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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)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE PROPOSED ACQUISITION

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

The board of directors (hereinafter referred as the “**Board**”) of Sino Haijing Holdings Limited (hereinafter referred as the “**Company**”) is pleased to announce that on 17 January 2017 (after trading hours), the Company, the Vendor, and the Target Company 1 entered into the non-legally binding MOU in relation to the proposed acquisition of the Target Share (hereinafter referred as the “**Proposed Acquisition**”).

THE MOU

The principal terms of the MOU are set out below:

Date: 17 January 2017

Parties:

- (a) JAA Capital
- (b) the Company; and
- (c) Jet Asia Airways Co. Ltd

- i. The Target Company is a limited company incorporated and existing under the laws of Thailand. Vendor has the right to acquire 49% shareholding interest or 1,225,000 shares (hereinafter referred as “**Target Share 1**”) of the Target Company and transfers the Target Share 1 to the Company or the third party designated by the Company.
- ii. The Vendor has the right to acquire four Boeing 767 aircrafts, seven aircraft engines (hereinafter referred as “**Target Equipment**”).
- iii. The Vendor intends to set up a company with the Target Equipment in either Hong Kong, BVI or Singapore (hereinafter referred as “**Target Company 2**”), and transfers 75% shareholding interest (hereinafter referred as “**Target Share 2**”) of the Target Company 2 to the Company or the third party designated by the Company.
- iv. The Company intends to cooperate with the Vendor in cash and/or Share and or/other ways, and acquires the Target Share 1 and Target Share 2.
- v. The Vendor and the Company mutually confirm that, the original memorandum of understanding signed on 11 November 2016 has been lapsed. Upon the agreements, the Vendor, the Company and the Target Company agree to make this MOU and carry on the cooperation.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Vendor is a third party independent from the Company and its Connected Persons (as defined in the Listing Rules).

INFORMATION ABOUT THE TARGET COMPANY 1 AND THE VENDOR

The Target Company 1 commenced operations in 2010 from Bangkok-Suvarnabhumi Airport Thailand, by obtaining an Air Operator Certificate from the Department of Civil Aviation of Thailand to offer air charter services for Africa, China, Japan, Korea, and the Middle East.

The Vendor is a company established in Hong Kong with limited liability, the principal business of which is investment holding.

Cooperation

- i. Under the premise that the Company completes the due diligence investigation (hereinafter referred as “**Due Diligence Investigation**”) on the Target Share, Target Equipment, Target Companies and research on the feasibilities, the Vendor and the Company intend to have negotiations and form the formal agreement (hereinafter referred as “**Formal Agreement**”) on the transfer of the Target Share. The Formal Agreement of the Proposed Acquisition will be discussed between both parties after the completion of the Due Diligence Investigation.
- ii. At the implementing of the Proposed Acquisition, the Vendor shall transfer the Target Share 1 to the Company or the third party designated by the Company. Meanwhile, Vendor shall set up the Target Company 2 and transfers the Target Share 2 to the Company or the third party designated by the Company.
- iii. The estimated consideration of the Target Share 1 is US\$10,000,000 (will be confirmed by the appraiser). The Company shall issue Shares to pay for the consideration.
- iv. The estimated consideration of the Target Company 2 is US\$32,000,000 (will be finally confirmed by the appraiser). Vendor transfers 75% shareholding interest of the Target Company 2 to the Company or the third party designated by the Company at the estimated consideration of US\$24,000,000 (will be confirmed by the appraiser). The Company shall pay for the consideration in either cash and/or issuing Shares.
- v. The following conditions shall be satisfied prior to the completion of the Proposed Acquisition: The Company shall obtain necessary approval for the Proposed Acquisition, including the approval from the regulatory bodies of the registered place, approval (if applicable) from the Board and shareholder meeting of the Company with satisfaction and application of the Company’s local laws and regulations. The Company has satisfied with all Due Diligence Investigations regarding to the Target Share, Target Equipment, Target Companies and feasibility research report on operation and management, as well as entering into all customary legal documents prepared for this Proposed Acquisition, including but not limited to the share transfer agreement, shareholder agreement and article of association, etc.

Due Diligence

- i. Upon signing of the MOU, the Company is entitled to appoint its representatives and/or consultants to process legal, financial and other aspects Due Diligence Investigation on the Target Share, Target Equipment, Target Companies. The Vendor is obligated to provide reasonable assistance to the Due Diligence Investigation, including but not limited to provide required documents and materials to the Company and/or its appointed representatives and/or consultants and respond to the raised inquires and questions.
- ii. The Company will complete relevant Due Diligence Investigation and feasibility study within sixty days since the MOU has been signed (hereinafter referred to as “**Investigation Period**”). The Company is required to inform Vendor whether to proceed with the Proposed Acquisition, in writing within seven days after the end of the Investigation Period. If such Proposed Acquisition has been confirmed, the schedule and implementation details will be confirmed through additional discussion between both parties.

Exclusive Period

- i. During the Investigation Period, The Company has exclusive consultation right on the Proposed Acquisition (hereinafter referred to as “**Exclusive Period**”), unless the Company submits the termination request to Vendor in writing and informs the Vendor of its decision with written notice. Vendor will not process any discussion or any promotion in any forms or enter into any agreements or MOU on the Proposed Acquisition with the third party.
- ii. At the end of the Exclusive Period, if Vendor and the Company cannot reach agreement on the Proposed Acquisition, or the Company informs Vendor that it will not proceed with the Proposed Acquisition according to point (ii) under the section Due Diligence, in this announcement before the end of the Investigation Period, the MOU will terminate automatically. Under such circumstance, Vendor, the Company and the Target Company will not be liable to any other party with exception that all parties shall comply with the Earnest Money and Confidentiality of the MOU.
- iii. This exclusive obligation will not forbid the Company and its affiliated companies to directly or indirectly conduct discussion on other investment opportunities, joint venture, strategic cooperation, and alliance or the Proposed Acquisition matters with the third party.

Earnest Money

- i. The Company shall pay US\$2,000,000 as the earnest money for cooperation to the Target Company 1's bank account within seven days after entering into the MOU.
- ii. The Target Company 1 agrees, upon the following circumstance(s) occurs, the Company shall refund the said US\$2,000,000 earnest money to the Company within 3 days after receipt of written notice from the Company:
 - A. Within three months upon the Company or the third party designated by the Company has successfully acquired 49% shareholding interest of the Target Company 1 (completion of execution of Formal Agreement and registration at Department of Business Development, Thailand); or
 - B. Within 15 days of termination of cooperation.
- iii. The Vendor agrees to be responsible to joint liabilities to pay back the above earnest money.

REASONS FOR THE ENTERING OF THE MOU

The Company is a company incorporated in the Cayman Islands and listed on the Main Board of the Hong Kong Stock Exchange. The principal businesses of the Group include the manufacturing and sale of packaging products, securities trading and other investing activities, ticketing agency business and money lending business. The Company is pursuing opportunities to diversify its sources of income so as to improve the Group's financial status in the long term. The Proposed Acquisition will enable (i) the development of the Group's aviation business in Asia region; (ii) the creation of synergies with the ticketing agency business of the Group; and (iii) the enhancement of the competitiveness of the Group in the aviation industry in Asia, in particular the South East Asia region, which the Board considers would be beneficial to and in the interests of the Company and the Shareholders as a whole.

GENERAL

Save for the provisions in relation to the earnest money, confidentiality, Exclusive Period, due diligence, and governing law under the MOU, the MOU has no legal binding effect. If the Company proceeds with the Proposed Acquisition, it (or its subsidiaries) will enter into legally binding agreement(s) with the Vendor in respect of the Proposed Acquisition.

The Proposed Acquisition may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the Shares. The Proposed Acquisition, if materialises, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Should (i) the Company (or its subsidiaries) enters into the Formal Agreement; (ii) decides not to proceed with the transactions contemplated under the MOU; or (iii) there be any material development on the Proposed Acquisition, the Company will inform the Shareholders and investors by way of announcement(s) in accordance with the Listing Rules as and when appropriate.

DEFINITIONS

“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company”	Sino Haijing Holdings Limited, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Connected Persons”	has the meaning as ascribed under the Listing Rules
“Directors”	the directors of the Company
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Company (or its subsidiaries) and the Vendor in respect of the Proposed Acquisition which contains, among others, the terms of the MOU
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“JAA Capital” or “Vendor”	JAA Capital Limited*, a company incorporated in Hong Kong with limited liability

“Listing Rules”	the Rules governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 17 January 2017 entered into between the Company, the Vendor and the Target Company 1 in relation to the Proposed Acquisition
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	the ordinary share(s) of HK\$0.0125 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	The Target Company 1 & Target Company 2
“Target Company 1”	Jet Asia Airways Co., Ltd, a limited liability company established in the Bangkok Metropolis
“Target Company 2”	The company which is going to be set up by the Vendor with the Target Equipment in either Hong Kong, BVI or Singapore
“Target Equipment”	four Boeing 767 aircrafts, seven aircraft engines
“Target Share”	Target Share 1 & Target Share 2
“Target Share 1”	the 49% shareholding interest or 1,225,000 shares of the Target Company 1
“Target Share 2”	the 75% shareholding interest of the Target Company 2

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent

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

Hong Kong, 17 January 2017

As at the date of this announcement, the Board comprises of Ms. Li Zhenzhen, Mr. Lam Wai Hung, Mr. Wang Xin and Mr. Wei Liyi as executive Directors; Ms. Hu Jianping as non-executive Director; Mr. Pang Hong, Mr. Lee Tao Wai and Mr. Lam Hoi Lun as the independent non-executive Directors.

* *For identification purpose only*