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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



KINGSTON SECURITIES

THE PLACING

On 29 May 2017 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent agreed to procure, on a best effort basis, the Placees to subscribe for the Placing Shares at the Placing Price of HK\$0.13 per Placing Share. The Placing is conditional upon, among other things, the Stock Exchange agreeing to grant a listing of and permission to deal in the Placing Shares.

The 1,230,560,000 Placing Shares under the Placing represent (i) approximately 11.57% of the existing issued share capital of the Company as at the date of this announcement, and (ii) approximately 10.37% of the issued share capital of the Company as enlarged by the Placing Shares to be issued pursuant to the Placing.

The Placing Shares will be allotted and issued pursuant to the General Mandate.

An application will be made to the Listing Committee of the Stock Exchange for the approval for the listing of and permission to deal in the Placing Shares.

The gross proceeds and net proceeds from the Placing will amount to approximately HK\$160.0 million and approximately HK\$155.8 million respectively. The Company intends to use all of the net proceeds of the Placing as follow:

- i. approximately HK\$50 million will be used for repayment of loans of the Company;
- ii. approximately HK\$50 million will be used for the development of a large performance project in Halong City, Vietnam; and
- iii. the remaining balance of approximately HK\$55.8 million will be used for general working capital of the Group and/or investment opportunities as may be identified from time to time.

In the event that the Placing are not subscribed in full, the abovementioned application of net proceeds will be reduced proportionally.

Completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date : 29 May 2017 (after trading hours)

Parties : the Company (as issuer); and

Kingston Securities Limited (as Placing Agent)

Placing Agent

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to procure, on a best effort basis, the Placees to subscribe for the Placing Shares and will receive a placing commission of 2.5% the aggregate Placing Price of the Placing Shares placed in the Placing under the Placing Agreement. The Directors (including the independent non-executive Directors) are of the view that the placing commission is fair and reasonable.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the Placing Agent and its associates are independent of and not connected with the Company and/or its connected persons.

Placees

The Placing Shares will be placed to not less than six Placees which are independent professional, institutional and/or other investors, and who and whose ultimate beneficial owners will be third parties independent of and not connected with any of the connected persons of the Company or any of their respective associates. Upon completion of the Placing, it is expected that none of the Placees will become a substantial shareholder of the Company. If any of the Placees will become a substantial shareholder of the Company after completion of the Placing, further announcement will be made by the Company.

Number of Placing Shares

The 1,230,560,000 Placing Shares under the Placing represent (i) approximately 11.57% of the existing issued share capital of the Company as at the date of this announcement, and (ii) approximately 10.37% of the issued share capital of the Company as enlarged by the Placing Shares to be issued pursuant to the Placing.

Ranking of the Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue at the time of issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.13 per Share represents:

- (i) a discount of approximately 12.75% to the closing price per Share of HK\$0.149 as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 13.91% to the average closing price per Share of approximately HK\$0.151 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to, among other things, the prevailing market prices of the Shares. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement are on normal commercial terms, fair and reasonable based on the current market conditions and that the Placing is in the interest of the Company and its Shareholders as a whole.

Conditions of the Placing

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

- (a) the Listing Committee of the Stock Exchange granting a listing of, and permission to deal in, the Placing Shares; and
- (b) all necessary consents, approvals, authorisations and/or waivers having been obtained by the Company to effect the execution, completion and performance of the obligations and other terms of the Placing Agreement.

As at the date of the Placing Agreement, such conditions to the Placing have not yet been satisfied. If any of the above conditions has not been fulfilled on or before 13 June 2017 (or such later date as may be agreed between the Company and the Placing Agent in writing), all of the rights, obligations and liabilities of the Company and the Placing Agent shall cease and determine and none of the parties shall have any claim against any other party in respect of the Placing, save for any antecedent breaches.

Completion Date

Subject to the above conditions being satisfied, completion of the Placing will take place at 12:00 noon on the Completion Date.

Termination

The Placing Agent is entitled by notice in writing to the Company at any time prior to the Completion Date to terminate the Placing Agreement upon the occurrence of any of the following events which, in the reasonable opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions, affairs or prospects of the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement:

- (a) there develops, occurs or comes into force:
 - (1) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a material change in, or which may result in a material change in, political, economic, fiscal, financial, regulatory or stock market conditions in Hong Kong or any other jurisdiction relevant to the Group; or

- (2) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (3) any material change in conditions of local, national or international securities markets occurs in Hong Kong or the People's Republic of China; or
 - (4) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group; or
 - (5) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or any other jurisdiction relevant to the Group; or
- (b) any material breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement which, if remediable, is not duly rectified by the Company within 14 Business Days of written notice being given to the Company of such breach by the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement, which in each case, if remediable, is not duly rectified by the Company within 14 Business Days of written notice being given to the Company of such breach by the Placing Agent; or
- (c) there is any material adverse change in the financial position of the Group taken as a whole.

Upon the giving of the above mentioned notice by the Placing Agent to the Company, the Placing Agreement shall terminate and be of no further effect and all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement; and any expenses which have been accrued under the terms of the Placing Agreement prior to such termination.

GENERAL MANDATE

The Placing Shares will be issued under the General Mandate. Pursuant to the General Mandate, the total number of new Shares that the Directors are authorised to allot and issue is 2,070,560,050 new Shares. Up to the date of this announcement (and without taking into account the Placing Shares), 840,000,000 Shares of the General Mandate have been utilised as detailed in the Company's announcements dated 26 January 2017, 21 March 2017 and 21 April 2017. The total number of new Shares that can be allotted and issued under the General Mandate as at the date of this announcement is 1,230,560,050 new Shares. As the Placing Shares are to be issued under the General Mandate, the allotment and issue of the Placing Shares is not subject to Shareholders' approval.

REASONS FOR THE PLACING AND USE OF PROCEEDS

Assuming that all the Placing Shares are successfully placed by the Placing Agent, the gross proceeds from the Placing will be approximately HK\$160.0 million, and the net proceeds (after deducting the placing commission and other costs and expenses) will be approximately HK\$155.8 million. The net proceeds raised per Share will be approximately HK\$0.127 per Placing Share.

The Company intends to use the net proceeds from the Placing as follow:

- i. approximately HK\$50 million will be used for repayment of loans of the Company;
- ii. approximately HK\$50 million will be used for the development of a large performance project in Halong City, Vietnam; and
- iii. the remaining balance of approximately HK\$55.8 million will be used for general working capital of the Group and/or investment opportunities as may be identified from time to time.

In the event that the Placing are not subscribed in full, the abovementioned application of net proceeds will be reduced proportionally.

The Directors are of the view that the Placing will provide a good opportunity to raise additional funds to facilitate the Company's future development as well as to widen the Shareholder base. Accordingly, the Directors, including the non-executive Directors and independent non-executive Directors, consider that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholder as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE

For illustrative purpose only and assuming no further issue of new Shares or repurchase of Shares by the Company from the date of this announcement up to the date of completion of the Placing, and no change in shareholding of the Shareholders set out below, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Placing is as follows:

	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Shareholders				
A Plus Capital Management Limited (<i>Note 1</i>)	1,371,780,000	12.90%	1,371,780,000	11.56%
Majestic Wealth International Limited (<i>Note 2</i>)	697,000,000	6.56%	697,000,000	5.88%
Placees	–	–	1,230,560,000	10.37%
Other public Shareholders	<u>8,564,020,252</u>	<u>80.54%</u>	<u>8,564,020,252</u>	<u>72.19%</u>
Total	<u>10,632,800,252</u>	<u>100.00%</u>	<u>11,863,360,252</u>	<u>100.00%</u>

Notes:

- As at the date of this announcement, A Plus Capital Management Limited indirectly holds 1,347,780,000 Shares through Tiger Capital Fund SPC – Tiger Global SP and another 24,000,000 Shares indirectly.
- As at the date of this announcement, Majestic Wealth International Limited is a private company which is wholly-owned by Ms. Liang Yanzhi.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Set out below is a summary of the fund raising activities in the past 12 months immediately before the date of this announcement:

Date of announcement	Description	Net proceeds	Intended use of proceeds	Actual use of proceeds
28 October 2016	placing of 6,000,000,000 new Shares pursuant to the placing agreement dated 19 May 2016	approximately HK\$580 million	(i) the subscription of the Subscription Shares and ICPS by Impression Culture pursuant to the subscription agreement dated 4 February 2016 entered into between Impression Culture and Yong Tai (as supplemented by the addendum dated 20 July 2016); and (ii) general working capital of the Group, including the payment of salaries, rental expenses, other administrative and operating expenses	(i) approximately HK\$517.7 million has been used for the subscription of the Subscription Shares and ICPS by Impression Culture pursuant to the subscription agreement dated 4 February 2016 entered into between Impression Culture and Yong Tai (as supplemented by the addendum dated 20 July 2016); and (ii) approximately HK\$62.3 million has been used for general working capital of the Group, including the payment of salaries, rental expenses, other administrative and operating expenses

Save as disclosed above, the Company has not conducted any fund raising activities in the past 12 months immediately before the date of this announcement.

APPLICATION FOR LISTING

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

Completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“EGM”	the extraordinary general meeting of the Company held on 21 November 2016
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday) on which banks in Hong Kong are open for business
“Company”	Sino Haijing Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1106)
“Completion Date”	the seventh Business Day (or such later date as may be agreed between the Company and the Placing Agent in writing) following the fulfillment of the conditions specified in the Placing Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors by a resolution of the Shareholders passed at the EGM to allot, issue and deal with up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the EGM (i.e. a maximum of 2,070,560,050 Shares)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“ICPS”	the irredeemable convertible preference shares of Malaysian Ringgit Eight Sen (RM0.80) each in Yong Tai

“Impression Culture”	Impression Culture Asia Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Last Trading Day”	29 May 2017, being the last trading day in the Shares prior to the issue of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as may be amended from time to time
“Placee(s)”	any independent professional, institutional and/or other investors procured by the Placing Agent and/or any of its agent(s) to subscribe for any of the Placing Shares
“Placing”	the placing, on a best effort basis, of up to 1,230,560,000 Placing Shares by the Placing Agent pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in Type 1 regulated activity (dealing in securities) under the SFO
“Placing Agreement”	the conditional placing agreement dated 29 May 2017 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.13 per Placing Share
“Placing Shares”	a maximum of 1,230,560,000 new Shares to be placed under the Placing
“Share(s)”	ordinary share(s) of HK\$0.0125 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Shares”	the subscription shares of 150,000,000 new ordinary shares of Yong Tai
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules

“Yong Tai”

Yong Tai Berhad, a company incorporated in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad

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

Hong Kong, 29 May 2017

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