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## **SINO HAIJING HOLDINGS LIMITED**

**中國海景控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01106)**

### **MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE ACQUISITION**

This announcement is made by Sino Haijing Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

#### **MEMORANDUM OF UNDERSTANDING**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that after trading hours of the Stock Exchange on 12 July 2017, Brightest Star Investments Limited, (“the Purchaser”), a wholly-owned subsidiary of the Company, entered into a memorandum of understanding (the “**MOU**”) with Ms. Yin (the “**Vendor**”). Pursuant to the MOU, the Purchaser intends to acquire, and the Vendor intends to dispose entire issued share capital in Amazing Sunrise Limited (the “**Target Company**”) (the “**Possible Acquisition**”). As at the date of the MOU, the Vendor holds the entire issued share capital of the Target Company. After the reorganization, the Target Company will hold 100% equity interest in Kunming Yihui Times Building (昆明義輝時代大廈) with a fair value of approximately RMB1,000,000,000, which is located in the core business district of Kunming Xishan District. Kunming Yihui Times Building is invested and constructed by Kunming Yihui Property Development Co., Ltd. (昆明義輝房地產開發有限公司).

## **Principal Terms of the MOU**

Date: 12 July 2017 (after trading hours)

Parties

- (i) The Purchaser
- (ii) the Vendor; and
- (iii) the Target Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is a third party independent of the Purchaser and its connected persons (as defined under the Listing Rules).

### **Consideration**

The consideration for the Possible Acquisition shall be approximately RMB1,000,000,000. The exact amount, the manner and the method of payment of the consideration for the sale and purchase of the Target Company will be negotiated between the parties to the MOU based on the results of the due diligence investigation to be conducted by the Purchaser on the Target Company.

### **Earnest Money**

Pursuant to the MOU, the Purchaser will pay the Vendor a sum of deposit HK\$40,000,000.00 in cash (the "**Earnest Money**") within ten (10) business days after the date of the MOU. The Earnest Money will be applied as partial payment of the consideration of the Possible Acquisition upon signing of the Formal Agreement (as defined below) in relation to the sales and purchase of the Target Company by all parties.

In the event that the Formal Agreement (as defined below) cannot be reached upon the expiry of the Exclusivity Period (as defined below), the Earnest Money will be returned to the Purchaser within ten (10) business days upon request by the Purchaser.

### **Due diligence review**

Pursuant to the MOU, the Purchaser may conduct due diligence review on, including but without limitation, the structure of the Target Company, the number of Shares to be acquired and the consideration for the Possible Acquisition upon signing of the MOU. The Vendor shall use their best endeavours to procure the Target Company to provide such assistance and information as is necessary for the Purchaser to complete its due diligence review on the Target Company.

## **Exclusivity**

During a 180-day period after the date of execution of the MOU (or such later date as the parties to the MOU may agree in writing) (the “**Exclusivity Period**”), the Purchaser shall have exclusive right to negotiate with the Vendor in relation to the terms of the Possible Acquisition. During the Exclusivity Period, the Vendor shall not directly or indirectly negotiate or agree with any other party with respect to the disposal of the Target Company or any of its businesses.

## **Formal Agreement**

The Purchaser and the Vendor shall use their best endeavours to procure a legally binding formal agreement in relation to the Possible Acquisition (“**Formal Agreement**”) within the Exclusivity Period.

## **Termination**

The MOU will be terminated at the earlier of:

- (i) the conditions which mutually agreed between the Purchaser and the Vendor;
- (ii) the expiry of the Exclusivity Period;
- (iii) the date of execution of the Formal Agreement;
- (iv) the Target Company fails to complete the reorganization within 6 months upon signing of the MOU; or
- (v) the Purchaser is not satisfied with the result of the due diligence.

## **Binding effect**

Save for the provisions relating to the Earnest Money, due diligence review, exclusivity, confidentiality, termination, notices, binding effect, governing law and jurisdiction, the MOU does not constitute a legally binding agreement on the parties to the MOU.

## **REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION**

The Company is a company incorporated in the Cayman Islands and listed in the Main Board of the Hong Kong Stock Exchange. The principal businesses of the Company and its subsidiaries (the “**Group**”) include the manufacturing and sale of packaging products, securities trading and other investing activities, ticketing agency business and money lending business. It is the Group’s long-term mission to maintain a diversified investment portfolio and to explore suitable investment opportunities. The Directors are of the view that the Possible Acquisition provides opportunities to the Company to broaden its business portfolio so as to improve the Group’s financial status in the long term. By the acquisition of the Target Company, the Company is expected to enter into one of the most important cities of the Yunnan Province in Southwest China, Kunming which is acting a significant strategic role in “One Belt and One Road”. The Target Company is committed to building a media and tourism promotion center between China and ASEAN, which is in line with the Company’s strategic objectives. Besides, the Target Company’s property generates a stable lease income of approximately RMB46,000,000 per annum which can expand and secure a steady source of revenue. The Board considers would be beneficial to and in the interests of the Company and the shareholders of the Company as a whole.

## **GENERAL**

As at the date of this announcement, the terms and conditions of the Possible Acquisition are still being negotiated and no legally binding agreement has been entered into. The Possible Acquisition, if materialised, may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

Shareholders and other investors of the Company should note that the Possible Acquisition may or may not proceed and are advised to exercise caution when dealing in the shares of the Company.

By order of the Board  
**Sino Haijing Holdings Limited**  
**Li Zhenzhen**  
*Chairman*

Hong Kong, 12 July 2017

*As at the date of this announcement, the Board comprises of Ms. Li Zhenzhen, Mr. Lam Wai Hung, Mr. Wang Xin, Mr. Wei Liyi and Mr. Cheng Chi Kin as the executive Directors; Ms. Hu Jianping as the non-executive Director; Mr. Pang Hong, Mr. Lee Tao Wai, Mr. Lam Hoi Lun and Mr. Li Yang as the independent non-executive Directors.*