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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Hing Yip Holdings Limited**, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected, for transmission to the purchaser(s) or the transferee(s).

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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

A letter from the Board is set out on pages 5 to 10 of this circular.

The transactions being the subject matter of this circular have been approved by written shareholders' approval pursuant to the Listing Rules and this circular is being published to the Shareholders for information only.

20 September 2024

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DEFINITIONS

In this circular, 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 circular
“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 other 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

DEFINITIONS

“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 other 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.* (東營市壘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 (東營市壘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

DEFINITIONS

“Latest Practicable Date”	17 September 2024, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information for inclusion in this circular
“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 other 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 circular, 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
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“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
“Share(s)”	the ordinary share(s) of HK\$0.10 each of the Company
“Shareholder(s)”	shareholder(s) of the Company

DEFINITIONS

“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 other individuals (each of whom holds less than 2% of the shareholding interests in the Wanda Holding), all being Independent Third Parties
“%”	per cent

* For identification purpose only

LETTER FROM THE BOARD



HING YIP HOLDINGS LIMITED 興業控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00132)

Executive Directors:

He Xiangming (*Chairman*)

Fu Weiqiang (*President*)

Non-executive Director:

Shi Xuguang

Independent Non-executive Directors:

Chan Kwok Wai

Peng Xinyu

Lin Junxian

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

20 September 2024

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION ENTERING INTO A FINANCE LEASE AS THE LESSOR

INTRODUCTION

Reference is made to the announcement of the Company dated 29 August 2024 in relation to the entering 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.

The purpose of this circular is to provide you with, among other things, further information on the Finance Lease and Incidental Documentation and other information as required under the Listing Rules.

LETTER FROM THE BOARD

THE FINANCE LEASE AND INCIDENTAL DOCUMENTATION

Set out below is a summary of the principal terms of the Finance Lease and Incidental Documentation:–

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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

FINANCIAL EFFECTS OF THE FINANCE LEASE ARRANGEMENT

The Finance Lease is expected to attribute approximately RMB6,456,000 (equivalent to approximately HK\$7,069,000) to the Group's turnover, from the aggregate interest income and other fees and expenses over the whole period of such Finance Lease. On the other hand, the Group is expected to bear the aggregate loan interest payments of approximately RMB1,788,000 (equivalent to approximately HK\$1,958,000) to the Group's cost of sales in respect of secured external loans.

As at the date when the consideration for the Assets transfer was paid, the Group had also recorded on its balance sheet the Finance Lease receivables of RMB30,000,000 (equivalent to approximately HK\$32,850,000) in respect of such Finance Lease and the borrowings of the Group will be increased by RMB30,000,000 (equivalent to approximately HK\$32,850,000).

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.

LETTER FROM THE BOARD

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.

PRINCIPAL BUSINESSES OF THE PARTIES

The Group

The Group is principally engaged in wellness elderly care business as the principal direction, with the strategic support of finance leasing, technology and civil explosives businesses. Through its joint ventures and associated companies, the Group also invests in fast growing sectors, such as 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.

LETTER FROM THE BOARD

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.

RECOMMENDATIONS

The Directors consider that the terms of 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.

Accordingly, if a general meeting were to be convened, the Board would recommend the Shareholders to vote in favour of the ordinary resolutions to approve the Finance Lease and Incidental Documentation and the transactions contemplated thereunder at such general meeting.

ADDITIONAL INFORMATION

Your attention is drawn to the financial and general information as set out in the appendices to this circular.

On behalf of
Hing Yip Holdings Limited
HE Xiangming
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Details of the audited consolidated financial information of the Group for each of the three years ended 31 December 2021, 2022 and 2023 are disclosed in the following annual reports of the Company for the years ended 31 December 2021, 2022 and 2023 respectively, and details of the unaudited consolidated interim financial information of the Group for the six months ended 30 June 2024 are disclosed in the following interim report of the Company for the six months ended 30 June 2024, which have been published and are available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<http://hingyiphk.quamhkir.com>):

- the annual report 2021 of the Company for the year ended 31 December 2021 which was published on 28 April 2022 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042802012.pdf>), please refer to pages 126 to 301 in particular;
- the annual report 2022 of the Company for the year ended 31 December 2022 which was published on 27 April 2023 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042700579.pdf>), please refer to pages 131 to 309 in particular; and
- the annual report 2023 of the Company for the year ended 31 December 2023 which was published on 24 April 2024 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0424/2024042402274.pdf>), please refer to pages 100 to 254 in particular.
- the interim report of the Company for the six months ended 30 June 2024 which was published on 16 September 2024 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0916/2024091600989.pdf>), please refer to pages 23 to 96 in particular.

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 July 2024, the Group had outstanding interest bearing bank loans of approximately HK\$4,867,932,000 (comprising secured and guaranteed bank loans of approximately HK\$4,059,653,000 which were secured by the pledge of investment properties of approximately HK\$334,564,000, plant, property and equipment of approximately HK\$86,765,000, bank deposit of approximately HK\$6,952,000, finance lease receivables and future interest receivable of approximately HK\$3,731,595,000, and 26.794% equity interests in an associate of approximately HK\$99,039,000; and unsecured and unguaranteed bank loans of approximately HK\$808,279,000. Among such loans, a small number of them are having a maturity profile in the near term (maturing in 2024) and the rest are in the mid-term (maturing in 2025, 2026 and 2027) to long term (maturing in 2028, 2029, 2034, 2035, 2037, 2038, 2039 and 2047).

The Group had unsecured and unguaranteed interest bearing loans from its immediate holding company of approximately HK\$136,000,000, which will mature in 2024 and 2025.

The Group had outstanding secured and guaranteed other loan of approximately HK\$47,302,000 which were secured by the pledge of finance lease receivables and future interest receivable of approximately HK\$47,382,000.

In addition, the Group had unsecured and unguaranteed lease liabilities of approximately HK\$4,830,000, and outstanding convertible notes with aggregate principal amount of HK\$166,232,000 issued by the Company which will mature on 13 October 2024.

Save as aforesaid or otherwise disclosed herein, as at the close of business on 31 July 2024, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other contingent liabilities.

3. MATERIAL ADVERSE CHANGE

At the Latest Practicable Date, the Directors confirm that there had been no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

4. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, taking into account the existing cash and bank balances, other internal resources and available existing unutilised credit facilities, the Group has sufficient working capital for its present requirements and to satisfy its requirements for at least the next 12 months from the date of publication of this circular in the absence of unforeseen circumstances.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The global economy is still in a “state of instability” due to trade fragmentation and prolonged high interest rates, the economy will continue to grow slowly, geopolitical tensions have created more economic uncertainties, China’s spending and investment are still conservative, and total demand is still insufficient, coupled with the slow progress of economic transformation and upgrading in the face of the storm in the real estate sector, the operations of enterprises in various industries are not satisfactory, the Group is committed to its strategic orientation, continues its efforts to become a first-class technology-based health care services provider in the Greater Bay Area, strives to deepen its “1+X” ecosystem, taking the wellness and elderly care business as the principal direction, and technology, finance leasing, civil explosives business as the strategic support, and firmly establishing the standpoint of the Group as a whole.

For our wellness elderly care business, Guangdong Taoyuan Comprehensive Health Operation Company Limited (“**Taoyuan Comprehensive Health**”) will continue to consolidate its elderly care business and strengthen its principal business. The Group will continue to expand the construction of elderly care facilities, and its elderly care apartment project has entered the finalization stage, and has basically completed the completion of its construction and preparations for acceptance, and it will make preparations for the opening of its facilities in an orderly manner. In addition, we will actively negotiate with a number of potential projects in other regions of the

province, as well as outside of the province, in order to lay the foundation for the realization of 5,000 beds by the end of the “14th Five-Year Plan” period. At the same time, we would actively follow up and invest in Hong Kong institutional elderly care business, and seek opportunities to expand the elderly care business for Hong Kong and Macao elderly people at the north of the border. At present, a preliminary cooperation method and plan have been reached, and service plans, renovation plans and brainstorming plans are being formulated.

For our technology business, the Group will continue to strengthen its technology sub-strategy research, focusing on the two directions of industrial Internet and big health technology to carry out the exploration of industrial development to identify investment and M&A targets, with a view to completing the M&A of high-quality projects as the goal; in addition, we will strengthen the post-investment management of the XRIS project to implement the planning objectives to tap into the expansion of the business that is synergistic with the principal business; upgrade the businesses of industrial Internet and the digital and intelligent manufacturing industry, continue to promote the industrial internet identifier business by tapping into the demand in conjunction with the demands of government affairs, CAII and alliances.

For our finance leasing business, with the philosophy of “marketization, specialization and differentiation” in mind, we are committed to turning ourselves into a leading domestic environmental professional financial leasing company, continue to optimize the environmental protection leasing pass products, deeply cultivate the municipal environmental protection finance leasing business, formulate the medical equipment finance leasing business plan, seize the opportunity of the large-scale medical equipment renewal business, and make use of the channels of the E20 Forum, the environmental protection associations and the banks to focus on, monitor and benchmark against segmented peers, develop high-quality municipal environmental protection customers, and digging deeper into the upstream and downstream of established customers and partners and high-end intelligent equipment manufacturing marketing within the province. In addition, we will continue to optimize the financing situation, strive for better ratings, achieve increase of credit lines and better financing terms, and strengthen communication with banks to increase low-cost credit lines. Improve the risk management system and strengthen the control of non-performing assets to reduce the non-performing rate.

For our civil explosives business, we will enhance the expansion of the blasting business, realize the external conditions for the landing of mixed capacity, independently release the mixed capacity, achieve the concurrent production of packaged explosives and mixed explosives and sales; and we will complete the technological transformation of comprehensive utilization of clean energy thermal energy for heating supply, achieve energy saving and emission reduction, cost reduction and efficiency enhancement; and promote the transformation of the transport business to the establishment of new hazardous chemicals transportation company by means of cooperation and investment.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and any associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company were taken or deemed to have pursuant to Divisions 7 and 8 of Part XV of the SFO), or (ii) entered in the register required to be kept under Section 352 of the SFO or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) adopted by the Company were as follows:

Long positions in the Shares

Name of Director	Capacity	Nature of interest	Number of Shares held	Approximate percentage of total issued Shares as at the Latest Practicable Date/
He Xiangming	Beneficial owner	Personal	1,441,000	0.08%

Note: 1. The percentage was calculated based on 1,712,329,142 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, none of the Directors and chief executives of the Company had, as at the Latest Practicable Date, any interests or short positions in any shares and underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company were taken or deemed to have pursuant to Divisions 7 and 8 of Part XV of the SFO), or which were entered in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests and short positions of the Shareholders in the Shares, underlying Shares of the Company

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the interests and short positions of the Shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were entered in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:–

Name of Shareholder	Capacity of Shareholder	Number of Shares/underlying Shares		Approximate percentage of total issued Shares as at the Latest Practicable Date ¹
		Long position	Short position	
Glories Holdings (HK) Limited	Beneficial Owner	1,441,439,842 ²	–	84.18%
Prize Rich Inc.	Corporate Interest	1,441,439,842 ²	–	84.18%
廣東南海控股集團有限公司 (Guangdong Nanhai Holding Group Co., Ltd.*)	Corporate interest	1,441,439,842 ²	–	84.18%

Notes: 1. The percentage was calculated based on 1,712,329,142 Shares in issue as at the Latest Practicable Date.

2. These 1,441,439,842 shares/underlying shares are held by Prize Rich Inc., which is wholly-owned by Guangdong Nanhai Holding Group Co., Ltd.* (廣東南海控股集團有限公司). On 25 July 2022, Prize Rich Inc. agreed to transfer 1,222,713,527 shares and HK\$166,232,000 convertible bonds (with underlying shares of 218,726,315) to its wholly-owned subsidiary, Glories Holdings (HK) Limited, pursuant to the equity and convertible bonds transfer agreement.

Saved as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any person (other than directors and chief executives of the Company) who had interests or short positions in the Shares and underlying Shares under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were entered in the register required to be kept under Section 336 of the SFO.

As at the Latest Practicable Date, no Director or proposed Director is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or his or her respective close associates was considered to have an interest in a business which competes or was likely to compete, either directly or indirectly, with the business of the Group other than those business to which the Directors or his or her close associates were appointed to represent the interests of the Company and/or the Group.

4. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date,

- (a) none of the Directors was materially interested in any contract or arrangement subsisting and which was significant in relation to the business of the Group; and
- (b) none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. MATERIAL CONTRACTS

The following contracts were entered into by the Group within the two years immediately preceding the date of this circular and which is or may be material or of significance:

- (a) the equity transfer agreement dated 6 December 2023 entered into between CIH Finance Investments Holdings Limited, a wholly owned subsidiary of the Company, and Guangdong Nanhai Holding Group Co., Ltd.* (廣東南海控股集團有限公司) in relation to the disposal of 72% equity interest of Guangdong Sino Rock Tyco Construction Co., Ltd.* (廣東中岩泰科建設有限公司) at a consideration of RMB972,000,000; and
- (b) the seventh capital injection agreement dated 4 June 2024 entered into among CIH Finance Investments Holdings Limited (“**CIH Finance**”), Guangdong Zhongchuang Xingke Investments Co., Ltd.* (廣東中創興科投資有限公司), Foshan City Yueqiao Construction Investment Co., Ltd.* (佛山市粵樵建設投資有限公司), Foshan City Nanhai Dali Water Supply Company* (佛山市南海大瀝自來水公司), Foshan Huaxing Glass Co., Ltd.* (佛山華興玻璃有限公司), Foshan City Nanhai District Lianzhifu Investment Co., Ltd.* (佛山市南海區聯智富投資有限公司), Foshan City Nanhai Zhizao Investment Co., Ltd.* (佛山市南海智造投資有限公司) and Greengold Leasing, pursuant to which CIH Finance agreed to contribute RMB140,907,030.57 in cash to the capital of Greengold Leasing to provide working capital for its operation.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which is not determinable by the Group within one (1) year without payment of compensation (other than statutory compensation).

8. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The branch share registrar of the Company is Tricor Progressive Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (c) The Company's head office and principal place of business in Hong Kong is at Unit 501, Wing On Plaza, 62 Mody Road, Tsimshatsui, Kowloon, Hong Kong.
- (d) The company secretary of the Company is Mr. Lo Tai On, who is a member of the Hong Kong Institute of Certified Public Accountants.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published and displayed on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://hingyipkh.quamhkir.com>) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the Finance Lease and Incidental Documentation; and
- (b) this circular.

* *For identification purpose only*