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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)**

### **FURTHER INFORMATION ON THE DISCLOSEABLE TRANSACTION – ACQUISITION OF 100% SHAREHOLDING INTERESTS IN THE TARGET COMPANY**

Reference is made to the announcement of the Company dated 15 September 2017 and 26 September 2017 (the “**Announcements**”) in relation to the Acquisition.

Save for the information provided in the Announcements, the Company would like to disclose further information regarding the financial information of the Business.

Terms defined in the Announcements shall have the same meanings when used herein, unless the context requires otherwise.

### **FURTHER INFORMATION ON THE FINANCIAL INFORMATION REGARDING THE BUSINESS**

The table below sets forth the unaudited management account regarding the Business for the 6 months ended 30 June 2017:

	<b>For the 6 months ended 30 June 2017</b> <i>(THB)</i> (unaudited)
Revenue	320,312,550 (equivalent to approximately HK\$75,593,762)
Net profit before tax	121,976,444 (equivalent to approximately HK\$28,786,441)
Net profit after tax	97,581,155 (equivalent to approximately HK\$23,029,153)

The unaudited total asset and net asset value regarding the Business as at 30 June 2017 was approximately THB212,894,702 (equivalent to approximately HK\$50,243,150) and approximately THB136,322,945 (equivalent to approximately HK\$32,172,215).

The Board has made due and careful enquiry on the substantial improvement on the financial performance of the Business between 2017 and prior years. With reference to the information provided by the Vendors and the management of the Target Group, other than changing the target customer group from Taiwanese to Chinese tourists in recent years, the Business has provided the entertainment show with consistent business model over 20 years. With the fact that the Business' main customers are Chinese tourists, the Business recorded unfavorable performance in 2015 and 2016, the management concluded that external factors and the political relations within Thailand including but not limited to (i) Thailand's continuous political struggle caused by the tension and clash between Red Shirt and Yellow Shirt; (ii) explosion at a Hindu shrine in central Bangkok; and (iii) the event of Chinese tourists forced shopping in Thailand, had contributed to the substantial reduction of the number of Chinese customers. In light of that, in 2015 and 2016, the Business would like to maintain a low level of operation at daily 1 to 2 performances in average. The management also took the opportunity to recuperate and created a new vessel with 1,200 seats in 2016 and refurbished another 600-seat vessel and were fully operated in January 2017.

In 2017, compared with 2015 and 2016, due to the relieving of political factors, visitors saw signs of recovery. In view of this, the management resolved to utilise all the capacity in January 2017, averaging at 4 to 5 performances per day. The vessels can accommodate a total of 1,800 passengers for each performance, so starting in 2017, the number of customers showed a substantial growth and recorded a rapid growth in revenue, net profit. The management also estimated that the average daily number of customers in the second half of 2017 will be closed to that of the first half of 2017 (i.e. around 6,200 customers per day).

Furthermore, by the end of 2016, the Business has entered into agency and underwriting agreements with more than 100 travel agencies, where the travel agencies will at their best effort to sell and underwrite the entertainment show tickets of the Business with a 5-year term starting from 2017. For the 7 months ended 31 July 2017, approximately 70% of the Business' revenue has been contributed from the agency and underwriting agreements.

According to the information provided by the management of the Target Group, the Tourism Authority of Thailand statistics showed that number of international visitors in Thailand was 32 million in 2016 and estimated 37 million in 2017. Chinese tourists traveling to Thailand was about 7.9 million in 2015, and was estimated at more than 10.8 Million in 2017. The Company is of the view that the management of the Target Group has seized the opportunity in the Thailand tourism industry recovery, together with the capacity fully utilised and cooperation with more than 100 travel agencies, the Target Group has reasonably turned around from the trough in 2015 and 2016 to the explosive growth period in the first half of 2017 and the financial performance is believed to be sustainable in the future.

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

Hong Kong, 27 October 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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