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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF 100% SHAREHOLDING INTERESTS IN THE TARGET COMPANY

THE ACQUISITION

On 15 September 2017 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) and the Vendors, all being Independent Third Parties, entered into the Sale and Purchase Agreement pursuant to which the Vendors have agreed conditionally to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares (representing 100% of the issued share capital of the Target Company) at the Consideration of THB1,280,000,000 (HK\$302,080,000).

LISTING RULES IMPLICATIONS ON THE ACQUISITION

As certain applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 15 September 2017 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) and the Vendors, all being Independent Third Party, entered into the Sale and Purchase Agreement pursuant to which the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares (representing 100% of the issued share capital of the Target Company at the Consideration of THB1,280,000,000 (HK\$302,080,000).

Following Completion, the Target Company will become a wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

THE SALE AND PURCHASE AGREEMENT

Date: 15 September 2017 (after trading hours)

Parties: Vendors: Sea Vanguard Investments Limited (Vendor A); and
Sky Guidance Limited (Vendor B);

Purchaser: Best Favour Global Limited, a wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendors, their ultimate beneficial owners and their respective associates is an Independent Third Party.

Assets to be acquired

The Target Company is a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which was owned as to 60% and 40% by Vendor A and Vendor B, respectively, immediately prior to the signing of the Sale and Purchase Agreement.

Under the Acquisition, the Purchaser agreed to acquire, and the Vendors agreed to sell, 100% of the entire issued share capital of the Target Company. According to the information provided by the Vendors, the Target Company will indirectly own 64.19% issued share capital of the Project Company, a company to be incorporated in Thailand with limited liability.

Consideration

The Consideration for the Acquisition amounts to THB1,280,000,000 (HK\$302,080,000), which shall be paid by the Purchaser to the Vendors in the following manner:

- i. a refundable earnest money of HK\$5,000,000 (the "**Earnest Money**") was already paid by the Company to the Vendors (or their designated recipients) within ten business days after the signing of the MOU, as disclosed in the Company's announcement dated 4 May 2017;
- ii. THB1,050,000,000 (HK\$247,800,000) less the amount of the Earnest Money shall be payable in cash by the Purchaser to the Vendors upon Completion; and

- iii. THB230,000,000 (HK\$54,280,000) shall be payable upon Completion, which shall be settled through the allotment and issue 347,948,717 Consideration Shares by the Company to the Vendors or its nominee at issue price HK\$0.156 upon Completion.

The Consideration was arrived at after arm's length negotiations between the Vendors and the Company after taking into account, among others, (i) the future prospect of the Target Group; (ii) the preliminary appraised value of the Business of approximately THB2,363,000,000 (HK\$557,668,000) as at 31 July 2017 adopting market approach prepared by Witz International Consultants Group Limited, an independent professional valuer; and (iii) the fact that the Project Company will be 64.19% effectively owned by the Target Company.

In preparing the valuation, the financial performance of the Business is estimated by annualizing the historical financial figures of the Business on their past performance which was reflected in the 7 months management accounts in relation to the business operations of Oriental Queen Co., Ltd., Oriental Sky Co., Ltd. and Pattaya Cruise Enterprise Co., Ltd.

The calculation method of the annualised 12-Month net profit of the Business is as follow:

$$\frac{\text{Actual profit of the Business for the seven months ended 31 July 2017}}{7} \times 12$$

Consideration Shares

The 347,948,717 Consideration Shares represent approximately 2.93% of the existing issued share capital of the Company of 11,863,360,252 Shares as at the date of this announcement, and approximately 2.85% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change in the issued share capital of the Company other than the issue of the Consideration Shares since the date of this announcement up to the date of the Completion). The aggregate nominal value of the 347,948,717 Consideration Shares is HK\$4,349,359.

The issue price of approximately HK\$0.156 per Consideration Share represents:

- (a) a discount of approximately 19.59% to the closing price of HK\$0.194 per Share as quoted on the Stock Exchange as at the date of this announcement;
- (b) a discount of approximately 19.59% to the average closing price of HK\$0.194 per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the date of this announcement.

The issue price of the Consideration Shares was determined after arm's length negotiations between the Company and the Vendors having taken into account the average closing price of the Shares for the five consecutive trading days immediately prior to the date of the Sale and Purchase Agreement.

The Consideration Shares, when allotted and issued, will rank pari passu in all respects with each others and with the Shares in issue on the date of allotment and issue of the Consideration Shares.

Under the Sale and Purchase Agreement, there is no restriction on the ability of the Vendors to sell or dispose of any of the Consideration Shares after their allotment and issue.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Conditions Precedent

Completion of the Acquisition is subject to, inter alia, the fulfillment of the following Conditions Precedent:

- i. The Purchaser having completed its financial, legal and business due diligence on the Target Group, and the results of the due diligence being satisfactory to the Purchaser in its reasonable discretion;
- ii. All necessary consents, licences and approvals required to be obtained on the part of the Vendors, the Target Group, the Purchaser and the Company in relation to the entering into of the Sale and Purchase Agreement;
- iii. There having been no events resulting in material adverse effects on the financial position, business or assets, operating results or business prospects of the Target Group;
- iv. All representation and warranties given by the Vendors on the Target Group and by the Purchaser being true and accurate and not misleading between the date of the Sale and Purchase Agreement and Completion;
- v. The Purchaser having received a valuation report on the fair market value of the Business at not less than THB2,000,000,000;
- vi. Ms. Tippapa Pasiriruttanakul, Mr. Narongsak Cenpakdee, Mr. Pan Yong-Hsiang and BVI2 have entered into the Thai Co Shareholders' Agreement;
- vii. BVI1, Thai Co and Blue Sky Strategy Company Limited have entered into the Project Company Shareholders' Agreement;

- viii. the Purchaser having obtained a legal opinion issued by a practicing lawyer in Thailand appointed by it in the form and substance satisfactory to the Purchaser opinion on, inter alia, the legality and validity of the incorporation and continued existence of the Project Company and its assets, business and operation;
- ix. the Project Company has been duly incorporated and the Business Transfer has been duly completed;
- x. The obtaining of all necessary consent, confirmation, waiver or approval as required by any third party or regulatory body in relation to the transactions contemplated under the Sale and Purchase Agreement; and
- xi. The Listing Committee of the Stock Exchange having granted the approval for the listing of and permission to deal in the Consideration Shares.

Conditions Precedent (i), (ii), and (iv) to (ix) above may be waived by the Purchaser and Conditions Precedent (ii) and (iv) above may be waived by the Vendors.

In the event that any of the Conditions Precedent is not fulfilled or waived within 6 months after the signing of the Sale and Purchase Agreement, the provisions of the Sale and Purchase Agreement (other than those in respect of the Conditions Precedent, termination, publication, cost, notice and regulatory laws, jurisdiction and the service of legal documents) shall forthwith cease and determine. The Vendors shall return the Earnest Money to the Purchaser without interest, and the parties shall bear no liability under the terms of the Sale and Purchase Agreement, save and except rights and remedies available to either party in relation to default taking place prior to the termination.

Completion

Completion shall take place within ten Business Day following the satisfaction or waiver of the last Condition Precedent, or such other time as agreed by the parties.

PROJECT COMPANY SHAREHOLDERS' AGREEMENT

At Completion, the BVII, the Thai Co and the Blue Sky Strategy Company Limited shall enter into the Project Company Shareholders' Agreement in order to regulate certain rights and obligations of the shareholders of the Project Company, the major terms of which are summarised below:

Transfer of shares

Any transfer of the shares of the Project Company by a shareholder to a third party will be subject to the right of first refusal of the other shareholders. If any of the shareholders of the Project Company proposes to sell its interest in the Project Company to the third party other than the existing shareholders, the remaining shareholders shall have the pre-emptive rights to purchase such interest within 30 days of the issue of the transfer notice. In the event a transferring shareholder proposes to transfer any shares to a third party and the non-transferring shareholders elect not to exercise their rights of first refusal, the non-transferring shareholders shall have tag-along rights to sell their shares simultaneously on terms and conditions that are no less favourable than those specified in the transfer notice within 30 days of the issue of the transfer notice.

Issue of new share

In case of any issue of new shares of the Project Company, shareholders have pre-emptive rights to subscribe a pro rata portion of the new shares being issued equivalent to the according percentage of the issued share capital of the Project Company then owned by shareholders prior to the issue of the new shares.

Corporate governance

The board of directors of the Project Company shall comprise three directors, one of which shall be appointed by the BV11, one of which shall be appointed by the Thai Co, one of which shall be appointed by the Blue Sky Strategy Company Limited. In accordance with Thai law, the board of directors must be elected annually and may be re-elected by appointment

THAI CO SHAREHOLDERS' AGREEMENT

At Completion, the BV12, Ms. Tippapa Pasiriruttanakul, Mr. Narongsak Cenpakdee and Mr. Pan Yong-Hsiang shall enter into the Thai Co Shareholders' Agreement in order to regulate certain rights and obligations of the shareholders of the Thai Co, the major terms of which are summarised below:

Transfer of shares

Any transfer of the shares of Thai Co by a shareholder to a third party will be subject to the right of first refusal of the other shareholders. If any of the shareholders of the Thai Co proposes to sell its interest in the Thai Co to the third party other than the existing shareholders, the remaining shareholders shall have the pre-emptive rights to purchase such interest within 30 days of the issue of the transfer notice. In the event a transferring shareholder proposes to transfer any shares to a third party and the non-transferring shareholders elect not to exercise their rights of first refusal, the non-transferring shareholders shall have tag-along rights to sell their shares simultaneously on terms and conditions that are no less favourable than those specified in the transfer notice within 30 days of the issue of the transfer notice.

Issue of new share

In case of any issue of new shares of the Thai Co, shareholders have pre-emptive rights to subscribe a pro rata portion of the new shares being issued equivalent to the according percentage of the issued share capital of the Thai Co then owned by shareholders prior to the issue of the new shares.

Corporate governance

The board of directors of the Thai Co shall comprise three directors, two of which shall be appointed by the BVI2, one of which shall be appointed by Mr. Pan Yong-Hsiang. In accordance with Thai law, the board of directors must be elected annually and may be re-elected by appointment.

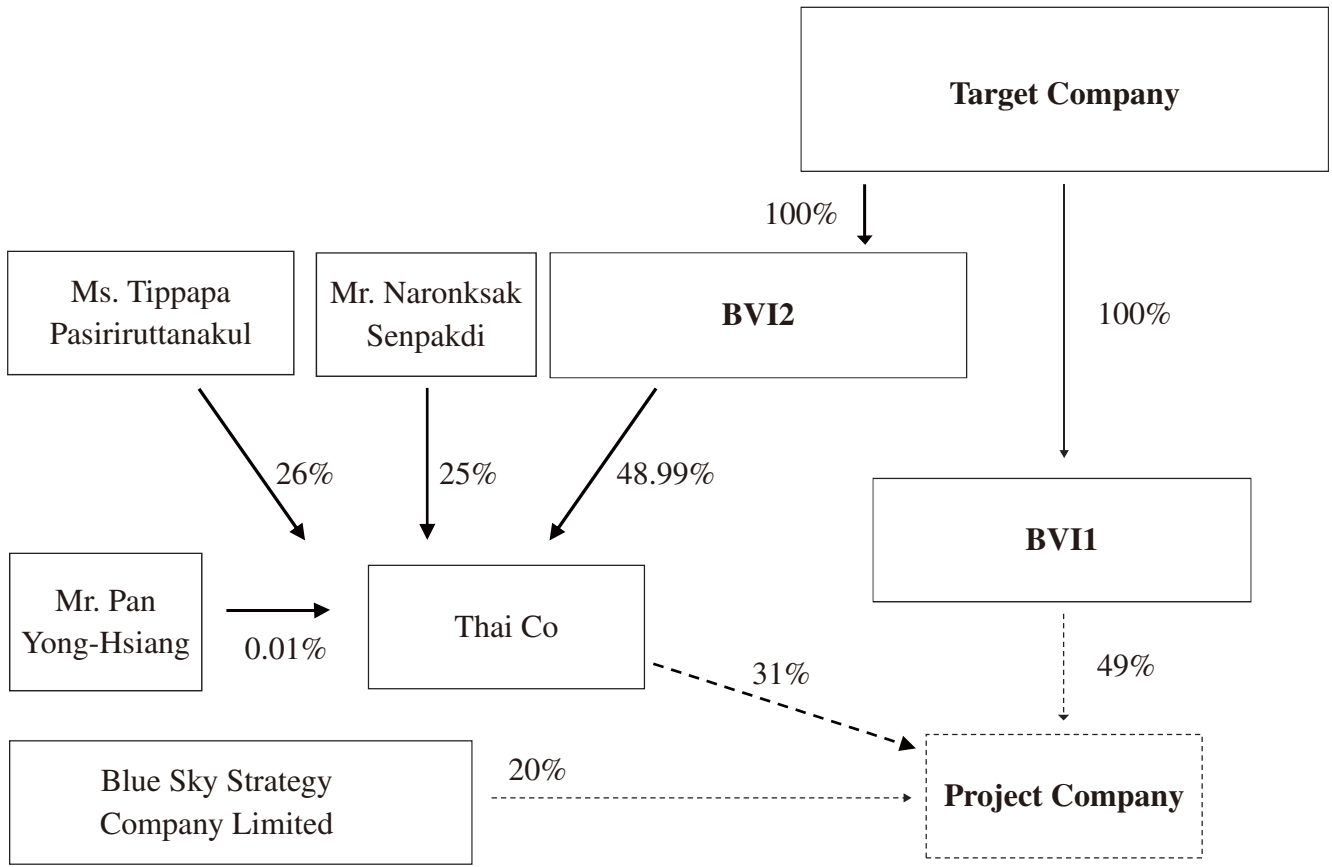
INFORMATION ON THE TARGET GROUP

Target Company

The Target Company is a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which was owned as to 60% and 40% by Vendor A and Vendor B, respectively.

The Target Company is principally engaged in investment holding. The Target Company has no material assets and liabilities as at the date of this announcement. As at the date of this announcement, the Target Company has not generated any revenue and profit since its incorporation. Save for its investment in 100% shareholding in the BVI1 and BVI2, the Target Company has no any other business activities since its incorporation.

Set out below is the corporate structure of the Target Group as of the date of this announcement:



BVII is a company incorporated in BVI with limited liability and is principally engaged in investment holding. BVII has no material assets and liabilities as at the date of this announcement. As at the date of this announcement, BVII has not generated any revenue and profit since its incorporation. BVII has no any other business activities since its incorporation. Prior to Completion, BVII will own 49% shareholding interest in the Project Company.

BVI2 is a company incorporated in the BVI with limited liability and is principally engaged in investment holding. BVI2 has no material assets and liabilities as at the date of this announcement. As at the date of this announcement, BVI2 has not generated any revenue and profit since its incorporation. Save for its investment in 49% shareholding in the Thai Co, the BVI2 has no any other business activities since its incorporation.

Thai Co is a company incorporated in Thailand with limited liability and is principally engaged in investment holding. According to the information provided by the Vendors, save for the THB26 million cash which is derived from the paid up capital, Thai Co has no other material assets and liabilities as at the date of this announcement. As at the date of this announcement, BVI2 has not generated any revenue and profit since its incorporation. Thai Co, the BVI2 has no any other business activities since its incorporation. Prior to Completion, Thai Co will own 31% shareholding interest in the Project Company.

Project Company

Project Company will be incorporated in Thailand with limited liability and will be 64.19% effectively owned by the Target Company. Project Company will be principally engaged in provision of entertainment show in Thailand. After the Business Transfer and prior to Completion, the Project Company will possess the Business including but not limited to (i) two vessels which can accommodate 600 and 1200 people respectively at the same time, and (ii) asset and business operation from Oriental Queen Co., Ltd., Oriental Sky Co., Ltd. and Pattaya Cruise Enterprise Co., Ltd. which altogether provided entertainment show in Pattaya for nearly 20 years. The number of customers per day is about 5,000 to 7,000, and the fee is about 300 baht per person. The revenue was mainly generated from the tourists, especially from Chinese tourists. Given the great growth potential of Chinese tourists, an explosive growth is showed in the first half of 2017. It is expected that this growth trend will continue.

GENERAL MANDATE

The Consideration Shares will be allotted and issued pursuant to the General Mandate passed at the Company's AGM held on 6 June 2017. The Company is authorised to issue 2,126,560,050 Shares under the General Mandate. As at the date of this announcement, the Company has not issued any Shares under the General Mandate. The 347,948,717 Consideration Shares will utilise approximately 16.36% of the General Mandate. After the Consideration Shares are issued, the Directors will still have the power to issue up to 1,778,611,333 Shares under the General Mandate (assuming that the Company has not allotted and issued any other new Share). Accordingly, the issue of the Consideration Shares is not subject to the Shareholders' approval.

REASONS FOR AND BENEFITS OF THE 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 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 Acquisition provides opportunities to the Company to broaden its business portfolio so as to improve the Group's financial status in the long term. The Acquisition will enable (i) the development of the Group's tourism business in Asia region; (ii) the creation of synergies with the travel agency business of the Group; and (iii) the enhancement of the competitiveness of the Group in the tourism industry in Asia, in particular the South East Asia region, which the Board considers would be beneficial to and in the interests of the Company and the shareholders of the Company as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement and immediately after completion of the issuance of the Consideration Shares are as follow:

	As at the date of this announcement		Immediately after completion of the issuance of the Consideration Shares	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Shareholders				
A Plus Capital Management Limited (<i>Note 1</i>)	1,882,060,000	15.86	1,882,060,000	15.41
Majestic Wealth International Limited (<i>Note 2</i>)	697,000,000	5.88	697,000,000	5.71
Ms. Lu Hongying (<i>Note 3</i>)	1,400,220,000	11.80	1,400,220,000	11.47
Vendors	–	–	347,948,717	2.85
Public Shareholders				
Other public Shareholders	<u>7,884,080,252</u>	<u>66.46</u>	<u>7,884,080,252</u>	<u>64.56</u>
	<u><u>11,863,360,252</u></u>	<u><u>100.00</u></u>	<u><u>12,211,308,969</u></u>	<u><u>100.00</u></u>

(*Note 1*) As at the date of this announcement, A Plus Capital Management Limited indirectly holds 1,858,060,000 Shares through Tiger Capital Fund SPC – Tiger Global SP and another 24,000,000 Shares indirectly.

(*Note 2*) As at the date of this announcement, Majestic Wealth International Limited is a private company which is wholly-owned by Ms. Liang Yanzhi.

(*Note 3*) As at the date of this announcement, Ms. Lu Hongying holds 1,371,000,000 Shares through Summer Glitter Limited and 29,220,000 Shares directly.

IMPLICATIONS UNDER THE LISTING RULES

As certain percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following words and expressions shall have the meanings set out below, unless the context requires otherwise:

“Acquisition”	the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement
“AGM”	the annual general meeting of the Company held on 6 June 2017
“associate(s)”	having the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business”	the legal and beneficial ownership of all the following (i) all the assets, properties, business and undertakings of Oriental Queen Co., Ltd. (a company incorporated in Thailand), including but not limited to the cruise owned by it named “New Oriental Queen”; (ii) all the assets, properties, business and undertakings of Oriental Sky Co., Ltd. (a company incorporated in Thailand); and (iii) all the assets, properties, business and undertakings of Pattaya Cruise Enterprise Co., Ltd. (a company incorporated in Thailand), including but not limited to the cruise owned by it named “Dolphin”
“Business Day”	a day (excluding Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business
“Business Transfer”	the transfer of the Business free from encumbrance to the Project Company
“BVI”	the British Virgin Islands;
“BVI1”	Star Dream Global Limited, a company incorporated with limited liability in BVI
“BVI2”	Paragon Elite Holdings Limited, a company incorporated with limited liability in BVI

“Company”	Sino Haijing Holdings Limited (stock code: 01106), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date on which the Completion shall take place, which shall be the ten Business Day after all the Conditions shall have been fulfilled or waived (or such other date as may be agreed between the Purchaser and the Vendors)
“Conditions Precedent”	the conditions precedent which must be fulfilled or waived prior to Completion according to the Sale and Purchase Agreement
“Connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Consideration”	THB1,280,000,000 (HK\$302,080,000), being the aggregate consideration for the Acquisition comprising the Earnest Money, cash and the Consideration Shares
“Consideration Shares”	an aggregate of 347,948,717 Shares to be allotted and issued by the Company forming part of the Consideration,
“Director(s)”	the director(s) of the Company
“Earnest Money”	refundable earnest money in the amount of HK\$5,000,000 which was already paid to the Vendors pursuant to the MOU, being part of the Consideration
“General Mandate”	the general mandate granted by the Shareholders to the Directors by a resolution of the Shareholders passed at the AGM to allot, issue and deal with up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM (i.e. a maximum of 2,126,560,050 Shares)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

* *For identification purpose only*

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party”	third party independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the non-binding memorandum of understanding entered into between the Company and the Vendors on 4 May 2017 in relation to the Acquisition, as disclosed in the Company’s announcement dated 4 May 2017
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Project Company”	a company to be incorporated with limited liability in Thailand and will be 64.19% effectively owned by the Target Company
“Project Company Shareholders’ Agreement”	the shareholders’ agreement to be entered between the BVI1, Thai Co and Blue Sky Strategy Company Limited
“Purchaser”	Best Favour Global Limited, a company incorporated in BVI with limited liability and a wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 15 September 2017 entered into between the Vendors and the Purchaser in relation to the Acquisition
“Sale Shares”	100% of the issued share capital of the Target Company as at the date of this announcement and at Completion
“Share(s)”	ordinary shares of HK\$0.0125 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Pattaya Oriental Cruise Limited, a company incorporated in BVI with limited liability and wholly-owned by the Vendors immediately prior to the signing of the Sale and Purchase Agreement
“Target Group”	the Target Company and its subsidiaries and associates from time to time, including BVI2, BVI1, Thai Co and the Project Company
“Thai Co”	Oriental Queen Holdings Three Limited, a company incorporated with limited liability in Thailand
“Thai Co Shareholders’ Agreement”	the shareholders’ agreement to be entered between Ms. Tippapa Pasiriruttanakul, Mr. Narongsak Cenpakdee, Mr. Pan Yong-Hsiang and BVI2
“THB”	Thai Baht, the lawful currency of Thailand
“Vendor A”	Sea Vanguard Investment Limited, a company incorporated in the British Virgin Islands
“Vendor B”	Sky Guidance Limited, a company incorporated in the British Virgin Islands
“Vendors”	Vendor A and Vendor B
“%”	percent

In this announcement, the exchange rate of THB1 = HK\$0.236 has been used for currency conversion. Such exchange rate is for illustration purpose only and does not constitute a representation that any amounts in THB or HK\$ have been, could have been or may be converted at such or any other rates or at all.

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

Hong Kong, 15 September 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.

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