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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 TRANSACTIONS DISPOSALS OF LISTED SECURITIES**

#### **DISPOSALS**

The Board announces that on 15 June 2016, the Vendor disposed of the Listed Securities to Independent Third Parties on the Hong Kong stock market.

#### **LISTING RULES IMPLICATIONS**

As the applicable percentage ratio(s) calculated under Rule 14.07 of the Listing Rules in relation to each Disposal exceed 5% but are less than 25%, each Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval under Chapter 14 of the Listing Rules.

However, due to inadvertent oversight, the Disposals have not been reported and announced by the Company.

In failing to notify the Stock Exchange and issue an announcement for each Disposal which constitutes a discloseable transaction of the Company, the Company has not complied with Rules 14.04(1)(a), 14.06(2), 14.34(1) and (2) of the Listing Rules.

## Principal terms of the Disposals

- (i) Date: 15 June 2016
- Party(ies): Able Zone Investment Limited as vendor
- Subject matter: 32,000,000 shares in Leyou Technologies Holdings Limited (stock code: 1089)
- Consideration: HK\$31,360,000
- (ii) Date: 15 June 2016
- Party(ies): Able Zone Investment Limited as vendor
- Subject matter: 29,000,000 shares in Mega Expo Holdings Limited (stock code: 1360)
- Consideration: HK\$23,780,000
- (iii) Date: 15 June 2016
- Party(ies): Able Zone Investment Limited as vendor
- Subject matter: 18,900,000 shares in China Water Industry Group Limited (stock code: 1129)
- Consideration: HK\$25,015,480

## Parties

As the Listed Securities were sold on the Hong Kong stock market through the platform of the Stock Exchange, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the purchasers of the Listed Securities and their ultimate beneficial owners are Independent Third Parties.

## Consideration

The consideration for each Disposal was payable in cash at Completion and was determined by the then market price of the Listed Securities as quoted on the Stock Exchange on 15 June 2016 when the Vendor entered into the Disposals transactions.

## Completion

Completion was taken place, and full payments in respect of the Disposals were received by the Vendor, on the second business day after 15 June 2016, the date on which the Vendor placed the orders to its securities broker for the Disposals.

## Information of the Listed Securities

- (i) The financial information of Leyou Technologies Holdings Limited for the two financial years ended 31 December 2014 and 2015 is set out below:

	<b>For the year ended 31 December 2015 RMB'000</b>	<b>For the year ended 31 December 2014 RMB'000</b>
Net profit (loss) before taxation	(16,391)	(9,509)
Net profit (loss) after taxation	(57,920)	(10,018)

The net asset of Leyou Technologies Holdings Limited as at 31 December 2015 was RMB1,393,301,000.

The principal activity of Leyou Technologies Holdings Limited is investment holding. The principal activities of the subsidiaries of Leyou Technologies Holdings Limited are trading and manufacturing of chicken meat products, animal feeds and chicken breeds and development of video game.

- (ii) The financial information of Mega Expo Holdings Limited for the two financial years ended 30 June 2014 and 2015 is set out below:

	<b>For the year ended 30 June 2015 HK\$'000</b>	<b>For the year ended 30 June 2014 HK\$'000</b>
Net profit (loss) before taxation	50,955	20,983
Net profit (loss) after taxation	45,866	14,091

The net asset of Mega Expo Holdings Limited as at 31 December 2015 was HK\$140,821,000.

The principal activity of Mega Expo Holdings Limited is investment holding. The principal activities of Mega Expo Holdings Limited and its subsidiaries are involved in the organisation of exhibitions and trade shows and providing ancillary services and provision of subcontracting services for exhibitions and trade shows.

- (iii) The financial information of China Water Industry Group Limited for the two financial years ended 31 December 2014 and 2015 is set out below:

	<b>For the year ended 31 December 2015 <i>HK\$'000</i></b>	<b>For the year ended 31 December 2014 <i>HK\$'000</i></b>
Net profit (loss) before taxation	(50,658)	291,410
Net profit (loss) after taxation	(70,598)	229,635

The net asset of China Water Industry Group Limited as at 31 December 2015 was HK\$1,652,559,000.

The principal activity of China Water Industry Group Limited is investment holding. The principal activities of China Water Industry Group Limited and its subsidiaries include: (i) provision of water supply and sewage treatment service; (ii) construction of water supply and sewage treatment infrastructure; and (iii) exploitation and sale of renewable energy in the PRC.

### **Loss recognized on the Disposals**

For the Disposal of 32,000,000 shares in Leyou Technologies Holding Limited, based on the original acquisition cost of HK\$0.926 for each share and the fair value of HK\$0.980 for each share on quoted market price in active market as at 15 June 2016, the Group has recognized a realized gain of approximately HK\$1,728,000 resulting from the Disposal.

For the Disposal of 29,000,000 shares in Mega Expo Holdings Limited, based on the original acquisition cost of HK\$1.008 for each share and the fair value of HK\$0.820 for each share on quoted market price in active market as at 15 June 2016, the Group has recognized a realized loss of approximately HK\$5,452,000 resulting from the Disposal.

For the Disposal of 18,900,000 shares in China Water Industry Group Limited, based on the original acquisition cost of HK\$1.643 for each share and the fair value ranging from HK\$1.310 to HK\$1.330 for each share on quoted market price in active market as at 15 June 2016, the Group has recognized a realized loss of approximately HK\$6,036,000 resulting from the Disposal.

## **Information of the Group**

The Vendor is a company incorporated with limited liability in Hong Kong and a wholly-owned subsidiary of the Company, whose principal business is investment holding. The Company is a company incorporated in the Cayman Islands and listed on the Main Board of the Stock Exchange. The Group is principally engaged in the manufacture and sale of packaging materials in the PRC, securities trading and other investing activities, ticketing agency business and money lending business.

## **Reasons for the Disposals**

As at 15 June 2016, the Directors considered and anticipated that the market price and future performance of the Listed Securities were not and would not be up to the expectation of the Directors, so the Directors believed that the Disposals would enable the Group to prevent further loss to the Group in the future and also enhance the cashflow of the Group.

Proceeds from the Disposals have been used for acquisition of new business and for general working capital of the Group.

The Directors believe that the terms of the Disposals are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Listing Rules implications**

As the applicable percentage ratio(s) calculated under Rule 14.07 of the Listing Rules in relation to each Disposal exceed 5% but are less than 25%, each Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval under Chapter 14 of the Listing Rules.

However, due to inadvertent oversight, the Disposals have not been reported and announced by the Company.

In failing to notify the Stock Exchange and issue an announcement for each Disposal which constitutes a discloseable transaction of the Company, the Company has not complied with Rules 14.04(1)(a), 14.06(2), 14.34(1) and (2) of the Listing Rules.

## Remedial actions

In order to ensure that the Company will fully comply with the requirements under Chapter 14 of the Listing Rules with regard to the Group's acquisition or disposal of securities, investments or other assets which constitutes a notifiable transaction falling under Rule 14.04(7) in the future, the Company will implement the following measures:

1. The Board will issue an internal memorandum to all relevant staffs of the Group who are/will be responsible for conducting any acquisition or disposal of securities, investments or other assets (the "**Potential Notifiable Transaction**") to remind and instruct them that:
  - (i) before entering into any Potential Notifiable Transaction, they must conduct calculations of the relevant percentage ratios under Rule 14.07 of the Listing Rules;
  - (ii) the case of any doubt as to whether a Potential Notifiable Transaction may constitute a notifiable transaction under Chapter 14 of the Listing Rules or in calculating the relevant percentage ratios, he/she shall forthwith notify the company secretary of the Company (the "**Company Secretary**") and must not enter into any such Potential Notifiable Transaction without having obtained the Company Secretary's confirmation.
2. The Company Secretary, upon receipt of enquiries in (ii) above, should consult the Company's Hong Kong legal advisor.
3. If the Company Secretary having obtained the Company's Hong Kong legal advisor's opinion considers that the Potential Notifiable Transaction will constitute a notifiable transaction under Chapter 14, he should forthwith inform the Board.
4. The Board shall ensure that the Company will comply with all the relevant reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules before/upon the Group's entering into a Potential Notifiable Transaction which constitutes a notifiable transaction.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Sino Haijing Holdings Limited (stock code: 1106), 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 Disposals
“Directors”	the directors of the Company
“Disposals”, and each a “Disposal”	the Vendor’s disposal of (i) 29,000,000 shares in Mega Expo Holdings Limited (stock code: 1360); (ii) 29,000,000 shares in Mega Expo Holdings Limited (stock code: 1360); (iii) 18,900,000 shares in China Water Industry Group Limited (stock code: 1129)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules)
“Listed Securities”	(i) 29,000,000 shares in Mega Expo Holdings Limited (stock code: 1360); (ii) 29,000,000 shares in Mega Expo Holdings Limited (stock code: 1360); (iii) 18,900,000 shares in China Water Industry Group Limited (stock code: 1129)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan

“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
“Vendor”	Able Zone Investment Limited, a company incorporated with limited liability in Hong Kong, being a wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 9 May 2017

*As at the date of this announcement, the Board comprises Ms. Li Zhenzhen, Mr. Lam Wai Hung, Mr. Wang Xin, Mr. Wei Liyi and Mr. Cheng Chi Kin as executive Directors; Ms. Hu Jianping as 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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