

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

SUPPLEMENTAL INFORMATION RELATED TO ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The board (the “**Board**”) of directors (the “**Directors**”) of Sino Haijing Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) wishes to provide further information to the shareholders and potential investors of the Company in addition to the information disclosed in its annual report for the year ended 31 December 2017 (the “**2017 Annual Report**”).

Unless the context requires otherwise, terms used in this announcement shall have the same meanings as those defined in the 2017 Annual Report.

ADDRESSING ALL CONCERNS RAISED BY THE COMPANY’S PREVIOUS AUDITOR

As disclosed in the Independent Auditor’s Report contained in the 2017 Annual Report, the Company’s previous auditor, namely Mazars CPA Limited (the “**Previous Auditor**”) issued a disclaimer of opinion, and which was based on four different concerns.

As disclosed in section headed “Addressing All Concerns Raised by the Company’s Auditor” in the 2017 Annual Report, the Directors expressed their opinions in addressing the four concerns raised by the Previous Auditor.

(i) Audit committee’s views toward the concerns raised by the Previous Auditor

The audit committee agrees with the Directors’ opinions as disclosed on pages 24 to pages 28 of the 2017 Annual Report in the section headed “Addressing All Concerns Raised by the Company’s Auditor”. With the progress of the matters disclosed below, subject to the view of the Company’s newly appointed auditor, namely CCTH CPA Limited, the audit committee is optimistic that the Company should be able to resolve and remove most of the qualifications raised by the Previous Auditor in the audit of the Company’s results for the year ending 31 December 2018.

(ii) Valuation of intangible assets (approximately HK\$144.9 million)

For addressing the Previous Auditor’s concern on the valuation of intangible assets (approximately HK\$144.9 million), the Group is liaising with Beijing Mega for arranging Beijing Mega to sign a non-competition undertaking (“**NCU**”) with Yalu International Limited (a member of the Arch Partners Group) (“**Yalu**”) to the effect that Beijing Mega itself commits not to provide the services that Beijing Mega has appointed Yalu to provide under the long-term aircraft charter contract and the master contractor contract (collectively, the “**Operating Agreements**”) in respect of outbound charter flights, tourism and hospitality business made between Beijing Mega and Yalu.

Since there are express provisions in the Operating Agreements that Beijing Mega’s appointment of Yalu shall be exclusive, which means that Beijing Mega shall not appoint or contract with any other third party to provide the services that Beijing Mega has appointed Yalu to provide, the Board is of the view that if Beijing Mega also signs the NCU, then Beijing Mega will have to, and continue to, observe and perform the Operating Agreements and refer those business to Yalu, otherwise Beijing Mega will not be able to accommodate the needs of its customers for outbound charter flights, tourism and hospitality.

It is expected that the NCU will be signed by the end of July 2018.

(iii) Impairment on deposits for potential acquisition of intangible assets (approximately HK\$53.6 million) and property, plant and equipment (approximately HK\$25.9 million)

In respect of the Group’s investment in an operation of a show tentatively titled “Dream Memory – Halong Bay” in Halong City, Vietnam (the “**Halong Show**”) to fully develop tourism resources in Halong City since 2016, the Board is pleased to announce that as at the date of this announcement, the Group has already obtained all the key approvals and licenses from the Vietnam Central Government and Local Government for the operation of the Halong Show, including but not limited to the approval from the Ministry of Culture, Sports & Tourism, the approval from the Ministry of Natural Resources and Environment and the approval from the Inland Waterways Administration of the Ministry of Transport of the Vietnam Central Government in respect of the script of the show. According to the opinion obtained from the Vietnam legal advisor of the Group, there is no legal impediment for the Group to obtain the other necessary approvals and licenses for the Halong Show from the Vietnam Central Government.

(iv) Impairment loss on other receivables – Recoverability of US\$2 million earnest money

For the Arbitration commenced by the Group against Jet Asia and JAA to recover the Earnest Money in the sum of US\$2,000,000 (equivalent to HK\$15,528,000), the Group filed its statement of case on 11 June 2018 in accordance with the direction laid down by the arbitrator of the Arbitration (the “**Arbitrator’s Direction**”). In the meantime, the Group is waiting for the counterparties to file their statements of defence (and counterclaim, if any) which, according to the Arbitrator’s Direction, should be filed by 10 August 2018. The other procedural steps which have to be taken by the parties to the Arbitration, including but not limited to filing of other pleadings, requesting disclosure of documents and exchanging of witnesses’ statements should follow the Arbitrator’s Direction. There is no assurance that the hearing of the Arbitration will take place or complete by the end of year 2018.

The Company will update the shareholders and potential investors of the Company on any development on the removal of the audit qualifications by publishing further announcement(s) as and when appropriate.

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

Hong Kong, 18 July 2018

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; Mr. Pang Hong, Mr. Lee Tao Wai, Mr. Lam Hoi Lun and Mr. Li Yang as the independent non-executive Directors.

This announcement is published on the HKEx news website at <http://www.hkexnews.hk> and on the website of the Company at www.1106hk.com.