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## **China Jinhai International Group Limited**

**中國金海國際集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 139)**

### **UPDATE ON**

### **(I) SUBSCRIPTION OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE; AND (II) MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE PROPOSED ACQUISITION**

Reference is made to the announcements of the Company dated 30 July 2014 (“**July Announcement**”), 28 August 2014 (“**August Announcement**”), 31 October 2014 (“**October Announcement**”) and 8 December 2014 (“**December Announcement**”) respectively. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the July Announcement, the August Announcement, the October Announcement and the December Announcement.

### **SUBSCRIPTION AGREEMENT**

As disclosed in the July Announcement and the October Announcement, the Company (as the issuer) entered into the Subscription Agreement with Mr. Fu (as the Subscriber) in relation to the Subscription of Convertible Notes. Pursuant to the Subscription Agreement and the supplemental agreement, the Long Stop Date for fulfillment of the conditions precedent under the Subscription Agreement is 31 December 2014. It is now past the Long Stop Date, but the conditions precedent to the Subscription Agreement have not been completed on or before the Long Stop Date.

### **MOU**

As disclosed in the August Announcement and the October Announcement, the Company and Mr. Fu (the Controlling Shareholder) entered into the memorandum of understanding in relation to the Proposed Acquisition by the Company or its nominated subsidiary of the entire issued share capital of the Target Company for an aggregate purchase price of HK\$600 million (“**MOU**”). Pursuant to the MOU, the Controlling Shareholder has undertaken that during the Exclusivity Period he shall not, and shall procure that no person or entity controlled by him (including the Target Company) nor any affiliate of any of them, nor any Related Persons will seek, encourage, solicit, entertain or assist in or finance, any proposals, continue any discussions with, engage in or continue to engage in any negotiations or enter into any agreement or transaction relating to, any Alternative Transaction. Pursuant to an addendum dated 31 October 2014 to supplement the MOU, the

\* *For identification purposes only*

expiry date of the Exclusivity Period was extended to 31 December 2014. The Exclusivity Period has expired as at the date of this announcement, but the terms of the Proposed Acquisition and the formal agreement(s) have not been reached between the parties to the MOU within the Exclusivity Period.

Having said the above, the Company is still actively pursuing discussions with Mr. Fu with an aim to re-negotiate the transaction terms of the subscription of the convertible notes by Mr. Fu and the proposed acquisition of the third party payment business from Mr. Fu respectively, in view of the long lapse of time since the entering into of the Subscription Agreement and the MOU and the proposed Rights Issue as announced by the Company in the December Announcement.

The Company will provide an update to the Exchange and the public in form of an announcement as soon as practicable regarding the latest development of the above-mentioned re-negotiation.

**No legally binding agreement has been entered into by the Company as at the date of this announcement. As the subscription of convertible notes by Mr. Fu and the proposed acquisition of the third party payment business from Mr. Fu may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares.**

By Order of the Board  
**China Jinhai International Group Limited**  
**Wong Howard**  
*Chairman*

Hong Kong, 6 January 2015

*As at the date of this announcement, the Board comprises:*

**Executive Directors**

Mr. Wong Howard  
*(Chairman and Chief Executive Officer)*  
Dr. Kwong Kai Sing, Benny *(Managing Director)*  
Mr. Wong Yat Fai  
Ms. Davis Angela Hendricks  
Ms. Chen Wei  
Mr. Zhan Jianzhou

**Independent Non-executive Directors**

Mr. Li Chi Ming  
Mr. Kwok Chi Kwong  
Mr. Chen Youchun  
Mr. Frank H. Miu  
Mr. Tsang Wing Ki