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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**”), 8 December 2014 (“**December Announcement**”) and 6 January 2015 (“**January 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, the December Announcement and the January Announcement.

In recent discussions with Mr. Fu, the Company was informed by Mr. Fu that the third party payment market in the PRC has undergone and is expected to continue to undergo significant changes and reforms. Further, since entering into the MOU in August 2014, the third party payment business undertaken by the Target Group also saw significant new developments. Mr. Fu therefore re-considered the Proposed Acquisition under the MOU, and came to the view that it is now pre-mature to sell the Target Company to the Company as contemplated under the MOU. In view of this, the Company terminated the discussions with Mr. Fu with regards to the Proposed Acquisition. Furthermore, the proposed subscription of convertible notes by Mr. Fu as announced in the July Announcement will also not proceed given the Long Stop Date of the Subscription Agreement has past, and the parties have not reached any new or revised agreement in relation thereto.

The Board considers that the termination of the Proposed Acquisition and the proposed subscription of convertible notes by Mr. Fu will not have any material adverse financial impact on the existing business operations and financial position of the Group.

**Shareholders and potential investors of the shares of the Company should exercise caution when dealing in the Shares.**

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

Hong Kong, 19 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

*\* For identification purposes only*