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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: 1106)

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

Financial Advisor

 **川盟融資有限公司**
Chanceton Capital Partners Limited

Placing Agents

 **KINGSTON SECURITIES**

 **中國銀河國際**
CHINA GALAXY INTERNATIONAL

 **西證國際**
SOUTHWEST SECURITIES

 **CLC** CLC SECURITIES LIMITED
創信證券有限公司

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

On 19 May 2016 (after trading hours), the Company and the Placing Agents entered into the Placing Agreement whereby the Company agreed to place, through the Placing Agents, on a best effort basis, up to 6,000,000,000 new Shares to not less than six independent Placers at the Placing Price of HK\$0.10 per Placing Share.

Assuming all the Placing Shares were allotted and issued, the gross proceeds from the Placing will amount to HK\$600,000,000 and the net proceeds from the Placing after deducting the placing fee and other related expenses payable by the Company will amount to approximately HK\$580,000,000. The net proceeds raised per Placing Share is approximately HK\$0.097.

It is expected that (i) approximately HK\$500,000,000, representing approximately 86.2% of the net proceeds from the Placing, will be applied towards the Subscription of Shares in Yong Tai and (ii) the remaining portion of approximately HK\$80,000,000, representing approximately 13.8% of the net proceeds from the Placing, will be used by the Company as general working capital of the Group.

SPECIFIC MANDATE

The allotment and issue of the Placing Shares will be made under the Specific Mandate to be sought from the Shareholders at the EGM.

EGM

The EGM will be convened for the Shareholders to consider and, if thought fit, to approve the Placing contemplated under the Placing Agreement and the proposed grant of the Specific Mandate.

CIRCULAR

A circular, containing, among other matters, further details of the Placing Agreement, the proposed grant of the Specific Mandate together with a notice convening the EGM will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares and securities of the Company.

THE PLACING AGREEMENT

Set out below are the principal terms of the Placing Agreement:

Date: 19 May 2016 (after trading hours)

Issuer: the Company

Placing Agents: Kingston Securities Limited
China Galaxy International Securities (Hong Kong) Co., Limited
Southwest Securities (HK) Brokerage Limited
CLC Securities Limited

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, the Placing Agents and their ultimate beneficial owners are Independent Third Parties.

Placing

The Company and the Placing Agents entered into the Placing Agreement whereby the Company agreed to place, through the Placing Agents, on a best effort basis, up to 6,000,000,000 new Shares to not less than six independent Placees at the Placing Price of HK\$0.10 per Placing Share.

The placing period for the Placing will commence from (and including) the date of signing of the Placing Agreement and ending on (and including) the 10th Business Day before the Completion Date (or such other period as may be agreed in writing between the Placing Agents and the Company).

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of the Placing Agreement and completion of the Placing, the maximum of 6,000,000,000 Placing Shares to be allotted and issued pursuant to the Placing represent:

- (a) approximately 167.1% of the total number of issued Shares as at the date of this announcement; and
- (b) approximately 62.6% of the total number of issued Shares as enlarged by the issue and allotment of all the Placing Shares.

Based on the closing price of the Shares of HK\$0.141 per Share on 19 May 2016, the date of the Placing Agreement, the Placing Shares have a market value of HK\$846,000,000. The Placing Shares have an aggregate nominal value of HK\$75,000,000.

The Placing Shares, when allotted and issued, will rank pari passu in all respects among themselves, and with the existing Shares then in issue.

Placing Price

The Placing Price of HK\$0.10 per Placing Share represents:

- (a) a discount of 29.08% to the closing price of HK\$0.141 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of 29.08% to the average closing price of approximately HK\$0.141 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day; and
- (c) a discount of approximately 29.58% to the average closing price of approximately HK\$0.142 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agents with reference to (i) the historical trading prices and trading liquidity of the Shares in the previous 18-month period; and (ii) the Company's imminent funding needs for the Subscription of Shares in Yong Tai.

The Directors consider that the Placing Price will enable the Company to raise necessary fund for its future development and hence is fair and reasonable and in the interest of the Company and the Shareholders as a whole under the current market conditions.

Placing Commission

The Placing Agents will receive a placing commission of 3% of the aggregate Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agents in the Placing in accordance with the Placing Agreement.

The placing commission was determined after arm's length negotiation between the Company and the Placing Agents with reference to the market rate and after taking into account the size of the Placing and the current capital market performance and sentiment.

The Directors (including the independent non-executive Directors) consider that the commission for the Placing is fair and reasonable.

Placee(s)

The Placing Shares shall be offered by the Placing Agents to not less than six Placee(s), who, and its (their) ultimate beneficial owner(s), will be Independent Third Party(ies). It is expected that none of the Placee(s) will become a substantial Shareholder (as defined in the Listing Rules) immediately after completion of the Placing. In the event any of the Placees becomes a substantial Shareholder (as defined in the Listing Rules) after completion of the Placing, further announcement will be made by the Company.

Conditions of the Placing

Completion of the Placing is conditional upon satisfaction of the following:

- (a) the authorised share capital of the Company has been increased so that there will be sufficient amount of authorised share capital for allotting and issuing the Placing Shares;
- (b) the Specific Mandate has been obtained by the Board from the Shareholders at the EGM;
- (c) the Listing Committee of the Stock Exchange agreeing to grant the listing of and permission to deal in the Placing Shares and which have not been subsequently revoked prior to completion of the Placing Agreement;
- (d) all the conditions precedent to completion of the subscription of ordinary shares and irredeemable convertible preference shares of Yong Tai Berhad (a company incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad) pursuant to the agreement dated 4 February 2016 (as the same may be amended from time to time) made between Impression Culture Asia Limited and Yong Tai Berhad have been fulfilled and/or waived (as the case may be); and
- (e) no representation, warranty or undertaking of the Company under the Placing Agreement having been materially breached or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to completion of the Placing.

If any of the above conditions are not fulfilled by the 30th day after the date of the EGM (or such later date as may be agreed between the Company and the Placing Agents), the Placing Agreement shall be terminated forthwith and all rights, obligations and liabilities of the parties hereunder in relation to the Placing shall cease and determine and none of the parties to the Placing Agreement shall have any claim against any other in respect of the Placing, save for any antecedent breaches thereof.

Completion of the Placing

Completion of the Placing shall take place on the fifth Business Day after the satisfaction of all the conditions precedent set out in the Placing Agreement, or such date as may be agreed between the Company and the Placing Agents.

Application for Listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Termination of the Placing Agreement

Each Placing Agent shall have the right to terminate the Placing Agreement (as between such Placing Agents and the Company) by notice in writing given to the Company at any time prior to 11:00 a.m. on the Completion Date if any of the following occurs:

- (A) there shall have come to the notice of the Placing Agents any material breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties of the Company contained herein or any failure by the Company to perform its undertakings in the Placing Agreement;
- (B) in the sole and reasonable opinion of any of the Placing Agents, there shall have been such a change in the national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in its judgment be likely to prejudice the success of the Placing or trading in the Shares in the secondary market;
- (C) any new law, rule or regulation or any change in existing laws (including common law), rules or regulations (or the juridical interpretation thereof) or other occurrence of any nature whatsoever which, in the sole and absolute opinion of any of the Placing Agents, are or may be materially adverse to the business or financial position or prospects of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;

- (D) any event or circumstance (whether or not forming part of a series of events or circumstances occurring or continuing before, on and/or after the date of the Placing Agreement) or material change or deterioration in local, national, international, political, military, financial, economic, market or trading conditions or any other conditions (whether or not ejusdem generis with any of the foregoing) in any part of the world in which the Company or any other member of the Group carries on business which, in the sole and absolute opinion of any of the Placing Agents, is or may be materially adverse to the business or financial position or prospects of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;
- (E) the imposition of any moratorium, suspension (for more than seven (7) consecutive trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the sole and absolute opinion of any of the Placing Agents would affect the success of the Placing or trading in the of the Shares in the secondary market;
- (F) any material deterioration of the business or financial position of the Group or any litigation or claim being instigated against any member of the Group, which in the sole and absolute opinion of any of the Placing Agents would affect the success of the Placing or trading in the of the Shares in the secondary market; or
- (G) the delisting of the Shares from the Stock Exchange or any suspension of the trading of the Shares on the Stock Exchange for more than ten (10) consecutive trading days, and which in the sole and absolute opinion of any of the Placing Agents would affect the success of the Placing or trading in the of the Shares in the secondary market;

and that the right to terminate the Placing Agreement under paragraphs (A) to (G) above shall be a separate and independent right and that the exercise of any such right by the Placing Agents shall not affect or prejudice or constitute a waiver of any other right, remedy or claim which the Placing Agents may have as at the date of such notice nor shall termination of the Placing Agreement affect or prejudice any provision hereof expressed to survive or operate in the event of termination of the Placing Agreement.

ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

The allotment and issue of the Placing Shares will be made under the Specific Mandate to be sought from the Shareholders at the EGM.

REASONS FOR AND BENEFITS IN THE PLACING

The Group is principally engaged in the packaging and tourism business.

It is the intention of the Group to source additional funding on the Subscription of Share in Yong Tai and to capture any business opportunity which may arise in the future upon its review and adjustment (if any) to the Group's future plan in light of the changing business environment.

The Directors also consider that the Placing Agreement was entered into on normal commercial terms after arm's length negotiations between the Company and the Placing Agents and that the terms of the Placing Agreement (including the Placing Price) are fair and reasonable so far as the interests of the Company and its Shareholders as a whole are concerned.

USE OF PROCEEDS

Assuming all the Placing Shares were allotted and issued, the gross proceeds from the Placing will amount to HK\$600,000,000 and the net proceeds from the Placing after deducting the placing fee and other related expenses payable by the Company will amount to approximately HK\$580,000,000. The net proceeds raised per Placing Share is approximately HK\$0.097.

It is expected that (i) approximately HK\$500,000,000, representing approximately 86.2% of the net proceeds from the Placing, will be applied towards the Subscription of Shares in Yong Tai and (ii) the remaining portion of approximately HK\$80,000,000, representing approximately 13.8% of the net proceeds from the Placing, will be used by the Company as general working capital of the Group.

SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 3,589,901,240 Shares in issue and are fully paid up or credited as fully paid up.

For illustration purpose, the table below set out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Placing (assuming all the Placing Shares have been placed out and there is no other change in the number of issued Shares before completion of the Placing):

Shareholders	As at the date of this announcement		Immediately after completion of the Placing assuming all the Placing Shares have been placed out	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Dragon Ocean Development Limited (<i>Note 1</i>)	830,792,040	23.14	830,792,040	8.66
Quantum China Asset Management Ltd.	198,000,000	5.52	198,000,000	2.06
Public Shareholders				
Placee(s)	–	–	6,000,000,000	62.57
Other public shareholders	<u>2,561,109,200</u>	<u>71.34</u>	<u>2,561,109,200</u>	<u>26.71</u>
Total	<u>3,589,901,240</u>	<u>100.00</u>	<u>9,589,901,240</u>	<u>100.00</u>

Note 1: Dragon Ocean Development Limited is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Wu Qiaofeng.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save for the following fund raising activities, the Company had not carried out any other fund raising activities on any issue of equity securities in the past twelve months prior to the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of net proceeds	Actual use of proceeds at the date of this announcement
12 August 2015	A placing of new shares under general mandate	Approximately HK\$87.25 million	For the general working capital of the Group.	Used in acquisition of property, plant and equipment, repayment of bank borrowings, and investment in securities
21 May 2015	A placing of new shares under general mandate	Approximately HK\$61.23 million	For developing potential new business and for the working capital of the Group.	Used in acquisition of property, plant and equipment, repayment of bank borrowings, and investment in securities

EGM

The EGM will be convened for the Shareholders to consider and, if thought fit, to approve the Placing contemplated under the Placing Agreement and the proposed grant of the Specific Mandate.

CIRCULAR

A circular, containing, among other matters, further details of the Placing Agreement, the proposed grant of the Specific Mandate together with a notice convening the EGM will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares and securities of the Company.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under The Hong Kong Code on Takeovers and Mergers
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday or public holiday), on which licensed banks in Hong Kong are generally open for business in Hong Kong
“Company”	Sino Hanjing Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the main board of the Stock Exchange
“Completion Date”	the fifth business day after fulfillment of all the conditions precedent set out in the Placing Agreement, or such other time or date as the Placing agents and the Company may agree in writing, on which completion of the subscription of all the Placing Shares by the Placees.
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve, among other matters, the grant of the Specific Mandate

“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(ies)”	third party(ies) independent of, not connected or acting in concert with any directors, chief executive and substantial shareholders of the Company or its subsidiaries or their respective associates (as defined in the Listing Rules)
“Last Trading Day”	19 May 2016, being the last trading day for the Shares before the date of the Placing Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any person(s) procured by or on behalf of the Placing Agents to subscribe for any of the Placing Shares pursuant to the Placing Agents’ obligations under the Placing Agreement
“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agents, on a best effort basis, to the Placee(s) pursuant to the Placing Agreement
“Placing Agents”	Kingston Securities Limited, China Galaxy International Securities (Hong Kong) Co., Limited, Southwest Securities (HK) Brokerage Limited and CLC Securities Limited, being corporations licensed to carry out, inter alia, type 1 (dealing in securities) regulated activity under the SFO in Hong Kong and the placing agents to the Company under the Placing
“Placing Agreement”	the placing agreement dated 19 May 2016 and entered into between the Company and the Placing Agents in respect of the Placing
“Placing Price”	HK\$0.10 per Placing Share
“Placing Shares”	up to 6,000,000,000 new Shares to be issued by the Company pursuant to the Placing Agreement

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.0125 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	a specific mandate to allot and issue the Placing Shares to be sought from the Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription of Shares in Yong Tai”	the subscription pursuant to the agreement dated 4 February 2016 entered into between Impression Culture Asia Limited and Yong Tai Berhad. Details of which were disclosed in the Company’s announcement dated 5 February 2016
“%”	per cent.

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

19 May 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, Ms. Hu Jianping and Mr. Wang Xin as executive Directors; Mr. Wei Liyi as the non-executive Director; Mr. Lee Siu Woo, Mr. Pang Hong and Mr. Foo Tin Chung Victor 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>.