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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)

**LETTER OF INTENT  
IN RESPECT OF THE PROPOSED ACQUISITION**

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

The Board is pleased to announce that on 28 August 2015 (after trading hours), the Company and the Vendors entered into the Letter of Intent in relation to the Proposed Acquisition.

The Letter of Intent is non-legally binding save for the provisions relating to consideration, costs, confidentiality, binding effect and liability, exclusivity, due diligence, undertaking, termination and governing law of the Letter of Intent.

**As the Proposed Acquisition may or may not materialise, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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## **MAJOR TERMS OF THE LETTER OF INTENT**

**Date:** 28 August 2015

**Parties:**

- (a) Vendors
  - (i) Honghu Group Limited
  - (ii) Express Focus Group Limited
- (b) Purchaser The Company

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

### **Assets to be acquired**

Pursuant to the Letter of Intent, it is proposed that the Company, will acquire, and the Vendors will sell, an aggregate of 51% interest in the Target.

### **Consideration**

The consideration of the Proposed Acquisition shall be HK\$130 million and will be settled in cash at the completion of the Proposed Acquisition, less refundable deposit of HK\$50 million paid by the Company to the Vendors upon signing of the Letter of Intent.

## **Refundable deposit**

Subject to the terms of the Letter of Intent, the Company shall pay a refundable deposit of HK\$50 million to the Vendors, of which HK\$35 million will be paid to Honghu Group Limited and HK\$15 million will be paid to Express Focus Group Limited, upon signing of the Letter of Intent. In the event the Proposed Acquisition is not completed for whatever reason, the Vendors shall repay the amount of HK\$50 million, of which HK\$35 million will be repaid by Honghu Group Limited and HK\$15 million will be repaid by Express Focus Group Limited, together with interest accrued thereon to the Company immediately. Interest on the deposit shall accrue at the rate of 5% per annum calculated on the actual number of days elapsed and on the basis of 365 days in a year.

## **Exclusivity**

Each of the Vendors have agreed that, each of them and/or any person acting in concert with each of the Vendors as defined in the Code on Takeovers and Mergers, shall not negotiate with or solicit offers from any other parties in relation to the acquisition or disposal of the 51% interests in the Target or investment in the Target Group within a period of 90 days after the date of signing of the Letter of Intent (or such other dates as agreed by the parties in writing) (the “**Exclusivity Period**”).

## **Due diligence**

During the Exclusivity Period, the Company shall procure its agents or advisers to conduct due diligence review on the Target Group’s assets, liabilities, legal, finance, operation, matters and other aspects which the Company reasonably considers appropriate (the “**Due Diligence Review**”). Each of the Vendors shall use its best endeavours to provide and procure the Target Group, its officers, employees, agents and advisers to, provide reasonable assistance to the Company and its advisers or agents in respect of the Due Diligence Review.

## **Conditions precedent**

Completion of the Proposed Acquisition is conditional upon (i) the Company being satisfied with the results of the Due Diligence Review; (ii) all appropriate governmental, regulatory and shareholders approvals of the Company, if required, having been obtained in relation to the Proposed Acquisition; (iii) all consent of the Stock Exchange and other regulatory authority (where required) having been obtained; and (iv) the Company having obtained a legal opinion from PRC lawyers opining on, inter alia, the legality of the Target Group’s business in the PRC.

## **Termination**

The Letter of Intent shall be terminated and be of no force and effect on the earlier of (i) the date on which the formal agreement in relation to the Proposed Acquisition is executed, (ii) the expiry of the Exclusivity Period; or (iii) any other date as the parties to the Letter of Intent may agree in writing, whereupon the parties to the Letter of Intent shall have no further obligations to the other party save for any antecedent breach.

## **INFORMATION ON THE TARGET AND THE TARGET GROUP**

The Target is a company with limited liability incorporated in the British Virgin Islands on 9 January 2014, and as at the date of this announcement, is owned by Kang Yong International Limited as to 49%, Honghu Group Limited as to 35.7% and Express Focus Group Limited as to 15.3%.

The Target is an investment holding company, which through its indirectly wholly-owned PRC subsidiaries, is principally engaged in the business of manufacturing photovoltaic power generation system, and the construction, operation and management of photovoltaic power plants in the PRC.

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

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

To better manage the business risk and to diversify the business of the Group, the Board has been considering to explore appropriate opportunities for different investment projects. In view of the recently released policies by the PRC government aimed at boosting photovoltaic power generation which include strengthening the development of distributed energy resources, the Board believes that the Proposed Acquisition will enable the Group to broaden the income source and strengthen its asset base.

## **GENERAL**

The Proposed Acquisition, if materialised, may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. Further announcement(s) in relation to the Proposed Acquisition will be made by the Company as and when appropriate in accordance with the Listing Rules.

**The Board would like to emphasise that no legally binding agreement in relation to the Proposed Acquisition has been entered into by the Company as at the date of this announcement (save as to, the provisions relating to consideration, costs, confidentiality, binding effect and liability, exclusivity, due diligence, undertaking, termination and governing law of the Letter of Intent). As the Proposed Acquisition may or may not materialise, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

## **DEFINITIONS**

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

“Board”	the board of Directors
“Company”	Sino Haijing Holdings Limited (stock code: 01106), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party who is independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
“Letter of Intent”	the letter of intent dated 28 August 2015 entered into between the Vendors and the Company in relation to the Proposed Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China, and for the purpose of this announcement and for geographical reference only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Proposed Acquisition”	the proposed acquisition by the Company of an aggregate of 51% of the entire issued share capital of the Target
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	East Favor Global Investment Limited, a company incorporated in the British Virgin Islands with limited liabilities, which is owned by the Vendors as to 51% interest
“Target Group”	the Target and its subsidiaries
“Vendors”	Honghu Group Limited and Express Focus Group Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

By order of the Board  
**Sino Haijing Holdings Limited**  
**Lam Chi Keung**  
*Executive Director*

Hong Kong, 28 August 2015

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

*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>.*