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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)

PLACING OF UNLISTED WARRANTS UNDER GENERAL MANDATE

Placing Agent



ASTRUM CAPITAL MANAGEMENT LIMITED

THE PLACING AGREEMENT

The Company entered into the Placing Agreement with the Placing Agent on 24 April 2013 (after trading hours) pursuant to which the Company has agreed to grant, and the Placing Agent has agreed to procure not less than six Placées to subscribe for, up to 210,000,000 Warrants, on a best effort basis, at the Placing Price of HK\$0.002 per Warrant. The Subscription Price is HK\$0.26 (subject to adjustment) per Warrant Share.

Upon exercise in full of the subscription rights attaching to the 210,000,000 Warrants at the initial Subscription Price of HK\$0.26, a maximum of 210,000,000 Warrant Shares will be allotted and issued, representing approximately 16.85% of the existing issued share capital of the Company as at the date of this announcement and approximately 14.42% of the issued share capital of the Company as enlarged by the allotment and issue of the Warrant Shares.

The Warrant Shares will be allotted and issued under the General Mandate.

USE OF PROCEEDS

The maximum net proceeds from the Placing (without taking into account the exercise of the subscription rights attaching to the Warrants), after taking into account the estimated expenses in relation to the Placing, will be approximately HK\$220,000.

Assuming exercise in full of the subscription rights attaching to the Warrants at the initial Subscription Price of HK\$0.26, it is expected that an additional net proceeds in the amount of approximately HK\$54,580,000 (with minimal administrative expenses) will be raised, and the net proceeds raised per Warrant (including the allotment and issue of Warrant Share) will be approximately HK\$0.26.

The aggregate net proceeds from the Placing and the allotment and issue of the Warrant Shares are intended to be used as general working capital of the Group.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares. No listing of the Warrants will be sought on the Stock Exchange or any other exchange.

Completion of the Placing is subject to, among other things, fulfillment of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date: 24 April 2013 (after trading hours)

Parties: (i) Issuer: The Company

(ii) Placing Agent: Astrum Capital Management Limited

Pursuant to the Placing Agreement, the Company has agreed to grant, and the Placing Agent has agreed to procure not less than six Placees (which may include the Placing Agent and its affiliates) to subscribe for, up to 210,000,000 Warrants, on a best effort basis, at the Placing Price of HK\$0.002 per Warrant.

The Placing Agent is independent of, 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.

Placing Commission

The Placing Agent will receive a fixed placing commission of HK\$100,000 for the Warrants which are procured to be subscribed and successfully placed by the Placing Agent in accordance with the Placing Agreement. The placing commission was determined with

Payments of the Subscription Price must be made in immediately available funds

Subscription period	From the date of issue of the Warrants to the expiry of 12 months of the issue of the Warrants
Transferability	The Warrants are transferable in integral multiples of 2,000,000 Warrants to any person other than a connected person. In the event of a transfer of Warrants to a connected person, prior approval from the Company and the Stock Exchange should be obtained
Ranking of the Warrant Shares	The Warrant Shares, when allotted and issued, will rank pari passu in all respects among themselves and with all other Shares then in issue
Rights for holders of Warrants	Holder of Warrants will not be entitled to attend or vote at any general meeting of the Company by virtue of them being the holders of the Warrants. Holders of Warrants shall not have the right to participate in any distribution and/or offers of further securities made by the Company.

THE WARRANT SHARES

Upon exercise in full of the subscription rights attaching to the 210,000,000 Warrants at the initial Subscription Price of HK\$0.26, a maximum of 210,000,000 Warrant Shares will be allotted and issued, representing approximately 16.85% of the existing issued share capital of the Company as at the date of this announcement, and approximately 14.42% of the issued share capital of the Company as enlarged by the allotment and issue of the Warrant Shares.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares. No listing of Warrants will be sought on the Stock Exchange or any other exchange.

PLACING PRICE AND SUBSCRIPTION PRICE

The initial Subscription Price and the Placing Price per Warrant, in aggregate, of HK\$0.262 represents:

- (i) a premium of approximately 0.77% over the closing price of HK\$0.26 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 11.68% over the average closing price of approximately HK\$0.235 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 19.25% over the average closing price of approximately HK\$0.220 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day.

The Placing Price and the Subscription Price were determined after arm's length negotiations between the Company and the Placing Agent, after considering the Group's existing financial position, liquidity of the Shares in the market and number of Warrant Shares.

RESCISSION OF THE PLACING AGREEMENT

If any of the following events occur at any time prior to 10:00 a.m. on the date of Completion, the Placing Agent may by giving a written notice to the Company rescind the Placing Agreement:

- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (c) any material breach of any of the representations and warranties under the Placing Agreement by the Company comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of Placing Agreement and prior to the date of Completion which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (d) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

ISSUE OF WARRANT SHARES UNDER GENERAL MANDATE

The Warrant Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 28 May 2012, under which the Company is authorised to issue a maximum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolution, that is, 242,701,324 Shares. The General Mandate has not been previously utilised prior to the Placing. The Company will undertake to the holders of the Warrant not to enter into any transaction which will lead to any adjustment of the Subscription Price which would result in the number of Warrant Shares exceeding that the Company may issue under the General Mandate.

As the Warrant Shares are to be issued under General Mandate, the Placing is not subject to Shareholders' approval.

REASONS FOR THE PLACING

The Group is principally engaged in the production and sales of EPS packaging products in the PRC.

The Directors consider that the Placing represents a good opportunity to raise additional capital for the Company as well as broadening the shareholder base and capital base of the Company.

The Directors consider the terms of the Placing Agreement (including the Placing Price and the Subscription Price) are fair and reasonable and the Placing is in the interest of the Company and Shareholders as a whole.

USE OF PROCEEDS

The maximum gross proceeds from the Placing will be HK\$420,000 (without taking into account of the exercise of the subscription rights attaching to the Warrants). The maximum net proceeds from the Placing (without taking into account of the exercise of the subscription rights attaching to the Warrants), after taking into account the estimated expenses in relation to the Placing, will be approximately HK\$220,000.

Assuming exercise in full of the subscription rights attaching to the Warrants at the initial Subscription Price, it is expected that an additional amount of HK\$54,600,000 will be raised, resulting additional net proceeds in an amount of approximately HK\$54,580,000 (with minimal administrative expenses), and the net proceeds raised per Warrant (including the allotment and issue of Warrant Share) will be approximately HK\$0.26.

The aggregate net proceeds from the Placing and the allotment and issue of the Warrant Shares are intended to be used as general working capital of the Group.

FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

The Company did not have any fund raising activity on any issue of equity securities in the past twelve months immediately prior to the date of this announcement.

CHANGES IN THE SHAREHOLDINGS STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has an authorised share capital of HK\$100,000,000 divided into 4,000,000,000 Shares of HK\$0.025 each, of which 1,246,300,620 Shares have been issued and are fully-paid.

For illustration purpose only, the shareholding structure of the Company as at the date of this announcement and immediately after Completion (assuming exercise in full of the subscription rights attaching to the Warrants at the initial Subscription Price) are as follows:

Shareholders	As at the date of this announcement		Immediately after Completion (assuming exercise in full of the subscription rights attaching the Warrants at the initial Subscription Price)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Haijing Holdings Limited (Note 1)	690,396,020	55.40	690,396,020	47.41
Directors				
Mr. Chao Pang Fei	39,670,000	3.18	39,670,000	2.72
Mr. Wang Yi	3,550,000	0.28	3,550,000	0.24
Ms. Hui Hongyan	4,672,000	0.37	4,672,000	0.32
Public				
Warrantheolders (Note 2)	-	-	210,000,000	14.42
Other public Shareholders	508,012,600	40.77	508,012,600	34.89
Total	1,246,300,620	100.00	1,456,300,620	100.00

Notes:

- As the date of this announcement, the entire issued share capital of Haijing Holdings Limited is legally and beneficially owned by Mr. Chao Pang Fei ("Mr. Chao"). Mr. Chao, the Chairman and an executive Director, is therefore deemed to have an interest in the Shares in which Haijing Holdings Limited is interested. In addition, Mr. Chao personally holds 39,670,000 Shares as at the date of this announcement.
- Assuming none of the holders of the Warrant will become a substantial Shareholder.

GENERAL

Completion of the Placing is subject to, among other things, fulfillment of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under The Codes on Takeovers and Mergers and Share Repurchases
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than Saturday, Sunday and public holiday) on which normal commercial banks in Hong Kong are generally open for ordinary banking business
“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

“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EPS”	expandable polystyrene, a commonly used cushion packaging materials for electrical appliances
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 28 May 2012, to allot and issue a maximum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolution
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	24 April 2013, the date of the Placing Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	investor(s) of the Warrants procured by or on behalf of the Placing Agent to subscribe for the Warrants pursuant to the Placing Agreement
“Placing”	the placing of the Warrants by or on behalf of the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	Astrum Capital Management Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 24 April 2013 entered into between the Company and the Placing Agent
“Placing Price”	HK\$0.002 per Warrant

“PRC”	the People’s Republic of China, and for the purposes of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.025 each in the issued and unissued share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.26 (subject to adjustment), being the subscription price per Warrant Share at which the holder of each Warrant may subscribe for the Warrant Shares
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Warrant(s)”	a maximum of 210,000,000 unlisted transferable warrants of the Company each in registered form conferring rights entitling its holder(s) to subscribe for up to HK\$54,600,000 in aggregate in cash for 210,000,000 Warrant Shares at the initial Subscription Price, to be issued by the Company pursuant to the Placing Agreement
“Warrant Share(s)”	new Shares to be allotted and issued by the Company upon exercise of the subscription rights attaching to the Warrants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 24 April 2013

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. 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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