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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)

MAJOR TRANSACTION SUBSCRIPTION OF SHARES IN YONG TAI

THE SUBSCRIPTION AGREEMENT

On 4 February 2016 (after trading hours), the Subscriber, being a wholly-owned subsidiary of the Company, entered into the Subscription Agreement with Yong Tai, a company listed on the Main Market of Bursa Malaysia Securities Berhad. Under the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for 150,000,000 new YTB Shares and 200,000,000 ICPS at the Issue Price of RM0.80 (equivalent to approximately HK\$1.48) per Subscription Share and ICPS respectively.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Subscription exceeds 25% but all are less than 100%, the Subscription constitutes a major transaction of the Company under the Listing Rules. The Subscription is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The EGM will be convened and held for the Shareholders to consider, and if thought fit, approve, among other matters, the Subscription Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Subscription Agreement and the transactions contemplated thereunder; (ii) other information as required to be disclosed under the Listing Rules; and (iii) a notice of the EGM and a form of proxy are expected to be despatched to the Shareholders on or before 3 March 2016.

Completion of the Subscription is subject to fulfillment of the conditions precedent set out in the Subscription Agreement, and the Subscription Agreement may or may not proceed to Completion. The Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

THE SUBSCRIPTION AGREEMENT

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Date

4 February 2016 (after trading hours)

Parties

(A) the Subscriber; and

(B) Yong Tai, as the issuer.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Yong Tai and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

Subject matter

Subject to fulfillment of the conditions precedent as set out in the section headed "Conditions precedent" below, the Subscriber has agreed to subscribe for 150,000,000 new YTB Shares and 200,000,000 ICPS at the Issue Price of RM0.80 (equivalent to approximately HK\$1.48) per Subscription Share and ICPS respectively.

The Subscription Shares shall rank *pari passu* in all respects with the existing Shares (save and except that the Subscription Shares shall not be entitled to participate in the Proposed Bonus Issue of ICPS) and the ICPS shall rank *pari passu* in respect with each other upon the terms and conditions in the Subscription Agreement.

Consideration

The aggregate consideration for the Subscription Share and ICPS are RM280,000,000 (equivalent to approximately HK\$518,000,000). The Subscriber intends to finance the payment from the Group's internal financial resources and the Company's proposed fund raising activity. Further announcement relating to the Company's proposed fund raising activity will be made by the Company as soon as practicable upon finalising the details.

The Consideration has been arrived at after arm's length negotiations between the Company and Yong Tai and was determined with reference to the closing price of the shares of Yong Tai on Bursa Malaysia Securities Berhad on 4 February 2016 of RM0.765 per YTB Share.

Conditions precedent

The issuance of the Subscription Shares and ICPS shall be conditional upon the fulfillment of the following conditions precedent within six (6) months from the date of the Subscription Agreement or such other period as the parties may mutually agree in writing:

- (i) Yong Tai obtaining the approval of its shareholders in general meeting for the transactions contemplated in the Impression Land SPA and PTSI SPA, the Proposed Special Issue, the Proposed Bonus Issue of ICPS, the proposed amendments to Yong Tai's memorandum and articles of association to facilitate the issuance of the ICPS and the Proposed MGO Exemption;
- (ii) the completion of PTSI SPA by Yong Tai;
- (iii) the Subscriber and/or the Company obtaining the approval of its/their shareholder(s) in general meeting for the subscription of the Subscription Shares and ICPS and the Company's possible fund raising activity;
- (iv) Yong Tai obtaining the approval-in-principle from Bursa Malaysia Securities Berhad for the listing of and quotation for the ICPS, Subscriber's Shares and the YTB Shares to be issued arising from the conversion of the ICPS pursuant to the Proposed Special Issue and the Proposed Bonus Issue of ICPS on the Main Market of Bursa Malaysia Securities Berhad;

- (v) the approval of Securities Commission of Malaysia being obtained by the Subscriber for an exemption under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers 2010 from having to undertake a mandatory offer obligation to acquire the remaining YTB Shares not already held by the Subscriber following the subscription of its portion of the Subscription Shares;
- (vi) the completion of the Company's fund raising activity to raise net proceeds of no less than HK\$500,000,000 and the receipt of all proceeds by the Company;
- (vii) the clearance of all announcement(s), circular(s), prospectus(es) (if required) to be issued by the Company pursuant to the Rules Governing the Stock Exchange of Hong Kong Limited and granting of all approvals, if necessary, by the Stock Exchange of Hong Kong Limited, the Securities and Futures Commission of Hong Kong or any other regulatory body or by shareholders of the Subscriber in respect of all transactions contemplated by the Agreement;
- (viii) approval or consent of any other relevant authority(ies) or person(s), if required;
- (ix) the Subscriber and/or the Company, in their absolute discretion satisfied with the result of due diligence investigation in respect of Yong Tai and its subsidiaries including but not limited to the financial affairs, business, assets, liabilities and legal issues (if any);
and

In the event that any relevant authorities shall impose conditions and/or impose variations upon the terms and conditions of the Subscription Agreement on the Company and/or the Subscriber and/or Yong Tai, any party who finds the conditions and/or variations unacceptable may, if it desires appeal to the relevant authority for the revision or removal of the conditions and/or variations, within fourteen (14) days of receipt of notification from the relevant authority, failing which the conditions and/or variations shall be deemed to have been accepted. In the event of such an appeal, the parties shall inform each other on whether they accept the decision upon the appeal within fourteen (14) days of receipt of the same from the relevant authority, failing which the results of the appeal shall be deemed to have been accepted. In the event that one party shall give notice within the said fourteen (14) day period to the other party that it does not accept the results of the appeal, then the Conditions Precedent shall be considered to not have been fulfilled.

The Subscriber and/or the Company may, in its absolute discretion, waive the condition set out above to any extent at any time by notice in writing served on the Company. Yong Tai shall use its best endeavours to secure satisfaction of the conditions set out in paragraphs (i), (ii), (iv), (viii) above and except to the extent waived by the Subscriber and/or the Company. In the event that the Conditions Precedent are not fulfilled and/or waived within the period stipulated above or such extension as may be mutually agreed by the parties, the Subscription Agreement shall be null and void and of no further force and effect with neither party having any rights and obligations against the other save and except for any antecedent breaches.

In the event that any party becomes aware that any of the approvals or consents referred to above has been granted unconditionally, it must within three (3) Business Days of receipt of confirmation of the same notify the other in writing.

Lock-up Undertaking

Pursuant to the Subscription Agreement, the Subscriber warrants and undertakes with Yong Tai that the Subscriber shall not dispose of any of the Subscription Shares for a period of one (1) year commencing from the date of the listing of and the quotation for the Subscription Shares on the Main Market of Bursa Malaysia Securities Berhad.

Completion

On or before the expiry of three (3) months from the fulfillment of the last Conditions Precedent, Yong Tai shall serve the Subscription Notice on the Subscriber. On the Completion Date, the Subscriber shall deliver to Yong Tai the Consideration for the Subscription Shares and ICPS. Upon receipt of the Consideration, Yong Tai shall as soon as practicable allot and issue the Subscription Shares and ICPS to the Subscriber.

To the best knowledge of the directors having made reasonable enquiries, Yong Tai proposed to raise up to RM336 million (equivalent to approximately HK\$622 million) through the Subscription and other fund raising activities ("**Yong Tai other Fund Raising Activities**"), primarily to, amongst others, fund its proposed acquisition of Impression land; the construction and production cost for "Impression Melaka" projects, financing existing and/or future projects to be undertaken to its proposed joint venture in Melaka in relation to the development and operation of cultural performances and related activities; and future acquisition of new land banks and/or property development related projects by Yong Tai.

Upon Completion, (i) assuming the exercise of all conversion rights attached to existing equity convertible securities issued by Yong Tai, the completion of Yong Tai Other Funding Raising Activities and the full conversion of the ICPS into YTB shares, the Group will be interested in approximately 50.3% of the enlarged share capital of Yong Tai and Yong Tai will become a subsidiary of the Company and the financial information of the group of Yong Tai will be consolidated into the accounts of the Group; (ii) assuming the exercise of all conversion rights attached to existing equity convertible securities issued by Yong Tai, the completion of Yong Tai Other Fund Raising Activities but none of the ICPS were converted into YTB Shares, the Group will be interested in approximately 30.3% of the enlarged share capital of Yong Tai and Yong Tai will become an associated company of the Company and financial information of the group of Yong Tai will not be consolidated into the accounts of the group and the investment in Yong Tai will be accounted for using the equity method of accounting.

INFORMATION ABOUT YONG TAI

The principal activity of Yong Tai is that of investment holding. The principal activities of the subsidiaries are manufacturing and dyeing of all types of fabric and property development.

Yong Tai is a public company listed on the Main Market of Bursa Malaysia Securities Berhad which core business is in property development. Yong Tai's existing property projects are strategically located within the heritage city centre of Malacca, one of the fastest growing states in Malaysia. The existing property projects are easily accessible as they are located on prime locations with close proximity to commercial centres, banks, hotels, amenities and just 1.5 kilometres away from the historical and cultural heritage UNESCO World Heritage site of Malacca. Furthermore, regarding the post-development, the existing projects are expected to contribute recurring income to the Yong Tai Group with revenue from the hotel operations, driven by the vibrant tourism activities in Malacca.

According to the published financial statements of Yong Tai, its consolidated financial results prepared in accordance with the Malaysian Financial Reporting Standards for the two years ended 30 June 2014 and 30 June 2015:

	For the year ended 30 June 2014	For the year ended 30 June 2015
	<i>RM</i>	<i>RM</i>
Revenue	48,460,809	96,956,331
(Loss)/profit before tax	(3,164,807)	2,283,303
(Loss)/profit after tax	(7,274,795)	7,725,682

The audited consolidated net assets of Yong Tai as at 30 June 2015 is RM84,183,146 (equivalent to approximately HK\$155,738,820).

INFORMATION ABOUT THE GROUP

The Group is principally engaged in the manufacture and sale of packaging materials in the People's Republic of China. The Group's chief operating decision maker regularly reviews the consolidated financial information to assess the performance and make resource allocation decisions.

REASON FOR THE SUBSCRIPTION

The Company is optimistic about the prospects of the property industry in Malacca, one of the fastest growing states in Malaysia.

In view of the demonstrated strong financial performance of Yong Tai for the year ended 30 June 2015, the Directors believe that the strategic investment to acquire a significant equity stake in Yong Tai will not only provide a reasonable investment opportunity for the Company and enable the Group to generate sustainable and attractive returns for the Shareholders but also allow the Group to explore exciting opportunities in Malacca.

The Directors (including the independent non-executive Directors) consider that the Subscription was made on normal commercial terms, and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Subscription exceeds 25% but all are less than 100%, the Subscription constitutes a major transaction of the Company under the Listing Rules. The Subscription is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Business Day”	a day except Saturday, Sunday and public holidays (gazette or ungazetted) and unscheduled holidays, on which banks and financial institutions are open for business in Hong Kong, Kuala Lumpur and Selangor Darul Ehsan, Malaysia
“Company”	Sino Haijing Holdings Limited (stock code: 01106), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Subscription in accordance with the Subscription Agreement
“Completion Date”	a day falling on or before the expiry of fourteen (14) days from the date of receipt of the Subscription Notice by the Subscriber (or such other time and/or date as the Subscriber and the Company may mutually agree in writing)
“Conditions Precedent”	the Conditions Precedent herein set out under the section head “Conditions Precedent”
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate consideration payable by the Subscriber to Yong Tai for the Subscription Shares and ICPS, being Malaysian Ringgit two hundred and eighty million (RM280,000,000.00) (equivalent to approximately HK\$518,000,000)
“Director(s)”	the director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be convened and held to approve the Subscription Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“ICPS”	the irredeemable convertible preference shares of Malaysian Ringgit Eighty Sen (RM0.80) each in Yong Tai
“Impression Land”	the seventeen (17) acres of seafront land located in Kawasan Bandar VI, District of Melaka Tengah, Melaka
“Impression Land SPA”	the conditional Sale and Purchase Agreement dated 26 October 2015 entered into between YTB Impression with Admiral City Sdn Bhd (Company No. 1032606-T) for the proposed acquisition of the Impression Land upon the terms and conditions therein contained
“Issue Price”	RM0.80 (equivalent to approximately HK\$1.48) per Subscription Share and ICPS respectively
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Bonus Issue of ICPS ”	the proposed issue of up to approximately twenty million (20,000,000) ICPS to existing shareholders of YTB (excluding the Subscriber) via the capitalisation of Yong Tai’s share premium account
“Proposed MGO Exemption”	the proposed exemption under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers 2010 from having to undertake a mandatory offer obligation to acquire the remaining YTB Shares not already held by the Subscriber following the subscription of its portion of the Subscription Shares

“Proposed Special Issue”	the proposed special issue of one hundred and fifty million (150,000,000) new YTB shares and two hundred million (200,000,000) ICPS to be issued to the Subscriber
“PTSI SPA”	the conditional sale and purchase agreement dated 26 October 2015 entered into between Yong Tai with PTS Properties Sdn Bhd (Company No. 985912-U), Boo Kuang Loon (NRIC No. 720702-04-5285) and Apple Impression Sdn Bhd (Company No. 834546-T) for the proposed acquisition of the entire equity interest in PTS Impression Sdn Bhd (Company No. 1035869-A)
“RM” and “Sen”	the lawful currency of Malaysia
“Share(s)”	ordinary share(s) of par value HK\$0.0125 each in the share capital of Yong Tai
“Shareholder(s)”	holder(s) of the Shares
“Subscriber”	Impression Culture Asia Limited, a company incorporated in Hong Kong limited liability and a wholly-owned subsidiary of the Company
“Subscription”	the subscription of the Subscription Shares and ICPS by the Subscriber
“Subscription Agreement”	the agreement dated 4 February 2016 entered into between the Subscriber and Yong Tai with respect to the Subscription
“Subscription Notice”	the notice in writing served on the Subscriber by Yong Tai notifying the Subscriber to remit the Subscription Consideration
“Subscription Shares”	the subscription shares of 150,000,000 new YTB Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“UNESCO”	The United Nations Educational, Scientific and Cultural Organization
“Yong Tai”	Yong Tai Berhad, a company incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad
“YTB Shares”	the ordinary shares of Yong Tai with a nominal value of RM0.50 each
“YTB Impression”	YTB Impression Sdn Bhd, a wholly owned subsidiary of Yong Tai

For illustration purposes, amounts in RM in this announcement have been translated into RM1=HK\$1.85.

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

Hong Kong, 5 February 2016

As at the date of this announcement, the Board comprises of Ms. Li Zhenzhen, Mr. Lam Chi Keung, Ms. Szeto Wai Ling Virginia, Mr. Lam Wai Hung and Ms. Hu Jianping as executive Directors; Mr. Fung Wah Bong Peter as the non-executive Director; Mr. Lee Siu Woo, Mr. Pang Hong and Mr. Foo Tin Chung Victor as the independent non-executive Directors.

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