**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 85% SHAREHOLDING IN MASTER RACE LIMITED

## THE ACQUISITION

On 23 January 2016, the Purchaser (a wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendor pursuant to which the Vendor has agreed conditionally to sell, and the Purchaser has conditionally agreed to purchase the Sale Shares (representing 85% of the issued share capital of the Target Company) at the Consideration of HK$135,000,000.

The Target Company is wholly-owned by the Vendor as at the date of this announcement. Immediately upon Completion, the Target Group will become indirect non-wholly-owned subsidiaries of the Company and the financial results of the Target Group will be consolidated into the consolidated financial statements of the Company.

## 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 exceeds 5% but is 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 SALE AND PURCHASE AGREEMENT

| | | |
|---|---|---|
| Date: | 23 January 2016 | |
| Parties: | Vendor: | Cherry Square Limited |
| | Purchaser: | World Spark Holdings Limited, a 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.

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares, representing 85% of the issued share capital of the Target Company at the consideration of HK$135,000,000.

### Assets to be acquired

The Sale Shares, being 85 shares of US$1 each in the share capital of the Target Company, representing 85% of the issued share capital of Target Company.

### Consideration

The Consideration for the Sale Shares is HK$135,000,000, which shall be satisfied by the Purchaser to the Vendor in full by cash 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 track record of the cultural show 印象劉三姐 (Impression Liu Sanjie*); (ii) the potential earnings prospects of the Target Group, and (iii) the preliminary appraised value of the Target Group of HK$160 million) as at 19 January 2016 adopting income approach using discounted cash flow method prepared by Witz International Consultants Group Ltd., an independent professional valuer (the "**Independent Valuer**").

**Conditions Precedent**

Completion of the Acquisition is conditional upon the fulfillment of the following conditions on or before the Long Stop Date:

(a) the Purchaser being satisfied with the result of its financial, legal and business due diligence conducted on of the Target Group;

(b) all necessary consents, licences and approvals required to be obtained on the part of the Vendor and the Target Group in respect of the Sale and Purchase Agreement and the transactions contemplated thereby have been obtained and remain in full force and effect;

(c) all necessary consents, licences and approvals required to be obtained on the part of the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereby have been obtained and remain in full force and effect;

(d) the representations, warranties and undertakings given by the Vendor have remained true and accurate in all respects and not misleading;

(e) the Purchaser having obtained a legal opinion (in the form and substance to the reasonable satisfaction of the Purchaser) from the PRC legal adviser appointed by the Purchaser in respect of the transactions contemplated under the Sale and Purchase Agreement, including but not limited to the due incorporation and subsistence of, and the ownership of the equity interest in, Qianhai Chengkai and Guilin Jinxiu Shanhe, the legality of the business to be conducted by Qianhai Chengkai and Guilin Jinxiu Shanhe, and the legality and enforceability of the Exclusive Ticket Agency Agreement;

(f) the Purchaser having obtained the Valuation Report (in the form and substance satisfactory to the Purchaser) from an independent professional valuer appointed by the Purchaser with the valuation of the Target Group of not less than HK$160 million;

(g) the Purchaser being reasonably satisfied that there has not been any material adverse change on the Target Group since the date of the Sale and Purchase Agreement; and

(h) Qianhai Chengkai having entered into the Exclusive Ticket Agency Agreement with 桂林廣維文華旅遊文化產業有限公司 ("Guangwei Wenhua") pursuant to which Qianhai Chengkai will be granted an exclusive ticketing agency right for the cultural show namely Impression Liu Sanjie* (印象劉三姐) by Guangwei Wenhua for a term of 20 years.

The Purchaser may in its absolute discretion at any time waive any of the Conditions (a), (d) and (g). All other Conditions are incapable of being waived by either the Purchaser or the Vendor.

If any of the Conditions have not been fulfilled or waived (as the case may be) by the Long Stop Date, the Sale and Purchase Agreement shall be terminated and neither party to the Sale and Purchase Agreement shall have any liability thereunder, save and except any antecedent breaches.

**Completion**

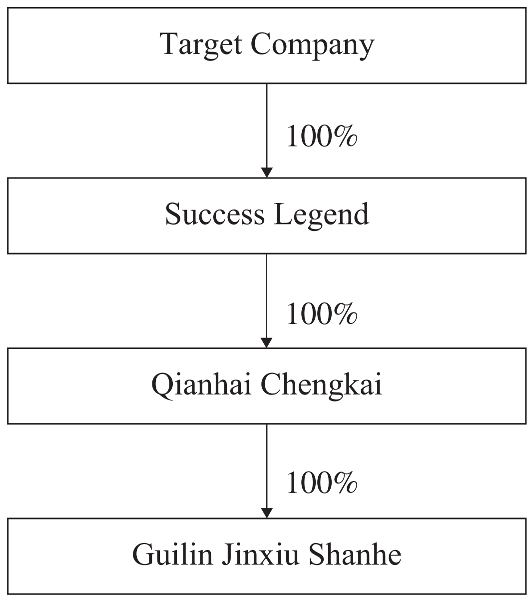
Subject to the fulfilment or waiver (as the case maybe) of the Conditions (a) to (h) set out above, Completion shall take place on the Completion Date.

Pursuant to the terms of the Sale and Purchase Agreement, the Vendor undertakes to the Purchaser that after Completion, any indemnities against the Target Group under the Performance Undertaking (as defined under the section headed The Exclusive Ticket Agency Agreement in this announcement) of the Exclusive Ticket Agency Agreement shall be borne by the Vendor.

Upon Completion, the Company will own 85% shareholding in the Target Company and the financial results the Target Group will be consolidated into the Company’s consolidated financial statements.

## INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the British Virgin Islands on 5 January 2016 with limited liability and is wholly and beneficially owned by the Vendor. The Target Company is principally engaged in investment holding. Save for its investment in 100% shareholding in Success Legend, the Target Company has no any other business activities since its incorporation. Set out below is the corporate structure of the Target Group:




Success Legend is a company incorporated in Hong Kong on 24 August 2015 with limited liability and is wholly-owned by the Target Company. Success Legend is principally engaged in investment Holding. Save for its investment in 100% equity interest in Qianhai Chengkai, Success Legend has no any other business activities since its incorporation.

Qianhai Chengkai is a company incorporated in the PRC on 15 December 2015 with limited liability and is wholly-owned by Success Legend. Qianhai Chengkai is principally engaged in ticketing agency business, corporate image advisory and cultural and marketing activities planning business. As one of the Conditions to complete the Acquisition, Qianhai Chengkai will enter into the Exclusive Ticket Agency Agreement with Guangwei Wenhua pursuant to which Qianhai Chengkai will be granted an exclusive ticketing agency right for the cultural show namely Impression Liu Sanjie* (印象劉三姐) by Guangwei Wenhua for a term of 20 years. Since the incorporation of Qianhai Chengkai, it has no material assets and liabilities and has not generated any revenue or profit.

Guilin Jinxiu Shanhe is a company incorporated in the PRC on 19 January 2016 with limited liability and is wholly-owned by Qianhai Chengkai. Guilin Jinxiu Shanhe is principally engaged in ticketing agency business, corporate advisory, business service and advertising business etc. Since the incorporation of Guilin Jinxiu Shanhe, it has no material assets and liabilities and has not generated any revenue or profit.

**The Exclusive Ticket Agency Agreement**

Parties: Qianhai Chengkai and Guangwei Wenhua

Term: 16 January 2016 to 15 January 2036

The board composition of Guangwei Wenhua comprises seven directors while Ms. Hu Jianping, an executive Director of the Company, is also one of the directors of Guangwei Wenhau and the vice general manager of Guangwei Wenhua. As such, Ms. Hu Jianping has a material interest in the Acquisition. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Ms. Hu Jianping had no shareholding in Guangwei Wenhua and had no relation with the other six directors of Guangwei Wenhua and their respective associates. Ms. Hu Jianping had abstained from voting at the relevant board meeting of the Company.

**Services**

Under the Exclusive Ticket Agency Agreement, Qianhai Chengkai has agreed to act as an exclusive agent of Guangwei Wenhua for (i) selling of ticket of Impression Liu Sanjie* (印象劉三姐) to public in the PRC (apart from the ticket booth (the "**Ticket Booth**") established by Guangwei Wenhua located at the entrance of Impression Liu Sanjie*'s cabaret); (ii) selling of tourism tickets related to Impression Liu Sanjie* (印象劉三姐) designed by Guangwei Wenhua; and (iii) formulate and design tourism package related to Impression Liu Sanjie* (印象劉三姐) for sale.

**Major terms**

- Upon signing of the Exclusive Ticket Agency Agreement, Qianhai Chengkai shall within one month pay to Guangwei Wenhua a refundable deposit of RMB2 million.

- Save for the Ticket Booth, Guangwei Wenhua shall not establish any other ticket booth at any other location.

- Upon signing of the Exclusive Ticket Agency Agreement, Qianhai Chengkai undertake to Guangwei Wenhua that (i) average annual sales of ticket of Impression Liu Sanjie* (印象劉三姐) of not less than 1.3 million tickets for each of the years 2016, 2017 and 2018 (the "**Sales Target**"); and (ii) not less than 2% annual increase of ticket sales in the years 2019 and 2020 ((i) and (ii) collectively known as the "**Performance Undertaking**").

- In the event that (i) Qianhai Chengkai could not achieve the Sales Target, Qianhai Chengkai shall pay to Guangwei Wenhua an amount of RMB10 million; and (ii) Qianhai Chengkai could not achieve an annual sales growth of 2% in the years 2019 and 2020, Qianhai Chengkai shall indemnify to Guangwei Wenhua an amount of RMB10 million each year.

## VALUATION

According to the Valuation Report, the valuation of the Target Group is prepared using discounted cash flow method under the income approach. Therefore, the valuation is regarded as a profit forecast under Rule 14.61 of the Listing Rules and Rules 14.60A and 14.62 of the Listing Rules are applicable.

### Assumptions of Valuation

As required under Rule 14.62(1) of the Listing Rules, details of the principal assumptions upon which the Valuation Report was based are set out below:

- The projected business related to the Group could be achieved with the effort of the Management.

- All proposed facilities, systems and manpower will work properly and will be sufficient for future expansion in order to realize the growth potential of the business and maintain a competitive edge;

- No new ordinances or/and regulations will be promulgated by the PRC government or regulatory bodies which will negatively affect or discontinue the business of the Group;

- No material change in the existing political, legal, technological, fiscal or economic condition which may adversely affect the business of the Group;

- No major changes in the current taxation laws in the PRC, and the rates of tax payable remain unchanged;

- No significant change in the management of the Group in the foreseeable future that may adversely affect the business of the Group;

- The operating licenses and incorporating documents of the Company and its subsidiaries are reliable and legitimate;

- Operational and contractual terms bound by the contracts and agreements entered into by the Company and/ or its subsidiaries will be honored;

- Competitive advantages and disadvantages of the Group do not change significantly during the period under consideration.

Major assumptions and considerations specific to this valuation exercise were listed below:

- The forecast period is assumed to commence from January 2016 to January 2036, which is in line with the 20-year term of the exclusive ticketing agency agreement between Guangwei Wenhua and Qianhai Chengkai;
- Income from ticket sales of the "Impression – Liu Sanjie" show and advertising income related to advertisements on the tickets are considered in this valuation;
- It is assumed to launch about 500 shows of "Impression – Liu Sanjie" per year;
- Number of show attendees is assumed to reach 1.5 million in 2016 and is estimated to increase slightly at an annual rate of about 1.2% from 2017 to 2020 and will remain unchanged after 2020;
- Estimated average income per ticket is assumed to be approximately RMB22 in 2016 and is forecast to increase by 15% in 2017 subject to government approval. Annual increment of 5% is assumed from 2018 to 2021 and 3% after 2021;
- Business tax, education tax and corporate income tax are assumed at 5.56%, 0.17% and 25% respectively;
- Office facilities are assumed to depreciate at 10% per annum;
- Initial capital expenditures are assumed to be RMB300,000 in 2016;
- No finance charge is considered in this valuation;
- Discount rate adopted is 20%.

**Confirmations**

Chanceton Capital Partners Limited ("**Chanceton Capital**"), acting as the Company's financial adviser, has confirmed that it is satisfied that valuation of the Target Company has been made by the Directors after due and careful enquiry.

A letter from Moore Stephens CPA Limited ("**Moore Stephens**"), the Company's reporting accountants, dated 23 January 2016 with respect to the profit forecast as required under Rule 14.62(2) of the Listing Rules and a letter from Chanceton Capital dated 23 January 2016 in compliance with Rule 14.62(3) of the Listing Rules have been submitted to the Stock Exchange, the texts of which are included in Appendix I and Appendix II to this announcement, respectively.

**Experts and Consents**

The qualifications of the experts who have given their statements in this announcement are as follows:

| Name | Qualification |
|---|---|
| Witz International Consultants Group Ltd. | Independent Valuer |
| Moore Stephens | Certified Public Accountants |
| Chanceton Capital | A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO |

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Independent Valuer, Moore Stephens and Chanceton Capital are Independent Third Parties. As at the date of this announcement, neither the Independent Valuer, Moore Stephens nor Chanceton Capital has any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the Independent Valuer, Moore Stephens and Chanceton Capital has given and has not withdrawn its written consent to the issue of this announcement with inclusion of its letter and/or all references to its name (including its qualification) in the form and context in which they are included.

## 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.

Based on the information provided by the Vendor and the public information, Impression Liu Sanjie* (印象劉三姐) is an outdoor night show beside the Li River in Yangshuo. Different from other shows in an enclosed space, the show Impression Liu Sanjie* (印象劉三姐) stages in the actual Li River. The mist, moonlight, together with peaks and their inverted reflections in the river all creates a spectacular natural backdrop. The large-scaled lights system, special smoke-effect system and the overwhelming sound system in harmony with the natural landscape presents a visual feast to audients. The show lasts approximately 70 minutes and consists of 7 episodes. Each episode displays different images and sceneries with the ever-changing natural background and lighting.

There are 600 actor and actress involved and most of them are local people from the villages along the river. Zhang Yimou, the chief director of the performance, creatively combines the classical Liu Sanjie's folk songs and ethnic group culture together and presents a large-scale realistic performance in harmony with landscape. As indicated by the management of the Target Company, there are over 500 shows performed every year.

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 tourism industry in Guangxi and the track record of the cultural show Impression Liu Sanjie* (印象劉三姐), the Board is optimistic about the Acquisition and is of the view the Acquisition is an attractive opportunity for the Group to enhance its business portfolio in the tourism industry.

The Board believes that the Acquisition will enable the Company to broaden the income source and strengthen its asset base.

In consideration of the above, the Board considers that the terms of the Sale and Purchase 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 exceeds 5% but is 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 Shares pursuant to the Sale and Purchase 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 its 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 Sale and Purchase Agreement |
| "Completion Date" | the date on which the Completion shall take place and such day shall fall within 10 Business Days after all the Conditions shall have been fulfilled or waived (or such other date as may be agreed between the Purchaser and the Vendor) |

| | |
|---|---|
| "Conditions" | conditions precedent to the Completion pursuant to the Sale and Purchase Agreement |
| "connected person(s)" | has the meaning ascribed to it under the Listing Rules |
| "Consideration" | HK$135,000,000 being the aggregate consideration for the Acquisition |
| "Director(s)" | the director(s) of the Company |
| "Exclusive Ticket Agency Agreement" | the exclusive ticket sales agency agreement to be made between Guangwei Wenhua and for appointing Qianhai Chengkai as an exclusive ticketing agent of Guangwei Wenhua for the cultural show named Impression Liu Sanjie* (印象劉三姐) |
| "Group" | the Company and its subsidiaries |
| "Guilin Jinxiu Shanhe" | Guilin Jinxiu Shanhe Tourism Advisory Co., Ltd.* (桂林錦綉山河旅遊諮詢有限公司), a company incorporated in the PRC on 19 January 2016 with limited liability |
| "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 |
| "Long Stop Date" | the date falling 6 months after the signing of the Sale and Purchase Agreement |
| "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 |
| "Purchaser" | World Spark Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company |
| "Qianhai Chengkai" | Shenzhen Qianhai Chengkai Culture Development Co., Ltd.* (深圳前海誠凱文化發展有限公司), a company incorporated in the PRC on 15 December 2015 with limited liability |

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|---|---|
| "Sale and Purchase Agreement" | the agreement dated 23 January 2016 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares |
| "Sale Shares" | 85 shares of the Target Company, representing 85% 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$0.0125 each in the issued and unissued share capital of the Company |
| "Shareholder(s)" | holder(s) of the Share(s) |
| "Success Legend" | Success Legend Investment Development Limited (誠豐投資發展有限公司), a company incorporated in Hong Kong on 24 August 2015 with limited liability |
| "Target Company" | Master Race Limited, a company incorporated in the British Virgin Islands on 5 January 2016 with limited liability and is wholly owned by the Vendor |
| "Target Group" | the Target Company, Success Legend, Qianhai Chengkai and Guilin Jinxiu Shanhe |
| "Vendor" | Cherry Square Limited, a company incorporated in the British Virgin Islands on 5 January 2016 with limited liability |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "%" | per cent |

By order of the Board
**Sino Haijing Holdings Limited**
**Li Zhenzhen**
*Executive Director*

Hong Kong, 23 January 2016

* *For identification purposes only*

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

*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.*

23 January 2016

The Board of Directors
Sino Haijing Holdings Limited
Suites 3701-10, 37th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

Dear Sirs,

**Comfort Letter on Calculations of the Discounted Future Estimated Cash Flows in connection with the Business Valuation of Equity Interest in Master Race Limited and its subsidiaries**

We have checked the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the business valuation prepared by Witz International Consultants Group Limited dated 23 January 2016, in respect of the 100% of the issued share capital of Master Race Limited (the "Target Company") which holds 100% equity interests in Success Legend Investment Development Limited, 深圳前海誠凱文化發展有限公司 and 桂林錦綉山河旅游諮詢有限公司 (collectively the "Target Group") as at 19 January 2016 (the "Valuation") is based. The Valuation based on discounted future estimated cash flows is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and will be included in the announcement dated 23 January 2016 (the "Announcement") issued by Sino Haijing Holdings Limited (the "Company") in connection with the proposed acquisition of 85% of the issued share capital of the Target Company.

**Directors' Responsibility for the discounted future estimated cash flows**

The directors of the Company (the "Directors") are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the Directors and set out in the Announcement (the "Assumptions"). This responsibility includes carrying appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**Reporting accountants' independence and quality control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting accountants' responsibility**

It is our responsibility to draw a conclusion, based on our work on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based and to present our conclusion solely to you, as a body, for the purpose of the requirement under paragraph 14.62(2) of the Listing Rules and for no other purpose. We are not reporting on the appropriateness and validity of the Assumptions on which the Valuation are based and our work does not constitute any valuation of the Target Group. The Valuation does not involve the adoption of accounting policies. The Assumptions used in the preparation of the Valuation include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. We have not reviewed, considered or conducted any work on the completeness, reasonableness and the validity of the Assumptions and thus express no opinion whatsoever thereon. Our work is more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. We also accept no responsibility to any other person in respect of, arising out of, or in connection with our work.

**Basis of conclusion**

We conducted our work in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the HKICPA. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based which is prepared based on the Assumptions made by the Directors. Our work has been undertaken solely to assist the Directors in evaluating whether the discounted future estimated cash flows on which the Valuation is based, so far as the arithmetical accuracy of the calculations is concerned, has been properly compiled in accordance with the Assumptions made by the Directors. Our work does not constitute any valuation of the Target Group.

**Conclusion**

Based on the foregoing, nothing has come to our attention that causes us to believe that the discounted future estimated cash flows, so far as the calculations are concerned, have not been properly compiled, in all material respects, in accordance with the Assumptions.

Yours faithfully,
**Moore Stephens CPA Limited**
*Certified Public Accountants*
**Joanne Y.M. Hung**
Practising Certificate Number P05419
Hong Kong

*The following is the text of the letter dated 23 January 2016 from Chanceton Capital Partners Limited, which was prepared for the incorporation in this announcement.*

23 January 2016

The Board of Directors
Sino Haijing Holdings Limited
Suites 3701-10, 37th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

Dear Sirs,

**Re: Discloseable Transaction – Valuation of 100% equity interest of Master Race Limited (the "Target Company") and its subsidiaries (collectively, the "Target Group") in relation to the acquisition of 85% equity interest in the Target Company**

We refer to the discounted cash flow forecasts underlying the business valuation (the "Valuation") report dated 23 January 2016 prepared by Witz International Consultants Group Ltd. (the "Valuer") in relation to the appraisal of the valuation of the entire equity interests in Target Group as at 19 January 2016. The Valuation is regarded as a profit forecast under Rule 14.61 of the Listing Rules. The Valuation is contained in the announcement of the Company dated 23 January 2016 (the "Announcement"), of which this report forms part. Capitalised terms used in this letter have the same meanings as defined in the Announcement unless the context otherwise requires.

We have reviewed the forecasts upon which the Valuation has been made and have discussed with you and the Valuer the information and documents provided by you which formed part of the basis and assumptions upon which the profit forecasts have been prepared. We have also considered the letter from Moore Stephens CPA Ltd. dated 23 January 2016 addressed to you as set out in Appendix I to the Announcement regarding the calculations and arithmetical accuracy of the Valuation upon which the profit forecasts have been made. As the relevant bases and assumptions are about future events which may or may not occur, the actual financial performance of the businesses of the Target Group may or may not achieve as expected and the variation may be material.

On the basis of the foregoing and without giving any opinion on the reasonableness of the valuation methods, bases and assumptions adopted by the Valuer on the Valuation, for which the Valuer and the Company are responsible, we are of the opinion that the profit forecast upon which the Valuation has been made, for which you as the Directors are solely responsible, have been made after due and careful enquiry by you. Our opinion has been given for the sole purpose of compliance with Rule 14.62(3) of the Listing Rules and for no other purpose.

Yours faithfully,
For and on behalf of
**Chanceton Capital Partners Limited**
**Wong Kam Wah**
*Managing Director*