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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: 1106)

### **DISCLOSEABLE TRANSACTION CONSTRUCTION OF DORMITORY**

#### **Construction Agreement**

On 24 November 2011, Hefei Qipeng entered into a construction agreement for construction of dormitory with Nan Chang City Construction Group Company Limited (南昌市建築工程集團有限公司), the total project cost is RMB9,440,000 (equivalent to approximately HK\$11,549,840).

#### **Implication under the Listing Rules**

The capital expenditure for the construction of dormitory constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

On 24 November 2011, Hefei Qipeng entered into a construction agreement for construction of dormitory with Nan Chang City Construction Group Company Limited (南昌市建築工程集團有限公司), the total project cost is RMB9,440,000 (equivalent to approximately HK\$11,549,840).

#### **Principal terms of the Construction Agreement**

**Date** 24 November 2011

#### **Parties**

The Developer: 合肥啓鵬紙製品有限公司 (Hefei Qipeng Paper Products Company Limited), an indirect wholly-owned subsidiary of the Company;

The Main Contractor: 南昌市建築工程集團有限公司 (Nan Chang City Construction Group Company Limited), a construction company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Main Contractor is independent of the Company and not connected with, the Company, any director(s), chief executive(s) or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates.

## **The Site Area of Dormitory Construction**

The Dormitory will be built into two blocks, namely, Block 1 and Block 2. The total site area of the construction is approximately 8,250 square metres.

## **Consideration**

The total project cost for the construction of dormitory is RMB9,440,000 (equivalent to approximately HK\$11,549,840). The total project cost of the construction agreement has been arrived at after arm's length negotiation between the Group and the main contractor based on normal commercial terms and with reference with prevailing market price of such construction work. The Directors, including the independent non-executive Directors, consider that the total project cost of the construction agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors, including the independent non-executive Directors, confirm that the terms and conditions of the construction agreement has been negotiated on an arm's length basis and are agreed on normal commercial terms between the parties.

## **Payment terms**

The consideration which represents the project cost shall be paid in cash as follows:

- 1) 10% of the project cost will be paid within 3 days after the commencement of the construction work of Block 2 ;
- 2) 15% of the project cost will be paid within 3 days after the completion of the ground beam construction of Block 2;
- 3) 15% of the project cost will be paid upon the completion of the 4th floor slab of Block 2;
- 4) 10% of the project cost will be paid upon the acceptance of Block 2;
- 5) 15% of the project cost will be paid within 3 days after the completion of the ground beam construction of Block 1;
- 6) 15% of the project cost will be paid upon the completion of the 4th floor slab of Block 1;
- 7) 15% of the project cost will be paid upon the acceptance of Block 1;
- 8) 5% of the project cost, being the retention money, will be paid one year after the final acceptance of the construction work.

## **REASON FOR THE CONSTRUCTION OF DORMITORY**

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on the main board of the Stock Exchange. The Group is principally engaged in the production and sales of EPS packaging products. The Board considers the construction of dormitory will provide a better living environment for the employees in Hefei, improve their sense of belonging and stability. The capital expenditure for the construction of dormitory will be funded by the Group's internal resources and/or bank borrowings.

It is expected that the construction of Block 2 will be commenced by the end of November 2011 and will be completed in July 2012. It is expected that the construction of Block 1 will be commenced in July 2012 and will be completed in December 2012.

## **GENERAL**

The capital expenditure for the construction of dormitory constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Sino Haijing Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“EPS”	expanded polystyrene, a commonly used cushion packaging materials for electrical products
“Group”	the Company and its subsidiaries
“Hefei Qipeng”	: 合肥啓鵬紙製品有限公司 (Hefei Qipeng Paper Products Company Limited), an indirect wholly-owned subsidiary of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.025 in the share capital of the Company
“Shareholder(s)”	: holder(s) of the Share(s)
“Stock Exchange”	: The Stock Exchange of Hong Kong Limited
“HK\$”	: Hong Kong dollars, the lawful currency of Hong Kong
“%”	: per cent.

Note: For illustration purpose of this announcement, exchange rate of RMB1.00=HK\$1.2235 has been used for conversion.

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

Hong Kong, 24 November 2011

*As at the date of this announcement, the Board comprises of Mr. Chao Pang Fei (executive Director), Mr. Wang Yi (executive Director), Ms. Hui Hongyan (executive Director), Mr. Deng Chuangping (executive Director), Mr. Lan Yu Ping (non-executive Director), Mr. Ho Ka Wing (independent non-executive Director), Mr. Sin Ka Man (independent non-executive Director) and Ms. Chen Hongfang (independent non-executive Director).*

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