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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 THE TARGET COMPANY ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

THE ACQUISITION

On 5 August 2016, the Purchaser (a wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendor pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the entire issued share capital of the Target Company at the Consideration of HK\$83,640,000.

The Target Company is wholly-owned by the Vendor as at the date of this announcement. Immediately upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company, The financial results of the Target Group will be consolidated into the consolidated financial statements of the Company.

ISSUE OF CONSIDERATION SHARES UNDER THE GENERAL MANDATE

The Consideration shall be satisfied in full by the Company's allotment and issue of 697,000,000 Shares to the Vendor or its nominee upon Completion at the price of HK\$0.12 per Share.

The Consideration Shares represent approximately 19.42% of the existing issued share capital of the Company as at the date hereof and approximately 16.26% 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 Completion).

LISTING RULES IMPLICATIONS ON THE ACQUISITION

As one or more of the relevant applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but is exempted from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 5 August 2016, the Purchaser (a wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendor pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the entire issued share capital of the Target Company at the Consideration of HK\$83,640,000.

THE SALE AND PURCHASE AGREEMENT

Date: 5 August 2016

Parties: Vendor: Majestic Wealth International Limited

Purchaser: Sino Haijing Group Limited, a wholly-owned subsidiary of the Company

The Purchaser is a limited company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company and its principal business is investment holding.

The Vendor is a limited company incorporated in the British Virgin Islands and its principal business is investment holding.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the entire issued share capital of the Target Company.

Consideration

The Consideration for the Acquisition is HK\$83,640,000 which shall be satisfied in full by Company's allotment and issue of 697,000,000 new Shares to the Vendor or its nominee upon Completion at the issue price of HK\$0.12 per Share.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Company after taking into account, among others, (i) the business development opportunity and prospect of the Target Group; and (ii) the appraised value of the Target Group of HK\$91.8 million as at 30 June 2016 adopting income approach using discounted cash flow method prepared by Witz International Consultants Group Limited, an independent professional valuer.

Consideration Shares

The aggregate nominal value of the Consideration Shares is HK\$8,712,500. As at the date hereof, there are 3,589,901,240 Shares in issue. The Consideration Shares represent approximately 19.42% of the existing issued share capital of the Company as at the date hereof and approximately 16.26% 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 issue price of approximately HK\$0.12 per Consideration Share represents:

- (a) a discount of approximately 9.78% to the closing price of HK\$0.133 per Share as quoted on the Stock Exchange as at the date of this announcement;
- (b) a discount of approximately 11.77% to the average closing price of HK\$0.136 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 Vendor 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 other 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 Vendor or its nominee to sell or dispose of any of the Consideration Shares after the same are allotted and issued.

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 Sale and Purchase Agreement shall be conditional upon fulfillment of all of the following:

- (a) the listing committee of the Stock Exchange having granted or agreed to grant the listing of, and permission to deal in, the Consideration Shares;
- (b) all necessary consents, licences and approvals required to be obtained on the part of the Vendor and the Target Group in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder have been obtained and remain in full force and effect;
- (c) all necessary consents, licences and approvals required to be obtained on the part of the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder have been obtained and remain in full force and effect;
- (d) the Purchaser being satisfied with the results of its financial, legal and business due diligence conducted on the Target Group;

- (e) the representations, warranties and undertakings given by the Vendor have remained true and accurate in all respects and not misleading;
- (f) the Purchaser having obtained a legal opinion (in the form and substance to the reasonable satisfaction of the Purchaser) from the PRC legal adviser appointed by the Purchaser in respect of the transactions contemplated under the Sale and Purchase Agreement, including but not limited to the due incorporation and subsistence of, and the ownership of equity interest in, Aniuge, and the legality of the business conducted by Aniuge;
- (g) the Purchaser having obtained the valuation report (in the form and substance satisfactory to the Purchaser) from an independent professional valuer appointed by the Purchaser with the valuation of the Target Group of not less than HK\$90 million;
- (h) the Purchaser being reasonably satisfied that there has not been any material adverse change in the Target Group since the date of the Sale and Purchase Agreement;
- (i) Jiafu Fuqiao having respectively entered into the Management Agreement with not less than 8 physical therapy and healthcare massage shops which are acceptable to the Purchaser, pursuant to which Aniuge will be granted the management rights of the relevant physical therapy and healthcare massage shops; and
- (j) Jiafu Fuqiao shall incorporate Aniuge as the wholly-owned subsidiary of Jiafu Fuqiao.

The Vendor shall use its best endeavours to render all assistance to the Purchaser and to procure the fulfillment of the Conditions set out in (b), (d) to (j) on or before the Long Stop Date.

The Purchaser may in its absolute discretion waive all or any of the Conditions set out above, except those set out in (a) to (c).

Each Party shall immediately notify the other Parties in writing as soon as it becomes aware that any Condition is or has become incapable of fulfillment.

If any of the Conditions are not satisfied (or otherwise waived) on or before the Long Stop Date, the Sale and Purchase Agreement shall be terminated and be of no further legal effect and no party shall have any claim against the other party except in respect of any antecedent breach and the costs and expenses which shall be borne by the parties as expressly provided under the Sale and Purchase Agreement.

Completion

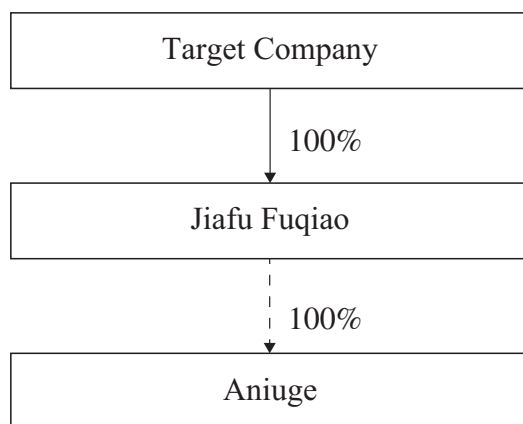
Completion shall take place within ten (10) business days after all the Conditions have been fulfilled (or otherwise waived by the Purchaser) or such other date as the Parties may agree in writing.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company. The financial results the Target Group will be consolidated into the consolidated financial statements of the Company.

INFORMATION ON THE TARGET GROUP

Target Company

The Target Company is a company incorporated in the British Virgin Islands on 5 January 2016 with limited liability and is wholly and beneficially owned by the Vendor. 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 Jiafu Fuqiao, the Target Company has no any other business activities since its incorporation. Set out below is the corporate structure of the Target Group:



Jiafu Fuqiao

Jiafu Fuqiao is a company incorporated in Hong Kong on 21 February 2012 with limited liability and is wholly-owned by the Target Company. Jiafu Fuqiao is principally engaged in investment Holding. Jiafu Fuqiao has no material assets and liabilities as at the date of this announcement. As at the date of this announcement, Jiafu Fuqiao has not generated any revenue and profit since its incorporation. Save for its investment in 100% equity interest in Aniuge, Jiafu Fuqiao has no any other business activities since its incorporation.

	For the year ended 31 December 2014	For the year ended 31 December 2015
	<i>HK\$</i>	<i>HK\$</i>
	(unaudited)	(unaudited)
Turnover	–	–
Net loss before tax for the year	(4,480)	(6,428)
Net loss after tax for the year	(4,480)	(6,428)

	As at 31 December 2014	As at 31 December 2015
	<i>HK\$</i>	<i>HK\$</i>
	(unaudited)	(unaudited)
Net liability	(36,702)	(43,130)

Aniuge

Aniuge will be incorporated in the PRC with limited liability and will be wholly-owned by Jiafu Fuqiao. Aniuge will be principally engaged in provision of management services on the operation of physical therapy and healthcare massage shops in the PRC.

To establish a global leading health-management institution, the existing elite executives of Jiafu Fuqiao which is a leading healthcare brand and a large chain institution in China, have been engaged to take full responsibilities of the operation and management of Aniuge. With good foundation of traditional leisure and healthcare massages, it is aimed to upgrade Aniuge to an one-stop professional healthcare management institution, which provides traditional Chinese healthcare services including healthcare and massage, professional physical therapy, traditional Chinese mud therapy and green and healthy diet therapy. Aniuge also targets to specialize in providing a large variety of services including operation and management entrustment services for various kinds of healthcare clubs throughout the PRC, shop floor-management entrustment services and the follow-up operation and management services with Shenzhen Special Economic Zone as its base.

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 upon which the Valuation Report was based are set out below:

- The projected business related to Target Group could be achieved with the effort of the management of Target Group.
- All proposed facilities, systems and manpower will work properly and will be sufficient for future expansion in order to realize the growth potential of the business and maintain a competitive edge;
- No new ordinances or/and regulations will be promulgated by the PRC government or regulatory bodies which will negatively affect or discontinue the business of Target Group;
- No material change in the existing political, legal, technological, fiscal or economic condition which may adversely affect the business of Target Group;
- No major changes in the current taxation laws in the PRC, and the rates of tax payable remain unchanged;
- No significant change in the management of Target Group in the foreseeable future that may adversely affect the business of Target Group;
- The operating licenses and incorporating documents of Target Group are reliable and legitimate;
- Operational and contractual terms bound by the contracts and agreements entered into by Jiafu Fuqiao and/ or its subsidiaries will be honored;
- Competitive advantages and disadvantages of Target Group do not change significantly during the period under consideration

Major assumptions and considerations specific to this valuation exercise are listed below:

The forecast period is assumed to commence from 2016 to 2020, and the cashflow after 2020 is summed up as a terminal value;

- It is assumed Target Group will receive the entrustment fees and management fees from the eight massage shops within 2016;
- It is assumed Target Group is able to recruit five (5) new massage shops every year during the forecast period and will attain a total of 33 massage shops by the end of 2020 as scheduled;
- It is assumed the entrustment fee for each newly recruited massage shop to be a lump sum of RMB1.0million;
- It is assumed the management fee for each newly recruited massage shop to be RMB35 per square meter multiplied by the total area of the massage shop;
- It is assumed Target Group is obliged to pay a 3% commission on the entrustment fee received for recruiting new massage shops;
- It is assumed Target Group is obliged to pay a 5% commission on the management fee received for outsourcing certain management services;
- Value added tax and corporate income tax for Aniuge are assumed at 6% and 25% respectively;
- It is assumed rental costs for the massage shops will grow in line with the inflation rate of the PRC;
- No finance charge is considered in this valuation;
- Discount rate adopted is 19.3%.

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 5 August 2016 with respect to the profit forecast as required under Rule 14.62(2) of the Listing Rules and a letter from Chanceton Capital dated 5 August 2016 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
Witz International Consultants Group 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 10,000,000 share options 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.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group mainly focuses on the production and sale of expanded polystyrene packaging products for household electrical appliances in the PRC.

Based on the information and public information provided by the Vendor, Aniuge engages the existing elite executives of Jiafu Fuqiao, a leading healthcare brand and a large chain institution in China, to take full responsibilities of the operation and management of Aniuge in order to establish a global leading health-management institution.

Upon the foundation of traditional leisure and healthcare massages, Aniuge upgrades itself to a professional healthcare management institution, traditional Chinese services including healthcare and massage, professional physical therapy, traditional Chinese mud therapy and featured far infrared ray energy therapy, as well as specializing in providing operation and management entrustment services for various kinds of healthcare clubs which are in operations or planning to operate.

To better manage the business risk and to diversify the business of the Company, the Board has been considering and exploring appropriate opportunities for different investment projects. Considering the prosperity of the health care in the PRC, the Board is optimistic about the Acquisition and is of the view the Acquisition is an attractive opportunity for the Group to enter healthcare industry in the PRC.

The Board believes that the Acquisition will enable the Company to broaden its income source and strengthen its asset base.

In consideration of the above, the Board considers that the terms of the Sale and Purchase Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

SETTLEMENT OF PROFESSIONAL FEE BY MEANS OF ISSUE OF REMUNERATION SHARES

Chanceton Capital has been the financial adviser to the Company in respect of the provision of continuing financial advisory service to the Company. For the continuing financial advisory service provided to the Company by Chanceton Capital for the period started since 18 January 2016, part of the financial advisory fee will be satisfied by the issue of 10,000,000 remuneration Shares to Chanceton Capital at an issue price of HK\$0.12 per Remuneration Share A.

Chanceton Capital is a subsidiary of Chanceton Financial Group Limited, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange. Chanceton Capital is independent of and not connected with any of the directors, chief executives, substantial shareholders and management shareholders of the Company, or any of its subsidiaries or their respective associates.

As at the date of this announcement, Chanceton Capital and its affiliated companies hold in aggregate of 10,000,000 share options of the Company. Save as abovementioned, Chanceton Capital and its associates do not own any Shares. Upon issue of the Remuneration Shares A, Chanceton Capital will be interested in 10,000,000 Shares, representing (i) approximately 0.28% of the total number of 3,589,901,240 existing issued Shares as at the date of this announcement; and (ii) approximately 0.28% of the issued share capital of the Company as enlarged by the allotment and issue of the Remuneration Shares A.

Mr. Han Ning has been the PRC legal adviser to the Company in respect of the provision of the PRC legal advisory service to the Company for the period started since 1 May 2015. For the PRC legal advisory service provided to the Company by Mr. Han Ning, part of the PRC legal advisory fee will be satisfied by the issue of 10,000,000 remuneration Shares to Mr. Han Ning at an issue price of HK\$0.12 per Remuneration Share B.

Mr. Han Ning is independent of and not connected with any of the directors, chief executives, substantial shareholders and management shareholders of the Company, or any of its subsidiaries or their respective associates.

As at the date of this announcement, Mr. Han Ning and his associates do not own any Shares. Upon issue of the Remuneration Shares B, Mr. Han Ning will be interested in 10,000,000 Shares, representing (i) approximately 0.28% of the total number of 3,589,901,240 existing issued Shares as at the date of this announcement; and (ii) approximately 0.28% of the issued share capital of the Company as enlarged by the allotment and issue of the Remuneration Shares B.

Issue Price

The issue price of HK\$0.12 per Remuneration Share represents:

- (i) a discount of approximately 9.78% to the closing price of HK\$0.133 per Share as quoted on the Stock Exchange on the date of this announcement;
- (ii) a discount of approximately 11.77% to the average closing price of HK\$0.136 per Share for the five consecutive trading days immediately prior to the date of this announcement;

The issue price of the Remuneration Shares was determined and negotiated on an arm's length basis between the parties with reference to the recent trading prices of the Shares and current market conditions. As such, the Board considers that the issue price is in the best interests of the Company and is fair and reasonable so far as the Shareholders are concerned.

GENERAL MANDATE

The Consideration Shares and Remuneration Shares will be allotted and issued pursuant to the General Mandate. The Company is authorised to issue 717,980,248 Shares under such mandate. The Consideration Shares and Remuneration Shares will utilise approximately 97.1% and 2.8% respectively of such general mandate. After the Consideration Shares are issued, the Directors will still have the power to issue up to 980,248 Shares under the General Mandate (assuming that the Company has not allotted and issued any other new Share). Accordingly, the issue of the Consideration Shares and Remuneration Shares are not subject to the Shareholders' approval.

As at the date of this announcement, the Company has not issue any Shares under the general mandate. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares, when issued upon Completion, will be credited as fully paid and will rank pari passu in all respects with the existing Shares in issue.

The Board, having considered the financial status of the Company and with a view to minimise the cash outlay of the Company, is of the view that the issue of Remuneration Shares is 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 Remuneration Shares are as follow:

Shareholders	As at the date of this announcement		Immediately after completion of the issuance of the Remuneration Shares	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Dragon Ocean Development Limited (Note)	830,792,040	23.14%	830,792,040	19.29%
Quantum China Asset Management Limited	198,000,000	5.52%	198,000,000	4.60%
Vendor	–	0.00%	697,000,000	16.18%
Chanceton Capital	–	0.00%	10,000,000	0.23%
Mr. Han Ning	–	0.00%	10,000,000	0.23%
Public shareholders				
Other public shareholders	<u>2,561,109,200</u>	<u>71.34%</u>	<u>2,561,109,200</u>	<u>59.47%</u>
	<u>3,589,901,240</u>	<u>100.00%</u>	<u>4,306,901,240</u>	<u>100.00%</u>

Note: Mr. Wu Qiaofeng held 100% of the issued share capital of Dragon Ocean Development Limited.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but is exempted from the Shareholders' approval requirement 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 entire issue capital of the Target Group pursuant to the Sale and Purchase Agreement
“AGM”	the annual general meeting of the Company held on 30 May 2016 at which the General Mandate was granted to the Directors
“Aniuge”	Shenzhen Aniuge Health Technology Limited* (深圳阿牛哥健康科技有限公司), a limited company which will be incorporated in the PRC
“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
“Chanceton Capital”	Chanceton Capital Partners Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance and the financial adviser to the Company in respect of continuing financial advisory service
“Company”	Sino Haijing Holdings Limited, a company incorporated in the Cayman Islands with limited liability and its issued Shares 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
“Conditions”	conditions precedent to the Completion pursuant to the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	HK\$83,640,000 being the aggregate consideration for the Acquisition
“Consideration Shares”	an aggregate of 697,000,000 new Shares to be issued by the Company upon Completion
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or otherwise deal with additional Shares not exceeding 20% of the aggregate nominal amount of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of and not connected with the Company and its connected persons
“Jiafu Fuqiao”	China Jiafu Fuqiao Health Industry Limited, a company incorporated in Hong Kong on 21 February 2012 with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the day falling six (6) months after (and exclusive of) the date of the Sale and Purchase Agreement or such later date as the parties may agree in writing
“Management Agreements”	the management agreements to be entered into between Jiafu Fuqiao and certain physical therapy and healthcare massage shops operating in the PRC
“Parties”	the Vendor and the Purchaser, and “Party” means any one of them

“PRC”	the People’s Republic of China, and for the purpose of this announcement, which shall exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Purchaser”	Sino Haijing Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Remuneration Share(s) ”	Remuneration A and Remuneration B
“Remuneration Share(s) A”	the 10,000,000 new Shares to be allotted and issued by the Company to Chanceton Capital for the settlement of financial advisory fee in relation of the continuing financial advisory service provided by Chanceton Capital
“Remuneration Share(s) B”	the 10,000,000 new Shares to be allotted and issued by the Company to Mr. Han Ning for the settlement of the PRC legal advisory fee in relation of the PRC legal advisory service provided by Mr. Han Ning
“Sale and Purchase Agreement”	the agreement dated 5 August 2016 entered into between the Vendor and the Purchaser in relation to the Acquisition
“Share(s)”	ordinary shares of HK\$0.0125 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Target Company”	Xian Tai International Limited, a company incorporated in the British Virgin Islands on 5 July 2016 with limited liability and is wholly-owned by the Vendor
“Target Group”	the Target Company, Jiafu Fuqiao and Aniuge
“Valuation Report”	the valuation report prepared by Witz International Consultants Group Limited, an independent professional valuer

“Vendor” Majestic Wealth International Limited, a company incorporated in the British Virgin Islands on 4 July 2016 with limited liability

“%” per cent

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

Hong Kong, 5 August 2016

* *For identification purposes only*

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

APPENDIX I — LETTER FROM THE REPORTING ACCOUNTANTS

The Board of Directors
Sino Haijing Holdings Limited
Suites 3701-10, 37th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

Dear Sirs,

Re: Discloseable Transaction — Valuation of 100% equity interest of Xian Tai International 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 have examined the calculations of the discounted future estimated cash flows of the Target Group on which the valuation prepared by Witz International Consultants Group Limited dated 5 August 2016 in respect of the valuation of 100% equity interest in the Target Group as at 30 June 2016 (the “**Valuation**”) is based. The Valuation based on the discounted future estimated cash flows 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**”) and will be included in an announcement dated 5 August 2016 to be issued by the Company in connection with the acquisition of 100% equity interest in the Target Company (the “**Announcement**”).

Directors’ Responsibilities

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows of the Target Group in accordance with the bases and assumptions set out in the Announcement (the “**Assumptions**”). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated 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 issued by HKICPA 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

It is our responsibility to draw a conclusion on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.62(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500, Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the Company’s directors have properly compiled the profit forecast 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.

We are not reporting on the appropriateness and validity of the Assumptions on which the Valuation are based and our work does not constitute any valuation of the Target Group. The Valuation does not involve the adoption of accounting policies. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variance may be material. Accordingly, we have not reviewed, considered or conducted any work on the completeness, reasonableness and the validity of the bases and assumptions used in arriving at the discounted cash flow forecasts and do not express any opinion whatsoever thereon.

Opinion

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

Yours faithfully,

HLM CPA Limited

Certified Public Accountants

Yuen Suk Ching

Practicing Certificate Number: P1107

Hong Kong

5 August 2016

APPENDIX II — LETTER FROM CHANCETON CAPITAL

The following is the text of the letter dated 5 August 2016 from Chanceton Capital Partners Limited, which was prepared for the incorporation in this announcement.

5 August 2016

The Board of Directors
Sino Haijing Holdings Limited
Suites 3701-10, 37th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

Dear Sirs,

Re: Discloseable Transaction — Valuation of 100% equity interest of Xian Tai International 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**”) report dated 5 August 2016 prepared by Witz International Consultants Group Ltd. (the “**Valuer**”) in relation to the appraisal of the valuation of the entire equity interests in Target Group as at 30 June 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 5 August 2016 (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 5 August 2016 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