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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)

SUPPLEMENTAL AGREEMENT IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF CHERISHING SPARK LIMITED

Reference is made to the announcement (the “**Announcement**”) of Sino Haijing Holdings Limited (the “**Company**”) dated 14 June 2018 regarding the acquisition of the entire issued share capital of Cherishing Spark Limited. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

THE SUPPLEMENTAL AGREEMENT

On 21 June 2018 (after trading hours), the Seller, the Purchaser, and the Guarantors entered into a supplemental agreement (the “**Supplemental Agreement**”) dated 21 June 2018 to revise certain terms in the SP Agreement relating to adjustment to the Consideration.

The principal amendments set out in the Supplemental Agreement are as follow:

Amendments to the provisions relating to Adjustment to the Consideration for the 1st Profit Guarantee Period

The SP Agreement provides, and as disclosed in the Announcement, that if the actual Net Profit as stated in the audited consolidated financial statements of the Target Group for the 1st Profit Guarantee Period shall be less than the Guaranteed Net Profit giving rise to a shortfall (“**Sum A**”), the Consideration shall be adjusted downward on terms as set out in the SP Agreement. A new term relating to a compensation payable by the Seller to the Purchaser and the right of the Seller to Consideration Shares for the 1st Profit Guarantee Period has been added as follows.

In the event that the amount of Sum C shall be more than HK\$53,500,000, under such circumstances, the Seller shall compensate the Purchaser with the difference of Sum C less HK\$53,500,000 in cash on a dollar to dollar basis within 7 Business Days after the Purchaser has served onto the Vendor the net profit certificate for the 1st Profit Guarantee Period, and that the Seller shall not be entitled to the allotment by the Company of any Consideration Share under the SP Agreement for the 1st Profit Guarantee Period.

Where:

$$\text{Sum C} = \text{Sum A} \times (\text{HK\$}214,000,000 \div 16,000,000 \div 2)$$

A new term relating to the maximum amount of downward adjustment to the Consideration for the 1st Profit Guarantee Period has been added as follows.

The maximum amount of Sum A shall be HK\$16,000,000 and that the maximum amount of downward adjustment of the Consideration for the 1st Profit Guarantee Period under the SP Agreement shall be HK\$107,000,000 even if the Target Group shall be loss making for the 1st Profit Guarantee Period.

Amendments to the provisions relating to Adjustment to the Consideration for the 2nd Profit Guarantee Period

The SP Agreement provides, and as disclosed in the Announcement, that if the actual Net Profit as stated in the audited consolidated financial statements of the Target Group for the 2nd Profit Guarantee Period shall be less than the Guaranteed Net Profit giving rise to a shortfall (“**Sum B**”), the Consideration shall be adjusted downward on terms as set out in the SP Agreement. A new term relating to a compensation payable by the Seller to the Purchaser and the right of the Seller to Consideration Shares for the 2nd Profit Guarantee Period has been added as follows.

In the event that the amount of Sum D shall be more than HK\$53,500,000, under such circumstances, the Seller shall compensate the Purchaser with the difference of Sum D less HK\$53,500,000 in cash on a dollar to dollar basis within 7 Business Days after the Purchaser has served onto the Vendor the net profit certificate for the 1st Profit Guarantee Period, and that the Seller shall not be entitled to the allotment by the Company of any Consideration Share under the SP Agreement for the 2nd Profit Guarantee Period.

Where:

$$\text{Sum D} = \text{Sum B} \times (\text{HK\$}214,000,000 \div 16,000,000 \div 2)$$

A new term relating to the maximum amount of downward adjustment to the Consideration for the 2nd Profit Guarantee Period has been added as follows.

The maximum amount of Sum B shall be HK\$16,000,000 and that the maximum amount of downward adjustment of the Consideration for the 2nd Profit Guarantee Period under the SP Agreement shall be HK\$107,000,000 even if the Target Group shall be loss making for the 2nd Profit Guarantee Period.

Other than the amendments set out in the Supplemental Agreement, all other terms and conditions of the SP Agreement shall remain in full force and effect.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Supplemental Agreement was entered into by the parties to supplement the terms in the SP Agreement relating to the adjustment to the Consideration. The amendments introduced by the Supplemental Agreement will provide the Company with further protection in the event the Target Company's Net Profit falls below the Guarantee Net Profit.

In view of the above, the Directors consider that the terms of the Supplemental Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FURTHER FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below are the consolidated financial information of the Target Group prepared in accordance with the HKFRS for the previous two financial years of Chamble International provided by the Seller:

Expressed in Hong Kong Dollars:

	For the year ended 31 December 2017 (unaudited) '000	For the year ended 31 December 2016 (audited) '000
Net profit before income taxes	2,091	84
Net profit after income taxes	1,746	80

Completion of the Acquisition is subject to the satisfaction and/or waiver of the conditions precedent under the SP Agreement and therefore, may or may not proceed. Shareholders and potential investors are advised to exercise caution in dealing in the Shares.

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

Hong Kong, 21 June 2018

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

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