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漢港控股
SINO HARBOUR HOLDINGS

SINO HARBOUR HOLDINGS GROUP LIMITED

漢港控股集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1663)

BONUS ISSUE

Reference is made to the Company's announcement dated 27 May 2016 relating to the annual consolidated results of the Group for the Year wherein it was announced that, amongst other matters, the Board has resolved to recommend the Bonus Issue on the basis of one Bonus Share for every one Share in issue held on the Bonus Issue Record Date.

The Bonus Shares, when issued, will rank *pari passu* in all respects with the Shares then in issue. The Bonus Issue is non-renounceable. Other details of the Bonus Issue are set out below:

Basis of Bonus Issue

Subject to the conditions set out under the paragraph headed "Conditions of the Bonus Issue" below having been fulfilled, the Bonus Shares will be allotted and issued, credited as fully paid-up, by way of capitalisation of an amount equal to the aggregate par value of the Bonus Shares standing to the credit of the share premium account of the Company on the basis of one Bonus Shares for every one Share in issue held by the Shareholders whose names appear on the Register of Members on the Bonus Issue Record Date.

As at the date of this announcement, there are a total of 1,232,000,000 Shares in issue. Assuming that there will be no change in the number of Shares in issue before the Bonus Issue Record Date, 1,232,000,000 Bonus Shares will be issued under the Bonus Issue. After the completion of the Bonus Issue, there would be a total of 2,464,000,000 Shares in the enlarged capital of the Company.

Conditions of the Bonus Issue

The Bonus Issue is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the AGM approving the Bonus Issue; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Bonus Shares.

Reason for the Bonus Issue

The Directors do not propose the payment of a cash dividend in respect of the Year as they wish to retain more cash for the Group's development. However, the Directors have recommended the Bonus Issue to the Shareholders for their trust and support in the Group's development.

The Bonus Issue will enable the Shareholders to enjoy a pro-rata increase in the number of Shares being held in the Company without incurring any significant costs to them. Despite the fact that the price per Share on an ex-entitlement basis would be reduced by 50% and the Bonus Issue is not expected to increase their proportionate equity interests in the Company, the Bonus Issue will substantially increase (i.e. by 100%) the number of Shares to be held by the Shareholders, which will enable them to enjoy more flexibility in managing their own investment portfolios such as giving them an opportunity to dispose of their Shares and realise a cash return to meet the individual Shareholders' financial needs in good market conditions.

The Board also believes that even if the price per Share on an ex-entitlement (or a post Bonus Issue) basis may be reduced by the same proportion, the Bonus Issue will not have any change in the relative rights or proportionate equity interest of the Shareholders after the Bonus Issue. By way of illustration only, based on the closing price of HK\$1.41 per Share as at the date of this announcement, the theoretical price per Share would decrease to HK\$0.705 had the Bonus Issue taken place.

In addition to and as a result of the above, as the bid-offer spread of the Shares will remain unchanged (i.e. HK\$0.01), the spread as a percentage of the Share price will be increased immediately after the Bonus Issue. This may induce frequent traders as the profitability of a rise in a single "spread" is enhanced (provided that such frequent traders are willing to accept an increased potential loss of a fall in a single "spread"). However, the transaction cost (in terms of the percentage of bid-offer spread to the Share price) may be increased, which may have a negative impact on the liquidity of the Shares. On the other hand, as the Bonus Issue will increase the number of the Shares outstanding and reduce the price of each Share, it may increase the liquidity of the Shares in the market or their trading volume. Given the above, the Company considers that it is inconclusive as to whether the liquidity of the Shares will or will not decrease after the Bonus Issue. Lastly, the expenses arising from the Bonus Issue will be insignificant.

The Board has also considered alternative methods, including a sub-division of Shares to achieve the above purposes. Having considered the simpler administrative procedures to be involved and the much lower expenses to be incurred for the Bonus Issue, as well as the fact that no odd lot will arise as a result of the Bonus Issue, the Directors consider that the Bonus Issue is more appropriate in achieving the abovementioned purposes taking into account the interests of the Company and the Shareholders as a whole.

In light of the above, the Board considers that the implementation of the Bonus Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Shareholders are advised to:

- (i) take note that the information mentioned in the above paragraphs is considered as forward looking and is based on management's assumptions, current beliefs and estimates that are subject to risks, uncertainties and other factors in the market and under no circumstances shall it be considered as a guarantee for future performance and therefore actual results may differ materially from those presented in this announcement;
- (ii) take note of the potential positive and negative impact on the liquidity and the trading volume of the Shares; and
- (iii) consult their professional advisers if they are in doubt about the advantages and disadvantages of the Bonus Issue.

Record dates and closure of Register of Members

To determine the Shareholders' entitlement to the Bonus Shares under the Bonus Issue, the Register of Members will be closed from Monday, 1 August 2016 to Thursday, 4 August 2016, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for the Bonus Shares, all relevant transfer document(s) and share certificate(s) must be lodged with the Company's branch share registrar, Boardroom Share Registrars (HK) Limited at 31/F., 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on Friday, 29 July 2016.

Listing and dealing

Application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Bonus Shares. The Shares are not listed nor dealt in on any stock exchange other than the Stock Exchange. The Directors do not intend to apply for the listing of, or the permission to deal in, the Bonus Shares on any stock exchange other than the Stock Exchange.

Subject to the fulfillment of the conditions as set out in the paragraph headed “Conditions of the Bonus Issue” above, which include the Listing Committee granting the listing of, and the permission to deal in, the Bonus Shares on the Stock Exchange, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS. Shareholders should seek the advice of their licensed securities dealers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests. All necessary arrangements, if required, will be made for the Bonus Shares to be admitted to the CCASS. All activities under the CCASS are subject to the general rules and the operational procedures of the CCASS in effect from time to time.

The certificates for the Bonus Shares are expected to be posted by surface mail to the Shareholders entitled thereto to their respective addresses shown on the Register of Members or, in the case of joint Shareholders, to the address of the joint Shareholder whose name stands first in the Register of Members of the joint holding at their own risk on or about Friday, 12 August 2016. Dealings in the Bonus Shares are expected to commence on Monday, 15 August 2016.

Overseas Shareholders

If the Register of Members indicates on the Bonus Issue Record Date that there are Overseas Shareholders and the Directors, after having made enquiries regarding the legal restrictions under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges in relation to the Bonus Issue to the Overseas Shareholders, consider the exclusion of any Overseas Shareholder from the Bonus Issue to be necessary or expedient on account of either the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, those Overseas Shareholders will not receive any Bonus Shares. Instead, the Bonus Shares which those Overseas Shareholders would otherwise receive under the Bonus Issue will be sold in the market as soon as reasonably practicable after the commencement of dealings in the Bonus Shares on the Stock Exchange. Any proceeds arising from the sale of any Bonus Shares for each relevant Overseas Shareholder, after deduction of the related expenses, of HK\$100 or more will be paid in Hong Kong dollars to that Overseas Shareholder by ordinary post at his/her/its own risk. If the amount of the net proceeds arising from such sale is less than HK\$100, such net proceeds will be retained by and for the benefit of the Company.

Expected timetable

Set out below is the expected timetable for the implementation of the Bonus Issue:

Event	2016
Latest time and date for lodging transfer documents with the share registrar to ascertain Shareholders' entitlement to attend and vote at the AGM	4:30 p.m. on Tuesday, 19 July
Closure of Register of Members for the AGM.	Wednesday, 20 July to Tuesday 26 July
Latest time and date for lodging forms of proxy for the AGM.	10:00 a.m. on Sunday, 24 July
AGM.	10:00 a.m. on Tuesday, 26 July
Announcement of poll results of the AGM	Tuesday, 26 July
Last day of dealings in the Shares on a cum-entitlements basis	Wednesday, 27 July
Commencement of dealings in the Shares on an ex-entitlements basis.	9:00 a.m. on Thursday, 28 July
Latest time and date for lodging transfer documents with the share registrar to qualify for Shareholders' entitlement to the Bonus Shares	4:30 p.m. on Friday 29 July
Closure of the Register of Members	Monday, 1 August to Thursday, 4 August
Bonus Issue Record Date.	Thursday, 4 August
Allotment and issue of the Bonus Shares.	Thursday, 11 August
Despatch of certificates for the Bonus Shares	Friday, 12 August
Commencement of dealings in the Bonus Shares.	9:00 a.m. on Monday 15 August

Notes:

- (a) Dates or deadlines specified in the above expected timetable and other parts of this announcement may be changed by the Company and in the event of any consequential changes, the Company will make a further announcement.
- (b) All references to times and dates in this announcement refer to Hong Kong local times and dates.

GENERAL

A circular containing, among other things, details of the Bonus Issue together with a notice of AGM, inter alia, for approving the Bonus Issue, will be despatched to the Shareholders on or around Friday, 24 June 2016.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“AGM”	the annual general meeting of the Company to be held at Room 1215, Tower B, Hunghom Commercial Centre, 37-39 Ma Tau Wai Road, Hunghom, Kowloon, Hong Kong at 10:00 a.m. on Tuesday, 26 July 2016
“Board”	the board of Directors
“Bonus Issue”	the proposed issue of the Bonus Shares on the basis of one Bonus Share for every one Share held on the Bonus Issue Record Date
“Bonus Issue Record Date”	Thursday, 4 August 2016, being the date for ascertaining the entitlement of the Shareholders to the Bonus Shares under the Bonus Issue
“Bonus Share(s)”	the new Share(s) proposed to be issued under the Bonus Issue
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Sino Harbour Holdings Group Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock code: 1663)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Listing Committee”	has the meaning ascribed to it under the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

“Overseas Shareholder(s)”	the Shareholder(s) whose address(es) as shown on the Register of Members on the Bonus Issue Record Date is/are outside Hong Kong
“Register of Members”	register of members of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 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
“Year”	the financial year ended 31 March 2016

By order of the Board
Sino Harbour Holdings Group Limited
SHI Feng
Deputy Chairman and Executive Director

Hong Kong, 20 June 2016

As at the date of this announcement, the Board comprises seven Directors, including three executive Directors, namely Mr. SHI Feng (Deputy Chairman and Chief Executive Officer), Mr. WONG Lui and Ms. GAO Lan; one non-executive Director, namely Ms. CHAN Heung Ling (Chairlady); and three independent non-executive Directors, namely Mr. XIE Gang, Mr. LEE Man To and Ms. ZHANG Juan.