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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 26 January 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 RMB160,000,000 (HK$179,200,000).

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 26 January 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 RMB160,000,000 (HK$179,200,000).

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

THE SALE AND PURCHASE AGREEMENT

Date:	26 January 2017 (after trading hours)	
Parties:	Vendors:	Vstar Holdings Limited (Vendor A); Jumbo Keen Group Limited (Vendor B); Star Wise Pacific Limited (Vendor C); and Vantage Frontier Limited (Vendor D)
	Vendors' Guarantors:	Xu Dongyu* (徐東宇) (Vendor's Guarantor A), Zhou Xudong* (周旭東) (Vendor's Guarantor B), Guo Jinli* (郭金力) (Vendor's Guarantor C), Zhang Tong* (張彤) (Vendor's Guarantor D)
	Purchaser:	Golden Comfort Investment 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. Vendor A is wholly-owned by Xu Dongyu* (徐東宇), Vendor B is wholly-owned by Zhou Xudong* (周旭東) Vendor C is wholly-owned by Guo Jinli* (郭金力) and Vendor D is wholly-owned by Zhang Tong* (張彤).

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 25%, 48.3%, 20.7% and 6% by Vendor A, Vendor B, Vendor C and Vendor D, respectively, immediately prior to the signing of the Sale and Purchase Agreement.

* *For identification purpose only*

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 owns the entire issued share capital of Yalu International, a company incorporated in Hong Kong with limited liability. Under the terms of the Sale and Purchase Agreement, (a) Yalu International has entered into a long-term aircraft charter contract with Mega International Travel (the "Charter Contract"); (b) Yalu International has entered into an outbound tourism and hospitality contract with Mega International Travel (the "**Hospitality Contract**"); and (c) Yalu International has entered into a long-term consultancy contract with Mega International Travel (the "**Consultancy Contract**"); and the Vendors undertook to procure: (a) Yalu International to establish a wholly-owned subsidiary in the PRC ("**Yalu China**"); and (b) Yalu International to assign the rights and obligations of the Consultancy Contract upon the establishment of Yalu China, in each case prior to Completion.

Mega International Travel is a company incorporated in the PRC with limited liability and its principal businesses involve domestic traveling, inbound and outbound tourism.

Consideration

The Consideration for the Acquisition amounts to RMB160,000,000 (HK$179,200,000), which shall be paid by the Purchaser to the Vendors in the following manner:

i. a refundable earnest money of RMB10,000,000 (the "**Earnest Money**") was already paid by the Company to the Vendors (or their designated recipients) within three business days after the signing of the MOU, as disclosed in the Company's announcement dated 2 November 2016;

ii. HK$56,000,000 (RMB50,000,000) shall be payable upon Completion, which shall be settled through the allotment and issue by the Company of 280,000,000 Shares to the Vendors on a pro rata basis in proportion to their shareholdings in the Target Company prior to the Acquisition (the "**First Tranche Consideration Shares**"); and

iii. HK$112,000,000 (RMB100,000,000) shall be payable upon Completion, which shall be settled through the allotment and issue by the Company of 560,000,000 Shares to the Vendors on a pro rata basis in proportion to their shareholdings in the Target Company prior to the Acquisition (the "**Second Tranche Consideration Shares**") and deposited by way of escrow with a law firm in Hong Kong appointed by the Company (the "**Escrow Agent**") pending the determination on satisfaction of the Profit Guarantee.

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; and (ii) the preliminary appraised value of the Sale Shares of RMB160 million as at 31 October 2016 adopting discounted cash flow approach prepared by APAC Asset Valuation and Consulting Limited, an independent professional valuer.

Consideration Shares

The 840,000,000 Consideration Shares represent approximately 8.1% of the existing issued share capital of the Company of 10,352,800,252 Shares as at the date of this announcement, and approximately 7.5% 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 840,000,000 Consideration Shares is HK$10,500,000.

The issue price of approximately HK$0.20 per Consideration Share represents:

(a) a premium of approximately 5.3% to the closing price of HK$0.190 per Share as quoted on the Stock Exchange as at the date of this announcement;

(b) a premium of approximately 4.9% to the average closing price of HK$0.191 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 due diligence on the Target Group Company, and the results of the due diligence being satisfactory to the Purchaser in its reasonable discretion;

ii. The Purchaser having received a PRC legal opinion in the form and substance satisfactory to the Purchaser covering aspects of PRC law such as due incorporation, valid and continuing existence, approvals, licenses and permits required for its operations, validity of contracts, encumbrances on assets, regulatory consents and approvals;

   The Vendors having established Yalu China and having the rights and obligations under the Consultancy Contract assigned to Yalu China before Completion Date;

iii. The Purchaser having received a Hong Kong legal opinion in the form and substance satisfactory to the Purchaser covering aspects of law of jurisdictions outside the PRC such as due incorporation, valid and continuing existence, approvals, licenses and permits required for its operations, validity of contracts, encumbrances on assets, regulatory consents and approvals;

   The Vendors having obtained all necessary approvals from the directors and shareholders of the Target Group in relation to the entering into of the Sale and Purchase Agreement;

iv. 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;

v. All representation and warranties given by the Vendors on the Target Group being true and accurate and not misleading between the date of the Sale and Purchase Agreement and Completion;

vi. The Purchaser having received a valuation report on the fair market value of the Sale Shares at not less than RMB160,000,000;

vii. 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

viii. 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) to (vii) above may be waived by the Purchaser. Condition Precedent (viii) above cannot be waived by any party in any event.

In the event that any of the Conditions Precedent is not fulfilled or waived on or before the Long Stop Date on 30 April 2017, 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 on the third Business Day following the satisfaction or waiver of the last Condition Precedent, or such other time as agreed by the parties.

Profit Guarantee

The Vendors and the Vendors' Guarantors unconditionally and irrevocably guaranteed and warranted to the Purchaser that the audited net profit before tax (the "**Actual Profit**") of the Target Group for the year ending 31 December 2017 shall be not less RMB15,000,000 (the "**Guaranteed Profit**").

If the Actual Profit is less than the Guaranteed Profit, the Vendors and the Vendors' Guarantors shall compensate the Company by surrendering the proportionate number of Second Tranche Consideration Shares (the "**Compensation Shares**") based on the formula below:

Compensation Shares	=	(Actual Profit – Guaranteed Profit)/Guaranteed Profit x Number of the Second Tranche Consideration Shares

The Compensation Shares shall be surrendered by the Escrow Agent to the Purchaser within 15 days after the issuance of the audited financial statements of the Target Group for the year ending 31 December 2017 (the "**Settlement Date**"). The Compensation Shares may be dealt with at the sole discretion of the Purchaser or the Company, including possibly the disposal of the Compensation Shares by way of share placement. The balance (if any) of the Second Tranche Consideration Shares after deducting the Compensation Shares may be released by the Escrow Agent to the Vendors on the Settlement Date.

For the avoidance of doubt, if the Target Group recorded loss before tax in the relevant year, the Actual Profit shall be treated as zero when calculating the Compensation Shares using the above formula.

i. The Vendors, Vendors' Guarantor and the Company shall procure the auditor to provide a signed statement before 31 March 2018 (the "**Determination Date of the Profit Guarantee").**

Guarantee by the Vendors' Guarantors

Under the Sale and Purchase Agreement, the Vendors' Guarantors agreed to guarantee to the Purchaser that the Vendors will comply properly and punctually with their obligations and responsibilities under the Sale and Purchase Agreement. If the Vendors cannot perform, abide or comply with such obligations and responsibilities for whatsoever reason, the Vendors' Guarantors are required to perform or procure the Vendors to perform, abide by or comply with these obligations and responsibilities within ten business days after the Purchaser gives the Vendors' Guarantors written notice, and to compensate the Purchaser and the Target Group for such breaches.

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 shares of which are held by the Vendors.

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 Yalu International, the Target Company has no any other business activities since its incorporation.

Yalu International

Yalu International was incorporated in Hong Kong with limited liability and wholly-owned by the Target Company. Yalu International will be principally engaged in provision of outbound travel, aircraft charter and business travel.

To establish a global leading travel agent and tourism consultancy company, the existing elite executives of Yalu International have been engaged to take full responsibilities of the operation and management of Yalu International. With solid cooperation with Mega International Travel by signing the Charter Contract, Hospitality Contract and Consultancy Contract. Yalu International aims to provide hospitality and outbound travel to a wide range of destinations as well as offering professional consulting service. The details of the strategic cooperation agreement are as follows:

Strategic Cooperation Agreement in respect of Outbound Travel

On 1 January 2017, Yalu International and Mega International Travel entered into the Hospitality Contract. The principal terms and content of the agreement are as follow:

1. Yalu International has guaranteed that it possesses the resources and ability in organizing the tourism hospitality in the relevant travelling destinations (on its own or through cooperative supplier).

2. Mega International Travel has commissioned Yalu International to carry out specific organization and hospitality, arrangements and other related matters for the relevant outbound travel tours (being travel tours from the mainland China to destinations outside the mainland China) during the term of the Hospitality Contract for Mega International Travel under the Hospitality Contract.

3. Upon amicable negotiation between both parties, both parties have reached an exclusive strategic cooperation agreement for the fundamental issues for the commission of Yalu International by Mega International Travel in respect of the hospitality and arrangement of the tourism service for tours travelling to destinations outside the mainland China organized by Mega International Travel, including but not limited to transportation, accommodation, sightseeing, catering, shopping and entertainment etc.

4. The Hospitality Contract has been reached based on the principal provisions of the commissioned matters by both parties rather than the particulars of the commissioned case.

5. Safety and smooth operation of tours are the primary purposes of the business commissioned by Mega International Travel to Yalu International, which particulars are as follow (however, Mega International Travel may limit or expand the scope of the following arrangements depending on individual requirements):

   a) To provide information in relation to transportation, accommodation, tourist facilities and famous historical landmarks as well as the implementation plans to the benefit of the tours of Mega International Travel.

   b) To enter into passenger transportation contracts with the competent transportation authority in the name of Yalu International for the tours of Mega International Travel.

   c) To enter into accommodation contracts with the qualified hotels in the name of Yalu International for the tours of Mega International Travel.

   d) To arrange catering, sightseeing and participating of various recreational activities which are in compliance with the local law for the tours of Mega International Travel.

   e) To recruit qualified tour guides, interpreters and drivers.

Yalu International shall accomplish the outbound tourism and hospitality business commissioned by Mega International Travel in accordance with the Hospitality Contract and the standard, service project and schedule agreed in the commission contract for specific case.

The Hospitality Contract shall come into effect from the date of signing, for the term of 15 years. Unless Yalu International submits written objection, the agreement may be renewed by both parties one month before it expiry.

Strategic Cooperation Agreement in respect of Aircraft Charter

On 1 January 2017, Yalu International and Mega International Travel entered into the Charter Contract. The principal terms and content of the agreement are as follow:

1. Yalu International has guaranteed that it possesses the resources and ability in organizing the aircraft charter business (on its own or through cooperative supplier).

2. Mega International Travel has commissioned Yalu International to carry out aircraft charter organization, arrangements and other related matters for relevant outbound travel tours (being travel tours from the mainland China to destinations outside the mainland China) during the term of the Charter Contract for Mega International Travel under the Charter Contract.

3. Upon amicable negotiation between both parties, both parties have reached the following exclusive strategic cooperation agreement for the fundamental issues for the commission of Yalu International by Mega International Travel in respect of the organization of aircraft charter business.

4. The Charter Contract has been reached based on the principal provisions of the commissioned matters by both parties rather than the particulars of the commissioned cases. The commissioned cases will carry out in the form of writing such as signing agreement or confirmation letter otherwise.

5. Safety and smooth operation of aircraft charter business are the primary purposes of the business cooperation under the Charter Contract, which particulars are as follow:

    a) Yalu International has negotiated with the charter carrier or its designated agent and signed the relevant contracts. Yalu International has ensured the route, flight or cabin seat demand of the aircraft charter business of Mega International Travel;

b) Mega International Travel may recommend route, flight or cabin seat to Yalu International, and facilitate the negotiation between Yalu International and charter carrier or its designated agent, and sign a three-party agreement when necessary;

c) Mega International Travel has purchased charter flight seats required by the outbound travel business from Yalu International, and underwrite the route, flight or cabin seat for Yalu International.

d) Yalu International shall accomplish the aircraft charter business commissioned by Mega International Travel in accordance with the Charter Contract and the standard agreed in the commission contract for specific case.

The Charter Contract shall come into effect from the date of signing, for the term of 15 years. Unless Yalu International submits written objection, the agreement may be renewed by both parties one month before it expiry.

Strategic Cooperation Agreement in respect of Travel Business

On 1 January 2017, Yalu International and Mega International Travel entered into the Consultancy Contract. The principal terms and content of the agreement are as follow:

1. Yalu International has guaranteed that it possesses the resources and ability to engage in travel business consultation service.

2. Mega International Travel has commissioned Yalu International to provide all-rounded travel business consultation service during the term of the Consultancy Contract for Mega International Travel under the Consultancy Contract.

3. Upon amicable negotiation between both parties, both parties have reached an exclusive cooperation agreement for the fundamental issues for the commission of Yalu International by Mega International Travel in respect of the provision of all-rounded travel business consultation service for Mega International Travel.

4. The consultation scope under the Consultancy Contract has included all business related to tourism that launched by Mega International Travel currently and in the future. The specific scope includes but is not limited to:

   a) Analysis on inbound and outbound tourism market (prospect, market size, efficiency space, development opportunity etc.);

   b) Analysis on business strategy of tourism (market demand, channel strategy etc.);

   c) Brand building and influence expansion;

d) Strategy on tourism product;

e) Business model;

f) Marketing strategy;

g) Business development plan;

h) Business and other tourism business to be increased in the future in accordance with the laws, as set out in the business license currently held by Mega International Travel.

5. In order to provide convenience in implementing consultation business, Yalu International may establish a wholly-owned subsidiary in the mainland China, which will be responsible for implementing consultation business and receiving consultation fees.

6. Both parties shall estimate the operating profit of Mega International Travel for each of its accounting period within 5 days before the end of such period, and confirm 95% of the estimated profit as consultation fees which payable to Yalu International or its subsidiary in the mainland China for such year and will be paid before the end of such accounting period.

Consultancy Contract shall come into effect from the date of signing, for the term of 15 years. Unless Yalu International submits written objection in respect of the cooperation, the agreement may be renewed by both parties one month before it expiry.

The financial information of Yalu International as extracted from its unaudited management account is summarised as follows:

	For the year ended 31 December 2016 *HK$* (unaudited)
Turnover	–
Net loss before tax for the year	(15,310)
Net loss after tax for the year	(15,310)

	As at 31 December 2016 *HK$* (unaudited)
Net liability	(15,309)

VALUATION

According to the Valuation Report, the valuation of the Target Group is prepared using discounted cash flow method under the income approach. Therefore, the valuation is regarded as a profit forecast under Rule 14.61 of the Listing Rules and Rules 14.60A and 14.62 of the Listing Rules are applicable.

Assumptions of Valuation

As required under Rule 14.62(1) of the Listing Rules, details of the principal assumptions and caveats upon which the Valuation Report was based are set out below:

- We have assumed that the future operating revenue, expenses, working capital and capital expenditure will be in accordance with the profit and cash flows forecast provided by the Target Group and the Company. If the actual financial projection of the Company deviates significantly from the forecast provided by the management of the Target Group and the Company, the valuation results will be changed significantly accordingly;

- As instructed, it is assumed that the Charter Contract, Hospitality Contract and Consultancy Contract with Mega International Travel can be renewed with similar existing terms perpetually and without further significant renewal cost;

- According to the information from the Company, the vendor will provide 2017 profit guarantee to Sino Haijing to ensure that the expected net profit in the forecast can be achieved;

- We have assumed that the accuracy of financial and operational information provided to us by the Target Group and the Company and relied to a considerable extent on such information in arriving at our opinion of value;

- The discount rate of approximately 15% per annum was determined and adopted;

- We have assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value.

- There will be no major changes in existing political, legal, fiscal or economic conditions in the country or district where the business is in operation;

- There will be no major changes in the current taxation law in the areas in which the Target Group carries on its business, that the rate of tax payable remains unchanged and that all applicable laws and regulations will be complied with;

- The inflation, interest rates and currency exchange rate will not differ materially from those presently prevailing;

- The Target Group will retain their key management and technical personnel to maintain their ongoing operations;

- There will be no major business disruptions through international crisis, industrial disputes, industrial accidents or severe weather conditions that will affect the existing business; The Target Group will remain free from claims and litigation against the business or its customers that will have a material impact on value;

- The Target Group are unaffected by any statutory notice and the operation of the business gives, or will give, no rise to a contravention of any statutory requirements;

- The businesses are not subject to any unusual or onerous restrictions or encumbrances; and

- The potential bad debt of the Target Group will not materially affect their business operations.

The major assumptions specific to the profit and cash flows forecast provided by the Target Group and the Company for the valuation exercise are as follows:

Revenue growth rate:

The future revenue growth rate is estimated to be approximately as below:

Year	**2016**	**2017**	**2018**	**2019**	**2020**	**2021 and thereafter**
Approx. Growth rate	39%	40%	31%	27%	19%	Range from 3% to 15%

The revenue growth rate was estimated by the management of the Target Group and the Company according to the business development plan, historical growth rate of industry and their growth expectation.

Gross profit margin:

The expected future gross profit margin is estimated to be approximately in the range from 6% to 9%, which was made reference to the historical operating records of Mega International Travel from year 2014 up to October 2016 and the expectation of the management of the Target Group and the Company.

Administration expenses:

The expected administrative expenses are expected to be grown at the rate of approximately 32% in 2017 compared with that of 2016 and is stabilized at the growth rate in the range from 1% to 3% afterwards. It was projected according to historical operating record of Mega International Travel from year 2014 up to October 2016 and expectation of the management of the Target Group and the Company.

Selling expenses:

The selling expenses is approximately 0.5% of its revenue, which was made reference to historical operating record of Mega International Travel from year 2014 to October 2016 and the expectation of the management of the Target Group and the Company.

Tax Expenses:

The Target Group is assumed to subject to 16.5% Hong Kong Profit Tax.

Working Capital:

The change in working capital was estimated in reference to historical operating record of year 2014 to October 2016 provided by Mega International Travel and the expectation of the management of the Target Group and the Company.

Confirmations

Chanceton Capital Partners Limited ("**Chanceton Capital**"), acting as the Company's financial adviser, has confirmed that it is satisfied that valuation of the Target Company has been made by the Directors after due and careful enquiry.

A letter from HLM CPA Limited ("**HLM**"), the Company's reporting accountants, dated 26 January 2017 with respect to the profit forecast as required under Rule 14.62(2) of the Listing Rules and a letter from Chanceton Capital dated 26 January 2017 in compliance with Rule 14.62(3) of the Listing Rules have been submitted to the Stock Exchange, the texts of which are included in Appendix I and Appendix II to this announcement, respectively.

Experts and Consents

The qualifications of the experts who have given their statements in this announcement are as follows:

Name	Qualification
APAC Asset Valuation and Consulting Ltd.	Independent Valuer
HLM	Certified Public Accountants
Chanceton Capital	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Independent Valuer, HLM and Chanceton Capital is an Independent Third Party. As at the date of this announcement, neither the Independent Valuer nor HLM has any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group. As at the date of this announcement, save as the 10,020,000 Shares held by Chanceton Capital, Chanceton Capital has no any other shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the Independent Valuer, HLM and Chanceton Capital has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its letter and/or all references to its name (including its qualification) in the form and context in which they are included.

GENERAL MANDATE

The Consideration Shares will be allotted and issued pursuant to the refreshed general mandate passed at the Company's extraordinary general meeting held on 21 November 2016 (the "**Refreshed General Mandate**"). The Company is authorised to issue 2,070,560,050 Shares under the Refreshed General Mandate. As at the date of this announcement, the Company has not issue any Shares under the Refreshed General Mandate. The 840,000,000 Consideration Shares will utilise approximately 40.57% of the Refreshed General Mandate. After the Consideration Shares are issued, the Directors will still have the power to issue up to 1,230,560,050 Shares under the Refreshed 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. As mentioned in the section "Consideration" above, the Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable and the Acquisition is also in the interests of the Company and the Shareholders 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 and assume fully satisfaction of the Profit Guarantee**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*
Shareholder				
Majestic Wealth International Limited *(Note 1)*	697,000,000	6.73	697,000,000	6.23
Honghu Capital Company Limited *(Note 2)*	523,500,000	5.06	523,500,000	4.68
Vendor A	–	–	210,000,000	1.88
Vendor B	–	–	405,720,000	3.62
Vendor C	–	–	173,880,000	1.55
Vendor D	–	–	50,400,000	0.45
Public Shareholders				
Other public Shareholders	8,825,008,212	88.21	9,132,300,252	81.59
	10,352,800,252	100.00	11,192,800,252	100.00

Note(s):

1. As at the date of this announcement, Majestic Wealth International Limited is a private company which is wholly-owned by Ms. Liang Yanzhi; and

2. As of the date of this announcement, Honghu Capital Company Limited is a private Company which is wholly-owned by Mr. Deng Jungie.

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
"associate(s)"	having the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day"	a day (excluding Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business
"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 third 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"	HK$179,200,000, being the aggregate consideration for the Acquisition comprising the Earnest Money and the Consideration Shares
"Consideration Shares"	an aggregate of 840,000,000 Shares to be allotted and issued by the Company forming part of the Consideration, comprising 280,000,000 First Tranche Consideration Shares and 560,000,000 Second Tranche Consideration Shares
"Director(s)"	the director(s) of the Company
"Earnest Money"	refundable earnest money in the amount of RMB10,000,000 which was already paid to the Vendors pursuant to the MOU
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$"	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

"Long Stop Date"	30 April 2017
"Mega International Travel"	Beijing Mega Global International Travel Service Co., Ltd*, a company incorporated in the PRC with limited liability
"MOU"	the non-binding memorandum of understanding entered into between the Company and the Vendors on 2 November 2016 in relation to the Acquisition, as disclosed in the Company's announcement dated 2 November 2016
"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
"Purchaser"	Golden Comfort Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
"Sale and Purchase Agreement"	the sale and purchase agreement dated 26 January 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"	Arch Partners Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by the Vendors immediately prior to the signing of the Sale and Purchase Agreement

* *For identification purpose only*

"Target Group"	the Target Company and its subsidiaries and associates from time to time, including Yalu International and Yalu China (upon its incorporation)
"Vendor A"	Vstar Holdings Limited, a company incorporated in the British Virgin Islands
"Vendor B"	Jumbo Keen Limited, a company incorporated in the British Virgin Islands
"Vendor C"	Star Wise Pacific Limited, a company incorporated in the British Virgin Islands
"Vendor D"	Vantage Frontier Limited, a company incorporated in the British Virgin Islands
"Vendors"	collectively, Vendor A, Vendor B, Vendor C and Vendor D
"Vendors' Guarantors"	collectively, Vendors' Guarantor A, Vendors' Guarantor B, Vendors' Guarantor C and Vendors' Guarantor D
"Yalu International"	Yalu International Limited, a company incorporated in Hong Kong with limited liability, the entire issued share capital of which is held by the Target Company
"%"	percent

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

Hong Kong, 26 January 2017

As at the date of this announcement, the Board comprises of Ms. Li Zhenzhen, Mr. Lam Wai Hung, Mr. Wang Xin and Mr. Wei Liyi as executive Directors; Ms. Hu Jianping as non-executive Director; Mr. Pang Hong, Mr. Lee Tao Wai and Mr. Lam Hoi Lun 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 http://www.sinohaijing.com.

The Board of Directors
Sino Haijing Holdings Limited
Unit 2816, China Merchants Tower Shun Tak Centre
168-200 Connaught Road Central Hong Kong

Dear Sirs,

Re: Discloseable Transaction — Valuation of 100% equity interest of Arch Partners Holdings Limited (the "Target Company") and its subsidiary (collectively, the "Target Group") in relation to the acquisition of 100% equity interest in the Target Company

We refer to the discounted future cash flows on which the valuation (the "**Valuation**") dated 26 January 2017 prepared by APAC Asset Valuation and Consulting Limited in respect of the valuation of 100% equity interest in the Target Group as at 31 October 2016 (the "**Valuation**") is based. The Valuation based on the discounted future cash flows and is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Directors' Responsibilities

The directors of the Company (the "**Directors**") are responsible for the preparation of the discounted future cash flows of the Target Group in accordance with the bases and assumptions (the "**Assumptions**") determined by the Directors and as set out in the Valuation. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to report, as required by paragraph 14.62(2) of the Listing Rules, on the calculations of the discounted future cash flows in the Valuation. The discounted future cash flows do not involve the adoption of accounting policies. We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows are based and our work does not constitute any valuation of the Target Group or an expression of an audit or review opinion on the Valuation. The discounted future cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the say way as past results and not all of which may remain valid throughout the period. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Basis of opinion

We conducted our engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Review of Historical Financial Information" issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the Directors have properly compiled the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation. We performed procedures on the arithmetical calculations and the compilations of the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the calculations are concerned, the discounted future cash flows has been properly compiled in all material respects in accordance with the bases and assumptions adopted by the directors as set out in the Valuation.

Yours faithfully,

HLM CPA Limited
Certified Public Accountants
Ho Pak Tat
Practising Certificate Number: P05215
Hong Kong

26 January 2017

The following is the text of the letter dated 26 January 2017 from Chanceton Capital Partners Limited, which was prepared for the incorporation in this announcement.

26 January 2017

The Board of Directors
Sino Haijing Holdings Limited
Unit 2816,
China Merchants Tower,
Shun Tak Centre,
168-200 Connaught Road Central,
Hong Kong

Dear Sirs,

Re: Discloseable Transaction — Valuation of 100% equity interest of Arch Partners Holdings Limited (the "Target Company") and its subsidiaries (collectively, the "Target Group") in relation to the acquisition of 100% equity interest in the Target Company

We refer to the discounted cash flow forecasts underlying the business valuation (the "**Valuation**") dated 26 January 2017 prepared by APAC Asset Valuation and Consulting Ltd. (the "**Valuer**") in relation to the appraisal of the valuation of the entire equity interests in Target Group as at 31 October 2016. The Valuation is regarded as a profit forecast under Rule 14.61 of the Listing Rules. The Valuation is contained in the announcement of the Company dated 26 January 2017 (the "**Announcement**"), of which this report forms part. Capitalised terms used in this letter have the same meanings as defined in the Announcement unless the context otherwise requires.

We have reviewed the forecasts upon which the Valuation has been made and have discussed with you and the Valuer the information and documents provided by you which formed part of the basis and assumptions upon which the profit forecasts have been prepared. We have also considered the letter from HLM CPA Limited dated 26 January 2017 addressed to you as set out in Appendix I to the Announcement regarding the calculations and arithmetical accuracy of the Valuation upon which the profit forecasts have been made. As the relevant bases and assumptions are about future events which may or may not occur, the actual financial performance of the businesses of the Target Group may or may not achieve as expected and the variation may be material.

On the basis of the foregoing and without giving any opinion on the reasonableness of the valuation methods, bases and assumptions adopted by the Valuer on the Valuation, for which the Valuer and the Company are responsible, we are of the opinion that the profit forecast upon which the Valuation has been made, for which you as the Directors are solely responsible, have been made after due and careful enquiry by you. Our opinion has been given for the sole purpose of compliance with Rule 14.62(3) of the Listing Rules and for no other purpose.

Yours faithfully,
For and on behalf of
Chanceton Capital Partners Limited
Wong Kam Wah
Managing Director