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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)

(Stock Code of Warrants: 1436)

COMPLETION OF SUBSCRIPTION OF NEW SHARES

APPOINTMENT OF DIRECTORS

AND

ADJUSTMENT TO THE EXERCISE PRICE OF THE WARRANTS

SUMMARY

The Board is pleased to announce that the Subscription was completed on 18 August 2015.

As a result of the completion of the Subscription:

- (i) the appointment of Mr. Wei Zhenyu (韋振宇) and Ms. Zhang Yiwen (張一文), the nominees proposed by the Subscriber to the Board for appointment as executive Directors and approved by the Shareholders at the SGM held on 23 July 2015, has become effective on 18 August 2015; and
- (ii) the exercise price of the outstanding Warrants has been adjusted from HK\$0.10 each to HK\$0.068 each in accordance with the terms of the Warrant Instrument.

References are made to the announcement dated 27 May 2015, the circular dated 7 July 2015 (the “**Circular**”), the notice of the SGM dated 7 July 2015 and the announcement dated 23 July 2015 of the Company in relation to, among other matters, the Subscription and the Whitewash Waiver.

Unless the context otherwise requires, capitalised terms used in this announcement have the same meanings as those defined in the Circular.

* For identification purpose only

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that, with all the conditions precedent to completion of the Subscription having been fulfilled, the Subscription took place on 18 August 2015. Immediately following completion of the Subscription Agreement, Mr. Wei Zhenyu (韋振宇), the Subscriber, has become the beneficial owner of a total of 4,000,000,000 new Shares (being the Subscription Shares subscribed for by him under the Subscription Agreement). Accordingly, immediately after completion of the Subscription, there are 8,407,095,605 Shares in issue.

STRUCTURE OF SHAREHOLDING

The following table shows the shareholding structure of the Company (i) immediately before completion of the Subscription and (ii) immediately after completion of the Subscription:

Shareholders	Immediately before completion of the Subscription		Immediately after completion of the Subscription	
	Number of Shares	%	Number of Shares	%
Subscriber (namely Mr. Wei Zhenyu) and parties acting in concert with him (<i>Note 1</i>)	0	0	4,000,000,000	47.58
Joyous Keen Limited (<i>Note 2</i>)	631,530,000	14.33	631,530,000	7.51
Director Wang Haixiong	460,000,000	10.44	460,000,000	5.47
<i>Sub-total of non-public Shareholders:</i>	<i>1,091,530,000</i>	<i>24.77</i>	<i>5,091,530,000</i>	<i>60.56</i>
Public Shareholders	<u>3,315,565,605</u>	<u>75.23</u>	<u>3,315,565,605</u>	<u>39.44</u>
Total:	<u><u>4,407,095,605</u></u>	<u><u>100</u></u>	<u><u>8,407,095,605</u></u>	<u><u>100</u></u>

Notes:

1. Please refer to the paragraph headed “Information on the Subscriber” in the section headed “Letter from the Board” in the Circular.
2. Joyous Keen Limited is a company incorporated in Hong Kong and owned as to 50% by Chen Anfeng and Chong In Peng.

APPOINTMENT OF DIRECTORS

As disclosed in the Circular, the Subscriber had proposed two nominees to the Board for election as executive Directors (namely the Subscriber himself, Mr. Wei Zhenyu (韋振宇), and Ms. Zhang Yiwen (張一文)) (collectively, the “**Incoming Directors**”). The appointments of the Incoming Directors were approved by the Shareholders at the SGM held on 23 July 2015 and their appointments have taken effect from 18 August 2015.

The biographical details of the Incoming Directors are set out below:

Mr. WEI Zhenyu (韋振宇), aged 30, is currently and has been the director and chairman of Hubei Lan Ding Holding Company Limited* (湖北藍鼎控股股份有限公司), a Shenzhen-listed company (stock code: 000971), since December 2014. He holds an EMBA degree of the Business School of Nankai University* (南開大學商學院). Moreover, Mr. Wei has been appointed and still serves as the executive director and general manager of Shenzhen De Ze Shi Jia Technology Investment Company Limited* (深圳德澤世家科技投資有限公司) and the executive director and manager of Lan Ding Industry (Hubei) Company Limited* (藍鼎實業(湖北)有限公司) since November 2014 and December 2014 respectively.

Other than his executive directorship with the Company, Mr. Wei did not hold any position(s) with the Company and other members of the Group as at the date of this announcement. Further, except for being the director and chairman of Hubei Lan Ding Holding Company Limited* (湖北藍鼎控股股份有限公司), a Shenzhen-listed company (stock code: 000971), he did not hold any directorship in other listed public companies in the last three years prior to the date of this announcement.

As a result of the completion of the Subscription, Mr. Wei has become the controlling shareholder (as defined in the Listing Rules) of the Company and holds 4,000,000,000 Shares, representing approximately 47.58% of the issued share capital of the Company as at the date of this announcement. Save as disclosed, Mr. Wei does not have, directly or indirectly, any interest in Shares within the meaning of Part XV of the SFO, and is not connected, and does not have any relationship, with any Directors, senior management or other substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

Mr. Wei has not been appointed for any fixed term but is subject to retirement and re-election in accordance with the bye-laws of the Company. Pursuant to the service agreement entered into between the Company and Mr. Wei, Mr. Wei is entitled to receive a remuneration package of HK\$50,000 per month plus a discretionary bonus as may be determined by the Board with reference to his performance. The foregoing emolument of Mr. Wei is recommended by the Company's remuneration committee and approved by the Board with reference to his qualifications, experience and responsibilities with the Group.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in relation to the appointment of Mr. Wei as an executive Director.

Ms. ZHANG Yiwen (張一文), aged 48, is currently and has been the Chief Financial Officer (CFO) of Beijing Long Hui Feng Investment Management Ltd.* (北京龍惠鋒投資管理有限公司), since October 2008. She holds an EMBA degree of the Business School of Nankai University* (南開大學商學院). Ms. Zhang also served as a CFO of Beijing Weigong Yuanding Real Estate Development Group Co., Ltd.* (北京魏公元鼎房地產開發集團有限公司) from 2002 to 2008 and previously served as a finance manager of Shanxi Shengbao Enterprise Group Co., Ltd.* (山西生寶企業集團有限公司) from 1992 to 2000.

Other than her executive directorship with the Company, Ms. Zhang did not hold any position(s) with the Company and other members of the Group as at the date of this announcement. Further, she did not hold any directorship in other listed public companies in the last three years prior to the date of this announcement.

As at the date of this announcement, Ms. Zhang has no interest in the Shares within the meaning of Part XV of the SFO. Ms. Zhang is not connected, and does not have any relationship, with any Directors, senior management or substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

Ms. Zhang has not been appointed for any fixed term but is subject to retirement and re-election in accordance with the bye-laws of the Company. Pursuant to the service agreement entered into between the Company and Ms. Zhang, Ms. Zhang is entitled to receive a remuneration package of HK\$50,000 per month plus a discretionary bonus as may be determined by the Board with reference to her performance. The foregoing emolument of Ms. Zhang is recommended by the Company's remuneration committee and approved by the Board with reference to her qualifications, experience and responsibilities with the Group.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in relation to the appointment of Ms. Zhang as an executive Director.

ADJUSTMENT TO OUTSTANDING WARRANTS

As at the date of this announcement, the Company has outstanding Warrants (stock code: 1436) in the principal amount of HK\$38,238,579.50 entitling the holders thereof to subscribe for up to 382,385,795 new Shares at the exercise price of HK\$0.10 each.

As a result of the completion of the Subscription and as disclosed in the Circular, adjustment has been made to the exercise price of each Warrant in accordance with the terms of the instrument (the "**Warrant Instrument**") governing the issue of the Warrants in April 2015. The adjusted exercise price of the Warrants is HK\$0.068, and the total number of new Shares which may fall to be allotted and issued upon exercise of the outstanding Warrants will be 562,332,051 Shares. The adjustment has become effective on the date of issue of the Subscription Shares (that is, 18 August 2015). The financial adviser appointed by the Company has reviewed the calculation of the aforesaid adjustment and confirmed in writing that the adjustment is in accordance with the terms of the Warrant Instrument.

By Order of the Board
China Jinhai International Group Limited
Szeto Pui Tong, Patrick
Company Secretary

Hong Kong, 18 August 2015

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

Executive Directors

Mr. Wang Haixiong (*Chairman*)
Ms. He Xuan
Mr. Li Yao
Mr. Wei Zhenyu
Ms. Zhang Yiwen

Independent non-executive Directors

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

* *For identification purpose only*