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## **SINO HAIJING HOLDINGS LIMITED**

**中國海景控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

(Stock code: 8065)

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE AND RESUMPTION OF TRADING**

**Placing Agent**



**HANTEC CAPITAL LIMITED**

The Company on 30 July 2007 has entered into the conditional Placing Agreement with the Placing Agent pursuant to which the Placing Agent will procure subscribers, on a best effort basis, to subscribe a maximum of 20,250,000 new Shares, representing 20% of the Company's existing issued share capital and approximately 16.67% of its issued share capital as enlarged by the Placing, at a price of HK\$0.92 per Share.

The Placing Price represents (i) a discount of about 9.80% to the closing price of HK\$1.02 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of about 19.72% to the average closing price per Share of HK\$1.146 as quoted on the Stock Exchange for the last five full trading days up to the Last Trading Day; and (iii) a discount of about 19.16% to the average closing price per Share of HK\$1.138 as quoted on the Stock Exchange for the last ten full trading days up to the Last Trading Day.

The Placing is conditional upon the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

The net proceeds from the Placing of about HK\$18.3 million, representing approximately HK\$0.90 per Share, will be used as the general working capital of the Group.

At the request of the Company, trading in Shares on GEM was suspended from 9:30 a.m. on Tuesday, 31 July 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on GEM with effect from 9:30 a.m. on Wednesday, 1 August 2007.

## **THE PLACING AGREEMENT DATED 30 JULY 2007**

### **Issuer:**

Sino Haijing Holdings Limited, a company incorporated in Cayman Islands whose Shares are listed on GEM

### **Placing Agent and Placees:**

Hantec Capital Limited, the Placing Agent, who and whose ultimate beneficial owners are not connected person(s) (as defined in the GEM Listing Rules) of the Company and are independent of and not connected with any of the directors, chief executive, substantial shareholders or management shareholders of the Company or any of its subsidiaries or their respective associates.

The Placing Agent will receive a placing commission of 0.75% of the aggregate amount payable by the Placees pursuant to the Placing Agreement.

The Placing Shares will be placed to not less than six Placees which will be independent individuals, corporate and/or institutional investors, and who and whose ultimate beneficial owners are and will not be connected person(s) (as defined in the GEM Listing Rules) of the Company and are and will be independent of and not connected with any of the directors, chief executive, substantial shareholders or management shareholders of the Company or any of its subsidiaries or their respective associates. It is expected that none of the Placees will become substantial shareholder of the Company immediately after the Placing.

The terms of the Placing were fixed on 30 July 2007, on which the closing price per Share was HK\$1.02 as quoted on the Stock Exchange.

### **Number of Placing Shares:**

A maximum of 20,250,000 new Shares representing 20% of the Company's existing issued share capital and approximately 16.67% of its issued share capital as enlarged by the Placing.

**Placing Price:**

The Placing Price represents (i) a discount of about 9.8% to the closing price of HK\$1.02 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of about 19.72% to the average closing price per Share of HK\$1.146 as quoted on the Stock Exchange for the last five full trading days up to the Last Trading Day; and (iii) a discount of about 19.16% to the average closing price per Share of HK\$1.138 as quoted on the Stock Exchange for the last ten full trading days up to the Last Trading Day.

The Placing Price is negotiated on an arm's length basis among the Company and the Placing Agent and having taken into account the recent trading volume of the Shares. In view of the trading volume has been low throughout the past one month immediately before the date of this announcement, the Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and in the interests of the Company and its Shareholders as a whole.

**Condition of the Placing:**

The Placing is conditional upon the GEM Listing Committee of the Stock Exchange granting listing of, and permission to deal in, all of the Placing Shares and the Company obtaining all consents and approvals from relevant authorities in relation to the Placing, if applicable. The condition must be fulfilled on or before the date falling 28 days (i.e. 27 August 2007) from the date of the Placing Agreement (or such other date as agreed by the parties in writing), failing which the Placing shall cease and terminate. Further announcement will be made by the Company if the Placing Agreement ceases and terminates or completes. Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Placing Shares.

**Ranking of Placing Shares:**

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the existing issued Shares.

**Completion Date:**

The Placing shall complete on the date not later than the third Business Day after the fulfillment of the condition of the Placing (or such later date as may be agreed between the parties to the Placing Agreement in writing).

**General mandate:**

The Placing Shares will be issued under the general mandate ("General Mandate") to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the annual general meeting (the "AGM") of the Company held on 10 May 2007 subject to the limit up to 20% (i.e. 20,250,000 Shares) of the issued share capital of the Company as at the date of passing the resolution at the AGM. As at the date of this announcement, the Company has not utilized the General Mandate.

## FUND RAISING DURING THE PAST 12 MONTHS

Set out below is a table showing the fund raising exercise of the company in the past 12 months:

Description	Announcement date	Completion date	Net amount raised	Intended use of proceeds as announced	Actual use of proceeds
Placing of new shares	21 September 2006	6 October 2006	Approximately HK\$5,200,000	HK\$3.5 million for general working capital of the Group and the balance of approximately HK\$1.7 million for pursuing other new business	HK\$2 million used for general working capital of the Group and HK\$3.2 million used to fund the acquisition of a piece of land in Anhui province, the PRC
Rights issue of 33,750,000 of rights shares on the basis of one rights share for every two consolidated shares at a subscription price of HK\$0.3 per rights share	8 March 2007	7 May 2007	Approximately HK\$9.7 million	HK\$8.0 million used to fund the construction of production plant and the purchase of machinery and equipment and HK\$1.7 million for used as general working capital	The proceeds has been used as proposed

## SHAREHOLDING STRUCTURE

The shareholding structure of the Company before and after the Placing (assuming all the Placing Shares are placed to the Placees immediately after the Placing) is as follows:

	Immediately before completion of the Placing		Immediately after completion of the Placing	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Haijing Holdings Limited ( <i>note</i> )	51,909,350	51.27	51,909,350	42.72
Mr. Chao Pang Fei	9,030,000	8.92	9,030,000	7.43
Public Shareholders				
– Others	40,310,650	39.81	40,310,650	33.18
– The Placees	<u>0</u>	<u>0</u>	<u>20,250,000</u>	<u>16.67</u>
<b>TOTAL</b>	<b><u>101,250,000</u></b>	<b><u>100.00</u></b>	<b><u>121,500,000</u></b>	<b><u>100.00</u></b>

*Notes:*

Haijing Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by Mr. Chao Pang Fei. By virtue of his 100% shareholding interest in Haijing Holdings Limited, Mr. Chao Pang Fei is taken to be interested in all the shares of the Company held by Haijing Holdings Limited pursuant to Part XV of the Securities and Futures Ordinance.

## **REASON FOR THE PLACING AND USE OF PROCEEDS**

The Directors considered various ways of raising funds and consider that the Placing represents an opportunity to raise capital for the Company while broadening the shareholder base and the capital base of the Company.

Assuming all the Placing Shares are placed to the Placees, the gross proceeds from the Placing is approximately HK\$18.63 million. The net proceeds from the Placing (after deducting the placing commission and other expenses which paid by the Company) of approximately HK\$18.3 million, representing approximately HK\$0.90 per Share, will be used as the general working capital of the Group.

## **GENERAL**

The Company will make further announcement on the result of the Placing as required under GEM Listing Rules 16.16 and 10.12(4).

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in Shares on GEM was suspended from 9:30 a.m. on Tuesday, 31 July 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in Shares on GEM with effect from 9:30 a.m. on Wednesday, 1 August 2007.

## **TERMS AND DEFINITION**

“Board”	:	The board of Directors of the Company
“Business Day”	:	any day (excluding a Saturday) on which banks generally open for business in Hong Kong
“Company”	:	Sino Haijing Holdings Limited, a limited liability company incorporated in Cayman Islands and the shares of which are listed on GEM
“Director(s)”	:	director(s) of the Company
“GEM”	:	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	:	the Rules Governing the Listing of Securities on GEM

“Group”	:	the Company and its subsidiaries
“Hong Kong”	:	Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	:	30 July 2007, being the last trading day for the Shares prior to this announcement
“Placees”	:	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	:	the placing of the Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	:	Hantec Capital Limited, a licensed corporation to carry on business in types 1, and 6 regulated activities (dealing in securities and advising on corporate finance) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	:	a conditional placing agreement entered into between the Company and the Placing Agent dated 30 July 2007
“Placing Price”	:	HK\$0.92 per Placing Share
“Placing Shares”	:	not more than 20,250,000 new Shares to be placed under the Placing
“Shareholder(s)”	:	holder(s) of the Share(s)
“Share(s)”	:	ordinary share(s) of HK\$0.1 in the share capital of the Company
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“HK\$”	:	Hong Kong dollars, the lawful currency of Hong Kong
“%”	:	per cent.

By order of the Board of  
**Sino Haijing Holdings Limited**  
**Chao Pang Fei**  
*Chairman*

Hong Kong, 31 July 2007

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material aspects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*As at the date of this announcement, Mr. Chao Pang Fei, Ms. Hui Hongyan and Mr. Tsang Hon Chung are the executive Directors and Mr. Lan Yu Ping is the non-executive Director and Mr. Chen Weirong, Mr. Cheng Yun Ming, Matthew and Mr. Sin Ka Man are the independent non-executive Directors.*

*This announcement will remain on the website of GEM ([www.hkgem.com](http://www.hkgem.com)) on the “Latest Company Announcement” page for at least 7 days from the date of its posting.*