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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)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE PROPOSED ACQUISITION

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of Sino Haijing Holdings Limited (the “**Company**”) is pleased to announce that on 2 November 2016 (after trading hours), the Company (as the Purchaser) and the Vendors entered into the MOU in relation to the Proposed Acquisition.

The MOU

The principal terms of the MOU are set out below:

Date: 2 November 2016

Parties: (a) the Company; and
(b) the Vendors.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Vendors are third parties independent from the Company and its Connected Persons (as defined in the Listing Rules).

ASSETS INTENDED TO BE ACQUIRED

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.

Pursuant to the MOU, the Company (by itself or through its subsidiaries) intends to acquire, and the Vendors intend to sell 100% of the entire issued share capital of the Target Company. All of the issued shares of Yalu International, a company incorporated in Hong Kong with limited liability, are held by the Target Company. Within a reasonable period after the execution of the MOU, Yalu International should finalise the signing of the long-term aircraft charter contract and the master contractor contract in respect of outbound tourism and hospitality with Mega International Travel. In addition, Yalu International will establish a tourism consultancy company in the PRC and sign a long-term consultation agreement with Mega International Travel.

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 initial consideration of the Proposed Acquisition is determined at RMB160,000,000 (equivalent to approximately HK\$182,400,000), with the final amount and way of payment being conditional on the completion of due diligence by the Company and the execution of the Formal Agreement.

The Purchaser has agreed to pay RMB10,000,000 (equivalent to approximately HK\$11,400,000) in cash as an earnest money for the Proposed Acquisition (the “**Earnest Money**”) to the Vendors or its designated account within three business days upon the execution of the MOU. If the Purchaser and the Vendors enter into the Formal Agreement within the Exclusive Period (as defined below), the Earnest Money will be deemed as a partial consideration of the Proposed Acquisition. No collateral will be received in respect of the Earnest Money. If the Purchaser and the Vendors fail to proceed with the Proposed Acquisition within the Exclusive Period, the Earnest Money will be returned to the Purchaser within three business days after the expiry of the Exclusive Period.

DUE DILIGENCE

After the execution of the MOU, the Company shall be entitled to conduct due diligence on the financial condition, legal and other affairs of the Target Company.

RIGHT OF EXCLUSIVE NEGOTIATION

Pursuant to the MOU, the Vendors will not seek, solicit or negotiate with any third party regarding the investment or acquisition of the Target Company within the period of 90 days from the date of the MOU (or such other date as may be agreed in writing by the parties).

LEGAL EFFECT

Save for the provisions in relation to Earnest Money, confidentiality, right of exclusive negotiation, due diligence, termination, binding effect and governing law under the MOU, the MOU has no legal binding effect and, save as provided, no legal obligation or liability shall be assumed by the Vendors and the Company unless and until the execution of the Formal Agreement.

TERMINATION

If the Vendors and the Company (or its subsidiaries) fail to enter into the Formal Agreement before 90 days from the date of the MOU or such later date as may be agreed by the Vendors and the Company, the MOU shall be terminated without prejudicing any accrued right and liability of any party to the MOU.

REASONS FOR THE ENTERING OF THE MOU

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 Proposed Acquisition provides opportunities to the Company to broaden its business portfolio. The payment of the Earnest Money, to be financed by the Group's internal resources, is aimed at facilitating the negotiations of the Proposed Acquisition. Pursuant to the MOU, the Company has the said right of exclusive negotiation in relations to the Target Company within the period of the right of exclusive negotiation. The Directors believe that the payment of Earnest Money can secure entitlement of the Company of the said right of exclusive negotiation. As said above, the Directors consider that the terms of the MOU (including the payment of the Earnest Money) are fair and reasonable and that the execution of MOU is also in the interests of the Company and the Shareholders as a whole.

GENERAL

Save for the provisions in relation to the Earnest Money, confidentiality, right of exclusive negotiation, due diligence, termination, binding effect and governing law under the MOU, the MOU has no legal binding effect. If the Company proceeds with the Proposed Acquisition, it (or its subsidiaries) will enter into legally binding agreement(s) with the Vendors in respect of the Proposed Acquisition.

The Proposed Acquisition may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the Shares. The Proposed Acquisition, if materialises, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Should (i) the Company (or its subsidiaries) enters into the Formal Agreement; (ii) decides not to proceed with the transactions contemplated under the MOU or (iii) there be any material development on the Proposed Acquisition, the Company will inform the Shareholders and investors by way of announcement(s) in accordance with the Listing Rules as and when appropriate.

DEFINITIONS

“Board”	the board of Directors
“Company”	Sino Haijing Holdings Limited, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Connected Persons”	has the meaning as ascribed under the Listing Rules
“Consideration”	the consideration for the Proposed Acquisition
“Directors”	the directors of the Company
“Exclusive Period”	a term of 90 days from the date of the MOU
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Company (or its subsidiaries) and the Vendors in respect of the Proposed Acquisition, which contains, among others, the terms of the MOU
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mega International Travel”	Beijing Mega Global International Travel Service Co., Ltd*, a company incorporated in the PRC with limited liability
“MOU”	the memorandum of understanding dated 2 November 2016 entered into between the Company and the Vendors in relation to the Proposed Acquisition
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Proposed Acquisition”	the proposed acquisition by the Company of 100% of the entire issued share capital of the Target Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.0125 each in the issued 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
“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”	Vendor A, Vendor B, Vendor C and Vendor D
“Yalu International”	Yalu International Limited, a company incorporated in Hong Kong with limited liability, all of its issued shares are held by the Target Company
“%”	per cent

In this announcement, amounts denominated in RMB have been converted into HK\$ at the exchange rate of RMB1 to HK\$1.14, for illustration purpose only. Such translations should not be interpreted as a representation that the amounts have been, could have been or could be, converted at any particular rate at all.

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

Hong Kong, 2 November 2016

As at the date of this announcement, the Board comprises of Ms. Li Zhenzhen, Mr. Lam Chi Keung, Mr. Lam Wai Hung, Ms. Hu Jianping, Mr. Wang Xin and Mr. Wei Liyi as executive Directors; Mr. Pang Hong, Mr. Lee Tao Wai and Mr. Lam Hoi Lun as the independent non-executive Directors.

* *For identification purpose*