Wanda Holding Group Co., Ltd.* (萬達控股集團有限公司) a limited liability company incorporated in the PRC, which is held as to 40.68% by Shang Jiyong* (尚吉永), 32.03% by Dongying Baoda, 13.04% by Dongying Baorui, 7.52% by Sun Zengwu* (孫增武) and 6.73% by 9 individuals (each of whom holds less than 2% of the shareholding interests in the Wanda Holding), all being Independent Third Parties
“%”	per cent

On behalf of  
**Hing Yip Holdings Limited**  
**HE Xiangming**  
*Chairman*

Hong Kong, 29 August 2024

*As at the date of this announcement, the Board consists of two executive Directors, namely Mr. HE Xiangming (Chairman) and Mr. FU Weiqiang (President), 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\$1.095.*

\* For identification purpose only