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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: 01106)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 11 May 2015 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has agreed to place, on a best effort basis, the Placing Shares comprising up to 49,860,000 new Shares at the Placing Price of HK\$1.268 per Placing Share to not less than six independent Placees.

The maximum number of 49,860,000 Placing Shares represents (i) approximately 20.00% of the existing issued share capital of the Company as at the date of the Placing Agreement; and (ii) approximately 16.67% of the existing issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Assuming all the Placing Shares were allotted and issued, the gross proceeds of the Placing will amount to approximately HK\$63.22 million and the net proceeds receivable by the Company under the Placing are estimated to be approximately HK\$61.23 million after deducting relevant expenses incurred in relation to the Placing. It is presently expected that the net proceeds will be applied for developing potential new business should such opportunities arise and for the working capital of the Group.

GENERAL

The Placing Shares are to be issued under the General Mandate and therefore the issue of the Placing Shares will not be subject to the approval of the Shareholders.

Completion of the Placing is subject to the fulfillment of the conditions precedent under 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: 11 May 2015 (after trading hours)

Parties:

- (1) Issuer: the Company
- (2) Placing agent: CNI Securities Group Limited

The Placing Agent has been appointed to place, on a best effort basis, the Placing Shares at the Placing Price. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its associates are Independent Third Parties.

The Placees

The Placing Shares will be placed on a best effort basis to not less than six Placees which will be institutional, professional and/or private investors who and whose ultimate beneficial owners shall be Independent Third Parties. It is not expected that any Placee will become a Substantial Shareholder immediately after completion of the Placing.

Number of Placing Shares

The Placing Shares shall be up to 49,860,000 new Shares, representing approximately 20.00% of the existing issued share capital of the Company as at the date of the Placing Agreement, and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Shares will rank, upon issue, pari passu in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price is HK\$1.268 per Placing Share, representing:

- (i) a discount of approximately 18.19% to the closing price of HK\$1.550 per Share as quoted on the Stock Exchange on 11 May 2015, being the date of the Placing Agreement; and
- (ii) a discount of approximately 19.95% to the average of the closing prices of approximately HK\$1.584 per Share as quoted on the Stock Exchange for the last five Trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to, among others, the prevailing market price of the Shares and the liquidity of the Shares. The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Based on the estimated expenses for the Placing, the net Placing Price is approximately HK\$1.228 per Placing Share.

Assuming the 49,860,000 Placing Shares are subscribed in full, the aggregate nominal value of the Placing Shares is HK\$6,232,500.

Placing commission payable to the Placing Agent

The placing commission payable to the Placing Agent under the Placing Agreement is equal to 3% of the aggregate Placing Price of the Placing Shares.

The placing commission payable to the Placing Agent under the Placing Agreement is arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the market rate. The Directors consider that the terms of the Placing Agreement (including the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate. As at the date of this announcement, the General Mandate has not been utilised since it was granted on 19 May 2014 and the number of new Shares that could be issued by the Company under the General Mandate is 49,860,024 Shares. The maximum of 49,860,000 Placing Shares to be allotted and issued will utilize approximately 100% of the General Mandate. Accordingly, the issue of the Placing Shares will not be subject to the approval of the Shareholders.

Conditions of the Placing

The Placing is conditional upon:

- (i) the granting by the Listing Division of the listing of, and permission to deal in, all of the Placing Shares; and
- (ii) each of the Company and the Placing Agent having obtained all necessary consents and approvals in relation to the Placing from the relevant authorities, if applicable.

Completion of the Placing

Completion of the Placing will take place on the fourth Business Day after the fulfillment of the conditions of the Placing or such other date agreed by the Company and the Placing Agent.

Termination

The Placing Agent has the right to terminate the Placing Agreement by notice in writing given to the Company at any time prior to 8:00 a.m. on the Completion Date, if in its reasonable opinion, the success of the Placing would be materially and adversely affected by the force majeure events provided in the Placing Agreement.

The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement by notice in writing to the Placing Agent at any time up to 8:00 a.m. on the Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement pursuant to the above mentioned factors, all obligations of the Company and the Placing Agent shall cease and no party of the Placing Agreement shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save of any antecedent breach of any obligation under the Placing Agreement.

Application for listing

Application will be made by the Company to the Listing Division of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

REASONS FOR THE PLACING

The Company is an investment holding company. The Group mainly focuses on the production and sale of expanded polystyrene packaging products for household electrical appliances in the PRC.

The Board has considered any possibility of diversifying the business of the Group by considering various investment or acquisition projects. Seeing the prosperous property market in Hong Kong, the Company has entered into an agreement for acquiring the entire equity interest in Anyone Holdings Limited which holds a property in Hong Kong. Details of the Acquisition are stated in the announcement dated 11 May 2015.

To facilitate the different investment and acquisition projects, the Placing represents a good opportunity for the Group to raise additional capital for such investment or acquisition projects. This would also allow the Company to increase its capital base and widen its shareholder base.

USE OF PROCEEDS

Assuming all the Placing Shares were allotted and issued, the gross proceeds of the Placing will amount to approximately HK\$63.22 million and the net proceeds receivable by the Company under the Placing are estimated to be approximately HK\$61.23 million after deducting relevant expenses incurred in relation to the Placing. It is presently expected that the net proceeds will be applied for developing potential new business should such opportunities arise and for the working capital of the Group.

EQUITY FUND RAISING ACTIVITY IN PAST 12 MONTHS BEFORE THE DATE OF THIS ANNOUNCEMENT

The equity fund raising activity conducted by the Company in the past 12 months prior to the date of this announcement are set out below:

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
17 April 2015	Issue of notes	HK\$276 million	Developing potential new business should such opportunities arise and for the working capital of the Group	Developing potential new business should such opportunities arise and for the working capital of the Group

Save as disclosed above, the Company had not conducted any other equity fund raising activities in the past 12 months immediately prior to the date of this announcement.

CHANGES OF SHAREHOLDING STRUCTURE

As as the date of this announcement, the Company has 249,300,124 Shares in issue. The shareholding structure of the Company as at the date of this announcement and immediately after completion of the Placing is as follows:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	<i>Number of shares</i>	<i>Approximate percentage (%)</i>	<i>Number of shares</i>	<i>Approximate percentage (%)</i>
Chao Pang Fei (“Mr. Chao”) (<i>Note 1</i>)	138,079,204	55.39%	138,079,204	46.15%
Hui Hongyan	534,400	0.21%	534,400	0.18%
Other public shareholders	110,686,520	44.40%	110,686,520	37.00%
Places	—	—	49,860,000	16.67%
	<u>249,300,124</u>	<u>100%</u>	<u>299,160,124</u>	<u>100%</u>

Note 1:

These shares are legally owned by Haijing Holdings Limited (“Haijing Holding”), a company incorporated in the British Virgin Islands (“BVI”) with limited liability and is wholly owned by Mr. Chao. By virtue of his 100% shareholding interests in Haijing Holdings, Mr. Chao is taken to be interested in all the shares of the Company held by Haijing Holdings pursuant to Part XV of the SFO.

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Board”	the board of Directors of the Company
“Business Day”	any day (not being a Saturday, Sunday and public or statutory holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours

“Company”	Sino Haijing Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on Main Board of the Stock Exchange (stock code: 1106)
“Completion Date”	the date of completion of the Placing which will take place on the fourth Business day after the fulfillment of the conditions of the Placing or such other date agreed by the Company and Placing Agent
“connected person(s)”	has the meanings as ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company convened and held on 19 May 2014 to issue and allot up to 49,860,024 new Shares, representing 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolution
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third part(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and its directors, chief executive, and substantial shareholders of the Company or any of its subsidiaries or their respective associates.

“Listing Division”	the Listing Division of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any institutional, professional and/or private investors procured by the Placing Agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to an aggregate of 49,860,000 new Shares to be allotted and issued to the Placees pursuant to the terms of the Placing Agreement
“Placing Agent”	CNI Securities Group Limited, licensed to carry out type 1, 2, 4 regulated activity (dealing in securities, dealing in future contracts, advising on securities) under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Placing Agreement”	The placing agreement dated 11 May 2015 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	the placing price of HK\$1.268 per Placing Share
“Placing Shares”	up to an aggregate of 49,860,000 new Shares to be placed under the Placing
“Share(s)”	ordinary share(s) of nominal value of HK\$0.125 each in the capital of the Company
“Shareholders”	holders of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Substantial Shareholder” has the meaning as ascribed thereto under the Listing Rules

“%” per cent.

By order of the Board
Sino Haijing Holdings Limited
Fung Wah Bong Peter
Chairman

Hong Kong, 11 May 2015

As at the date of this announcement, the Board comprises of Ms. Hui Hongyan (executive Director), Ms. Szeto Wai Ling Virginia (executive Director), Mr. Lam Wai Hung (executive Director), Mr. Fung Wah Bong Peter (non-executive Director), Mr. Hong Jianhua (independent non-executive Director), Mr. Pang Hong (independent non-executive Director) and Mr. Foo Tin Chung Victor (independent non-executive Director).

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