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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 ENTIRE EQUITY INTEREST IN ANYONE HOLDINGS LIMITED**

#### **THE ACQUISITION**

On 11 May 2015 (after trading hours), the Purchaser (a direct wholly-owned subsidiary of the Company) entered into the Provisional Agreement with the Vendor pursuant to which the Vendor has agreed to sell, and Noble Elite has agreed to purchase the Sale Share (representing the entire issued share capital of the Target Company) at the Consideration of HK\$52,000,000.

The Formal Agreement was subsequently entered into between the Purchaser and the Vendor on the same date to reflect the Provisional Agreement.

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 and the financial results of the Target Company will be consolidated into the consolidated financial statements of the Group.

## **LISTING RULES IMPLICATIONS ON THE ACQUISITION**

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

## **THE PROVISIONAL AGREEMENT AND THE FORMAL AGREEMENT**

**Date:** 11 May 2015 (after trading hours)

**Parties:** Vendor: Corporate Fame Limited

Purchaser: Noble Elite Global Limited, a direct wholly-owned subsidiary of the Company

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.

Save for the clauses in relation to the commission payable by the Vendor and the Purchaser to the relevant property agency, the Formal Agreement supersedes the Provisional Agreement.

### **Assets to be acquired**

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

### **Information on the Property**

As at the date of this announcement and subject to the release of the Mortgage, the Target Company is the legal and beneficial owner of the Property. Save as disclosed, the Property is not subject to any mortgage or loan arrangement.

The Property is a commercial property situate at the Second Floor, Talon Tower, No. 38 Connaught Road West, Hong Kong with a gross building area of 6,411 sq. feet. The Property was purchased by the Vendor for a consideration of HK\$21,878,500 in February 2005. No valuation has been conducted on the Property as at the date of this announcement.

The Property is not subject to any tenancy as at the date of this announcement.

### **Consideration**

The Consideration for the Sale Share is HK\$52,000,000, which shall be satisfied by the Purchaser to the Vendor in full by cash in the following manner:–

- (i) HK\$4,800,000 shall be payable by the Purchaser to the Vendor (or its nominee(s)) as the Refundable Deposit and part payment of the Consideration upon execution of the Formal Agreement; and
- (ii) HK\$47,200,000 shall be payable by the Purchaser to the Vendor (or its nominee(s)) as payment of the remaining Consideration upon Completion.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Company after taking into account, among others, (i) the historical purchase cost of the Property by the Vendor; and (ii) the current market value of the Property.

Pursuant to the Provisional Agreement, the Vendor shall pay to the relevant property agency a fixed sum of HK\$130,000 as commission.

### **Conditions precedent**

Completion is subject to the following conditions having been fulfilled or waived (as the case may be):

- (i) the Purchaser being satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs of the Target Company and the verification result of the title of the Vendor to the Property;

- (ii) all necessary consents, licences and approvals required to be obtained on the part of the Vendor in respect of Formal Agreement and the transactions contemplated hereby having been obtained and remain in full force and effect;
- (iii) the warranties given under the Formal Agreement remaining true, accurate and complete in all respects;
- (iv) the Purchaser being satisfied that there has not been any material adverse change in respect of the Target Company since the date of the Formal Agreement;
- (v) the obtaining of a valuation report (in form and substance to the reasonable satisfaction of the Purchaser) from a firm of independent professional valuers appointed by the Purchaser showing the valuation of the Property to be no less than HK\$52,000,000; and
- (vi) the Mortgage having been fully released and all title documents in relation to the Property having been returned to the Target Company.

The Purchaser may at any time waive in writing Conditions (i), (iii) and (iv) above. The Conditions (ii), (v) and (vi) above are incapable of being waived.

If any of the Conditions have not been fulfilled by 31 July 2015 (or such later date as agreed by the Vendor and the Purchaser), the Formal Agreement shall thereupon terminate and neither party shall have any further claims against each other under the Formal Agreement for costs, damages, compensation or otherwise, save in respect of antecedent breaches and claims.

### **Completion**

Completion shall take place on the fifth Business Day after all the Conditions of the Formal Agreement have been fulfilled or waived (as the case may be) or such other date as may be agreed between the Vendor and the Purchaser.

Upon Completion, the Target Company will become indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the Company's consolidated financial statements.

## INFORMATION ON THE VENDOR

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in 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.

## INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the British Virgin Islands on 22 March 2004 with limited liability and is wholly and beneficially owned by the Vendor. It is a property holding company.

Set out below is a summary of the financial position of the Target Company for the two years ended 30 June 2014 and 2013 based on its audited accounts and for the ten months ended 30 April 2015 based on its unaudited management accounts as provided by the Vendor:

|  | (Unaudited)<br>For the<br>ten months<br>ended<br>30 April<br>2015<br>HK\$ | (Audited)<br>For the year<br>ended<br>30 June<br>2014<br>HK\$ | (Audited)<br>For the year<br>ended<br>30 June<br>2013<br>HK\$ |
|--|---|---|---|
| Turnover   | –   | –   | –   |
| Net profit/(loss) before taxation<br>(including non-cash extraordinary income of<br>HK\$23,162,644 arising from group restructuring) | 22,956,224  | (253,905)   | (247,865)   |
| Net profit/(loss) after taxation<br>(including non-cash extraordinary income of<br>HK\$23,162,644 arising from group restructuring)  | 22,956,224  | (253,905)   | (247,865)   |
| Total asset  | 19,822,499  | 19,991,054  | 20,196,566  |
| Net asset/(liability) value  | 19,822,499  | (3,133,725)   | (2,879,820)   |

For the ten months ended 30 April 2015, the Company recorded a net profit before and after taxation of HK\$22,956,224, which was mainly arising from group restructuring.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

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

To better manage the business risk and to diversify the business of the Company, the Board has been considering and exploring for appropriate opportunities for different investment projects. Considering the prosperity of the property market of Hong Kong, the Board is optimistic about the Acquisition especially the Property is situated at prime location in Hong Kong. The Group intends to hold the Property for leasing out all or part of the Property for rental income and/or for self-use depending on the market condition.

The Board believes that the Acquisition will enable the Company to broaden the income source and strengthen its asset base. The Group can enjoy long-term asset appreciation riding on the prime location of the Property.

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

## **IMPLICATIONS UNDER THE LISTING RULES**

As one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition would exceed 5% but are less than 25%, the Acquisition therefore constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements but exempt from 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 Sale Share pursuant to the Formal Agreement;

“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;   |
| “Company”             | Sino Haijing Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the 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 Formal Agreement;  |
| “Completion Date”     | the date on which the Completion shall take place and such day shall fall on the fifth Business Day after all the Conditions shall have been fulfilled or waived (or such other date as may be agreed by the Company and the Vendor in writing);  |
| “Conditions”          | conditions precedent to the Completion pursuant to the Formal Agreement;  |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules;   |
| “Consideration”       | the consideration of HK\$52,000,000 for the Sale Share;   |
| “Director(s)”         | the director(s) of the Company;   |
| “Formal Agreement”    | the agreement dated 11 May 2015 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Share, which superseded the terms and conditions of the Provisional Agreement save for the clauses in relation to commission payable by the Vendor and the Purchaser to the relevant property agency thereunder; |

|                           |  |
|---------------------------|--|
| “Group”                   | the Company and its subsidiaries;  |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the People’s Republic of China;   |
| “Independent Third Party” | third party independent of and not connected with the Company and its connected persons;   |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange;   |
| “Mortgage”                | the mortgage over the Property as security for a general banking facilities made available to the Company by created on 2 December 2005;   |
| “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;  |
| “Provisional Agreement”   | the agreement dated 11 May 2015 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Share, which was subsequently superseded by the Formal Agreement save for the clauses in relation to commission payable by the Vendor and the Purchaser to the relevant property agency thereunder; |
| “Sale Share”              | the one share of the Target Company, representing 100% of the total issued share capital of the Target Company as at the date of this announcement and at Completion;  |
| “Share(s)”                | ordinary shares of HK\$0.125 each in the issued and unissued share capital of the Company;   |
| “Shareholder(s)”          | holder(s) of the Share(s);   |



|                  |   |
|------------------|---|
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited;  |
| “Target Company” | Anyone Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly owned by the Vendor; |
| “Vendor”         | Corporate Fame Limited, a company incorporated in the British Virgin Islands with limited liability;                                    |
| “HK\$”           | Hong Kong Dollars, the lawful currency of Hong Kong Special Administrative Region of the People’s Republic of China;                    |
| “%”              | per cent  |

By order of the Board  
**Sino Haijing Holdings Limited**  
**Fung Wah Bong Peter**  
*Chairman*

Hong Kong, 11 May 2015

*As at the date of this announcement, the Board comprises of Ms. Hui Hongyan (executive Director), Ms. Szeto Wai Ling Virginia (executive Director), Mr. Lam Wai Hung (executive Director), Mr. Fung Wah Bong Peter (non-executive Director), Mr. Hong Jianhua (independent non-executive Director), Mr. Pang Hong (independent non-executive Director) and Mr. Foo Tin Chung Victor (independent non-executive Director).*

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