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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)

(1) PROPOSED SHARE CONSOLIDATION
(2) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE
FOR EVERY TWO CONSOLIDATED SHARES
HELD ON THE RECORD DATE
AT A SUBSCRIPTION PRICE OF HK\$0.3 PER RIGHTS SHARE
AND
(3) RESUMPTION OF TRADING

Financial Adviser



HANTEC CAPITAL LIMITED

PROPOSED SHARE CONSOLIDATION

The Company proposes to implement the Share Consolidation pursuant to which every ten (10) issued Shares be consolidated into one (1) Consolidated Share. The Share Consolidation is conditional upon, inter alia, the approval of the Shareholders at the EGM.

PROPOSED RIGHTS ISSUE

Subject to the Share Consolidation becoming effective, the Company proposes to raise approximately HK\$10.1 million before expenses by way of the Rights Issue of issuing 33,750,000 Rights Shares at a price of HK\$0.3 per Rights Share payable in full on acceptance.

The Company will provisionally allot one Rights Share in nil-paid form for every two Consolidated Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue is not available to the Non-Qualifying Shareholders.

The estimated net proceeds of the Rights Issue are expected to amount to approximately HK\$9.7 million. The Company plans to use the net proceeds at to HK\$8 million to fund the construction of production plant and purchase of machinery and equipment in relation to the Major Transaction and HK\$1.7 million as working capital for the operation of such plant. Details of the Major Transaction are set out in the announcement of the Company dated 3 January 2007.

Under the Underwriting Agreement, the Controlling Shareholder holding 345,729,000 Shares (or 34,572,900 Consolidated Shares upon Share Consolidation becoming effective), representing approximately 51.22% of the existing issued share capital of the Company as at the date of this announcement, has given an undertaking to accept or procure acceptance of all the Rights Shares to be provisionally allotted to it/him, or its/his nominee(s) as the holder of such Rights Shares pursuant to the Rights Issue. The Rights Issue will be fully underwritten by the Underwriter (other than the Rights Shares provisionally allotted to the Controlling Shareholder) on the terms and subject to the conditions set out in the Underwriting Agreement. In the event that no Qualifying Shareholders (other than the Controlling Shareholder) take up any Rights Shares, the Controlling Shareholder, as the underwriter of the Rights Issue, will be required to subscribe for and take up all the Rights Shares that have not been subscribed for under the Rights Issue pursuant to its obligations under the Underwriting Agreement, which will result in the Controlling Shareholder holding an aggregate of 68,322,900 Consolidated Shares, representing approximately 67.48% of the Company's issued share capital as enlarged by the issue of Rights Shares.

The Rights Issue is conditional, inter alia, upon the fulfillment of the conditions set out below under the section headed "Conditions of the Rights Issue". In particular, the Rights Issue is subject to the Share Consolidation becoming effective and the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or Consolidated Shares and/or nil-paid Rights Shares up to the date when the conditions of Rights Issue are fulfilled will bear the risk that the Rights Issue could not become unconditional and may not proceed.

Application will be made to the GEM Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid form.

GENERAL

A circular containing further details about the Share Consolidation and the notice convening the EGM will be dispatched to the Shareholders as soon as practicable. If the Shareholders approve the Share Consolidation at the EGM, the Company will then send the Prospectus to the Qualifying Shareholders and, for information only, to the Non-Qualifying Shareholders. PALs and EAFs will also be sent to the Qualifying Shareholders.

RESUMPTION IN TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Thursday, 8 March 2007 pending the release of this announcement. Application will be made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on Friday, 9 March 2007.

(1) SHARE CONSOLIDATION

Background

The Company proposes to put forward for approval by the Shareholders the Share Consolidation pursuant to which every ten (10) issued Shares be consolidated into one (1) Consolidated Share. As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 comprising 10,000,000,000 Shares of HK\$0.01 each, of which 675,000,000 Shares have been issued and fully paid. Upon the Share Consolidation taking effect and on the basis that the Company does not allot and issue any further Shares prior to, the authorised share capital of the Company will remain at HK\$100,000,000 but will comprise 1,000,000,000 Consolidated Shares of HK\$0.10 each of which 932,500,000 Consolidated Shares will remain unissued. The issue share capital of the Company will be HK\$6,750,000 divided into 67,500,000 Consolidated Shares. Fractional Consolidated Shares will not be issued to the Shareholders but will be aggregated and, if possible, sold for the benefits of the Company. Board lot size for trading in the Consolidated Shares will remain unchanged as 10,000 Consolidated Shares each.

The issued Consolidated Shares will rank pari passu in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders. The Company does not have any outstanding options, warrants, or other convertible securities in issue which are convertible into the Shares as at the date of this announcement.

Application for listing

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, Consolidated Shares in issue upon the Share Consolidation taking effect.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on GEM, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on GEM or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Effects of the Share Consolidation

Other than the relevant expenses incurred, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor will they alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders, save that the Shareholders who are holding odd lots of Shares will not have any entitlement to fractions of the Consolidated Shares. The Directors believe that the Share Consolidation will not have any material adverse effect on the financial position of the Group.

Reasons for the Share Consolidation

The proposed Share Consolidation will increase the nominal value of the Shares and their trading price per board lot, and therefore reduce the overall transaction costs for dealings in the Consolidated Shares, and is required for compliance with the requirements under Rule 17.76 of the GEM Listing Rules. The Board is of the view that the Share Consolidation is beneficial to the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the resolution for approval of the Share Consolidation at the EGM.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following:

- (a) the passing by the Shareholders of the necessary resolutions at the EGM to approve the Share Consolidation; and
- (b) the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed Kam Fai Securities Company Limited to stand in the market to match the purchase and sale of odd lots of the Consolidated Shares at the relevant market price per Consolidated Share for the period from Wednesday, 25 April 2007 to Thursday, 17 May 2007 (both dates inclusive). Holders of odd lots of the Consolidated Shares who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or to top-up to a full board lot may contact Kam Fai Securities Company Limited, whose contact details will be set out in the circular and prospectus to be despatched to the Shareholders in relation to the Share Consolidation and the Rights Issue respectively. Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

Trading arrangement for the Consolidated Shares

Subject to the Share Consolidation becoming unconditional, the arrangements proposed for dealings in the Consolidated Shares are expected to be as follows:

- (i) From Wednesday, 11 April 2007, the original counter for trading in existing Shares in board lots of 10,000 existing Shares will be temporarily closed and a temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares will be set up.
- (ii) With effect from Wednesday, 25 April 2007, the original counter for trading in the Consolidated Shares will be reopened for trading Consolidated Shares in board lots of 10,000 Consolidated Shares.
- (iii) During Wednesday, 25 April 2007 to Thursday, 17 May 2007 (both dates inclusive), there will be parallel trading at the above two counters.
- (iv) The temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares will be removed after the close of trading on Thursday, 17 May 2007. Thereafter, trading will be in board lots of 10,000 Consolidated Shares only and the existing certificates for the existing Shares will cease to be marketable and will not be acceptable for dealing and settlement purposes. However, such certificates will remain effective as documents of title on the basis of 10 existing Shares for one Consolidated Share.

Free exchange of share certificates

Shareholders may exchange their share certificates for the existing Shares for new certificates for the Consolidated Shares on or after Wednesday, 11 April 2007. This may be done free of charge by delivering the certificates for the existing Shares to the Company's branch share registrar in Hong Kong, Tengis Limited, 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, during the period from Wednesday, 11 April 2007 to Tuesday, 22 May 2007 (both dates inclusive). Thereafter, certificates for the existing Shares will be accepted for exchange for certificates for the Consolidated Shares only on payment of a fee of HK\$2.5 (or such higher amount as may be stipulated in the GEM Listing Rules from time to time) for each new certificate to be issued or each old certificate submitted, whichever number of certificates is higher.

New certificates for the Consolidated Shares will be blue in colour in order to distinguish them from certificates for the existing Shares which are orange in colour.

It is expected that new certificates for the Consolidated Shares will be available for collection on or after the 10th Business Day from the date of submission of the certificates of Existing Shares to the Company's branch share registrar in Hong Kong at the above address for exchange. Unless otherwise instructed, new certificates for the Consolidated Shares will be issued in board lots of 10,000 Consolidated Shares.

Expected effective date of the Share Consolidation

Subject to the above conditions being fulfilled, the Share Consolidation is expected to become effective on 10 April 2007.

(2) PROPOSED RIGHTS ISSUE

The Rights Issue is proposed to take place after the Share Consolidation becoming effective.

Issue statistics

Basis of the Rights Issue:	One Rights Share for every two Consolidated Shares held on the Record Date
Number of Shares in issue:	675,000,000 Shares as at the date of this announcement
Number of Consolidated Shares after completion of the Share Consolidation:	67,500,000 Consolidated Shares
Number of Rights Shares:	33,750,000 Rights Shares
Subscription price per Rights Share:	HK\$0.30 per Rights Share with nominal value of HK\$0.10 each

The nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 50% of the Company's issued share capital upon the Share Consolidation becoming effective and approximately 33.33% of the Company's issued share capital as enlarged by the issue of Rights Shares.

As at the data of this announcement, the Company does not have any outstanding options, warrants, or other convertible securities in issue which are convertible into the Shares.

Qualifying Shareholders

The Company will send the Prospectus Documents to Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the Company's branch registrar in Hong Kong, Tengis Limited, 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:00 p.m. on Friday, 30 March 2007. The last day of dealing in Shares on a cum-rights basis is therefore expected to Wednesday, 28 March 2007. The Shares will be dealt with on an ex-rights basis from Thursday, 29 March 2007.

Any Qualifying Shareholder who holds the Share as a nominee, trustee or registered holder in any other capacity will not be treated differently from any other registered holder. Any beneficial owner of the Shares whose Shares are registered in the name of a nominee, trustee or registered holder in any other capacity should make arrangements with such nominee, trustee or registered holder in relation to the Rights Issue. Any such person may consider whether it wishes to arrange for the registration of the relevant Shares in the name of the beneficial owner prior to Record Date.

Closure of register of members

The register of members of the Company will be closed from Monday, 2 April 2007 to Tuesday, 10 April 2007, both dates inclusive. No transfer of Shares will be registered during this period.

Rights of Non-Qualifying Shareholders

As at the date of this announcement, there are no Shareholders in the register of members of the Company with address outside Hong Kong. The Company will make enquiries regarding the feasibility of extending the Rights Issue to the Non-Qualifying Shareholders. If based on legal opinion provided by the legal adviser, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Non-Qualifying Shareholders on account either of the legal restrictions under the laws of the place of its/his/her registered address or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to the Non-Qualifying Shareholders.

The basis of exclusion of the Non-Qualifying Shareholders, if any, from the Rights Issue will be disclosed in the Prospectus. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send any PAL and EAF to the Non-Qualifying Shareholders.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for the benefits of the Company. Any unsold entitlement of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by Qualifying Shareholders.

Subscription price

The Subscription Price for the Rights Shares is HK\$0.30 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of 60% to the closing price of HK\$0.75 per Consolidated Share (based on the closing price of HK\$0.075 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (b) a discount of 50% to the theoretical ex-rights price of approximately HK\$0.60 per Consolidated Share (based on the closing price of HK\$0.075 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation);
- (c) a discount of approximately 49.95% to the average closing price of approximately HK\$0.775 per Consolidated Share (based on the average closing price of HK\$0.0775 per Share for the ten trading days ended on the Last Trading Day and adjusted for the effect of the Share Consolidation); and
- (d) a premium of approximately 50.00% to the net asset value per Consolidated Share of HK\$0.20 (based on the audited consolidated net asset value of the Group as at 31 December 2006 and the then issued Shares and adjusted for the effect of the Share Consolidation).

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Share under the prevailing market conditions. The Directors consider the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of the provisional allotment shall be one Rights Share for every two Consolidated Shares, being 33,750,000 Rights Shares at a price of HK\$0.30 per Rights Share. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Status of the Rights Shares

The Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the Consolidated Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Share certificates for the Rights Shares

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares will be posted on or before Thursday, 3 May 2007 to those Shareholders who have validly applied for and paid for the Rights Shares at their own risks.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted.

Applications for excess Rights Shares may be made by completing the EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis but will give preference to the topping-up of odd lots to whole board lots of Shares. Shareholders with their Shares held by a nominee company should note that the Directors will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the top-up of odd lots for allocation of excess Rights Shares will not be extended to the ultimate beneficial owners individually. Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of beneficial owner(s) himself (themselves) prior to Record Date.

Fractional entitlements

Fractional entitlements for the nil-paid Rights Shares will not be issued but will be aggregated and sold, if a premium (net of expenses) can be obtained, for the benefit of the Company.

Application for listing

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, both in board lots of 10,000, which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty in Hong Kong.

Conditions of the Rights Issue

The Rights Issue is conditional upon, among other things, each of the following events being fulfilled:

1. the passing of a resolution by the Shareholders at the EGM to approve the Share Consolidation as contained in the notice of EGM, by no later than the Prospectus Posting Date;
2. the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the GEM Listing Rules and the Companies Ordinance;
3. the posting of the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date;
4. the GEM Listing Committee granting or agreeing to grant the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms), either unconditionally or subject to conditions (if any) and not having withdrawn or revoked such listings and permission on or before the Latest Time for Termination; and
5. compliance with and performance of all the undertakings and obligations of the Company and the Controlling Shareholder under the Underwriting Agreement.

In the event that the conditions of the Rights Issue are not fulfilled or waived on or before the second Business Day following the latest date for acceptance of the Rights Shares (or such later date as the Company and the Underwriter may agree), none of the Underwriter or the Company shall have any rights or be subject to any obligations arising from the Underwriting Agreement. The Rights Issue will not proceed accordingly. As at the date of this announcement, the Underwriter had no present intention to waive any condition of the Rights Issue.

Reasons for the Rights Issue and use of proceeds

The Group is principally engaged in the provision of IBS solutions, including IBS design, supply and installation services, IBS maintenance services and IBS consultancy services.

The Group is operating in the IBS industry where intense competition exists and industry players adopt price-cutting strategy in bidding IBS contracts. It has been the Group's intention to develop business in the packaging industry in order to diversify the business risks associated in IBS industry. However, the Directors have no current intention to change its principal business activities in relation to the IBS industry. As stated in the announcement of the Company dated 3 January 2007, a wholly-owned subsidiary of the Company entered into the S&P Agreement in relation to the acquisition of a land use right on a piece of industrial land located in Hefei City, Anhui Province, the PRC at a consideration of RMB3,398,100 (equivalent to approximately HK\$3.4 million) on 29 December 2006. The Land will be used for the construction of production plant of the Company for the manufacture of paper products and packaging materials.

The estimated net proceeds of the Rights Issue are expected to be HK\$9.7 million. The Company plans to use the net proceeds as to HK\$8 million to fund the construction of production plant and purchase of machinery and equipment in relation to the Major Transaction and HK\$1.7 million as working capital for the operation of such plant.

As the Rights Issue will allow Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company, the Directors consider that it is an appropriate method to raise funds.

Previous fund raising exercise of the Company

The Company had conducted the following fund raising exercises in the past 12 months from the date of this announcement.

Description	Announcement date	Completion date	Net amount raised	Intended use of proceeds as announced	Actual use of proceeds
Placing of Shares	21 September 2006	6 October 2006	Approximately HK\$5,200,000	HK\$3.5 million used for the general working capital of the Group and the balance of HK\$1.7 million used to pursue other new business opportunities	HK\$2 million used as the general working capital of the Group and HK\$3.2 million used to fund the Major Transaction

UNDERWRITING ARRANGEMENTS

Underwriting Agreement

Date:	7 March 2007
Underwriter:	the Controlling Shareholder
Number of underwritten Shares:	16,463,550 Rights Shares (representing about 16.3% of the issued share capital of the Company as enlarged by completion of the Rights Issue) the remaining 17,286,450 Rights Shares (being the pro rata entitlement of the Controlling Shareholder under the Rights Issue) will be taken up by the Controlling Shareholder pursuant to its undertaking described below
Commission:	2.5% of the total Subscription Price of the Rights Shares underwritten by the Underwriter. The Directors consider that the underwriting commission of 2.5% is comparable with the market rate, on normal commercial terms and fair and reasonable

The Controlling Shareholder, a company incorporated in the British Virgin Islands with limited liability, is wholly-owned by Mr. Chao Pang Fei. As at the date of the announcement, the Controlling Shareholder is interested in 345,729,000 Shares, representing approximately 51.22% of the issued share capital of the Company. It is an investment holding company and underwriting securities is not its normal business. The Controlling Shareholder agrees to underwrite the Rights Issue to show its support of the Rights Issue. In addition, pursuant to the Underwriting Agreement, the Controlling Shareholder has irrevocably undertaken to subscribe for (or procure the subscription of) its pro-rata entitlement to 17,286,450 Rights Shares under the Rights Issue.

Termination of the Underwriting Agreement

If prior to the Latest Time for Termination, in the absolute opinion of the Underwriter:

- (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement, of a political, military, financial, economic or other nature, or in the nature of any local national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market which may, materially as a whole and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (c) any material adverse change in the business or in the financial or trading position or prospects of the Group; or
- (d) any material and adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which makes it inexpedient or inadvisable to proceed with the Rights Issue; and
- (e) the prospectus to be issued in relation to the Rights Issue when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which had not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may be material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it,

the Underwriter may terminate the Underwriting Agreement. If the Underwriter terminates the Underwriting Agreement, then the Rights Issue will not proceed.

The Underwriter shall also be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (b) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any respect comes to the knowledge of the Underwriter.

WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES

The Shares will be dealt in on an ex-rights basis from Thursday, 29 March 2007. Dealings in the Rights Shares in the nil-paid form will take place from Friday, 13 April 2007 to Friday, 20 April 2007 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Shares, the Consolidated Shares and Rights Shares in their nil-paid form during the period from Friday, 13 April 2007 to Friday, 20 April 2007 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in the Shares or the Consolidated Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Friday, 13 April 2007 to Friday, 20 April 2007 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Expected timetable

The expected timetable for the Share Consolidation and Rights Issue set out below is indicative only and its has been prepared on the assumption that the Share Consolidation will be approved by the Shareholders at the EGM. The expected timetable is subject to change, and any such changes will be announced in a separate announcement by the Company as and when appropriate.

Despatch of EGM circular for the Share Consolidation	Tuesday, 20 March
Last day of dealings in Shares on a cum-rights basis	Wednesday, 28 March
First day of dealings in Shares on an ex-rights basis	Thursday, 29 March
Latest time for lodging transfers of Shares in order to qualify for Rights Issue	4:00 p.m., Friday, 30 March
Register of members to be closed	Monday, 2 April to Tuesday, 10 April (both dates inclusive)
Latest time for return of proxy form of EGM	10:00 a.m., Sunday, 8 April
Expected date of EGM	10:00 a.m., Tuesday, 10 April
Effective date of the Share Consolidation	4:00 p.m., Tuesday, 10 April
Record Date	Tuesday, 10 April
Announcement of results of EGM to be published on the GEM website	Wednesday, 11 April
Register of members to be re-opened	Wednesday, 11 April
Prospectus Documents to be posted	Wednesday, 11 April
Commencement of dealings in Consolidated Shares	Wednesday, 11 April
Original counter for trading in existing Shares in board lots 10,000 existing Shares temporarily closes	9:30 a.m., Wednesday, 11 April
Temporary counter for trading in Consolidated Shares (represented by existing certificates for the Shares) in board lots of 1,000 Consolidated Shares opens	9:30 a.m., Wednesday, 11 April
Free exchange of existing share certificates for new share certificates commences	Wednesday, 11 April
First day of dealings in nil-paid Rights Shares	Friday, 13 April

Latest time for splitting of nil-paid Rights Shares	4:00 p.m., Tuesday, 17 April
Last day of dealings in nil-paid Rights Shares	Friday, 20 April
Original counter for trading in Consolidated Shares (represented by new certificates for the Consolidated Shares) in board lots of 10,000 Consolidated Shares re-opens	9:30 a.m., Wednesday, 25 April
Parallel trading in Consolidated Shares (in form of new and existing certificate) commences	9:30 a.m., Wednesday, 25 April
Latest time for payment for and acceptance of Rights Shares	4:00 p.m., Wednesday, 25 April
Designated broker starts to stand in the market to provide matching services	Wednesday, 25 April
Rights Issue expected to become unconditional	4:00 p.m., Friday, 27 April
Announcement of results of acceptance and excess application of the Rights Issue	Wednesday, 2 May
Despatch of refund cheques for wholly and partially unsuccessful excess applications	Thursday, 3 May
Despatch of certificates for fully-paid Rights Shares	Thursday, 3 May
First day of dealings in the fully-paid Rights Shares	9:30 a.m. Monday, 7 May
Temporary counter for trading in the Consolidated Shares (represented by existing certificates for the Shares) in board lots of 1,000 Consolidated Shares closes	4:00 p.m., Thursday, 17 May
Parallel trading in Consolidated Shares (represented by both new and existing certificate) ends	4:00 p.m., Thursday, 17 May
Designated broker ceases to stand in the market to provide matching services	4:00 p.m., Thursday, 17 May
Free exchange of existing share certificates for new share certificates ends	Tuesday, 22 May

Dates or deadlines specified in this announcement are indicative only and may be exercised or varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to Shareholders appropriately.

CHANGES IN THE SHAREHOLDING OF THE COMPANY

Set out below are the shareholding in the Company immediately after the Share Consolidation but before completion of the Rights Issue and immediately after completion of the Rights Issue is as follows:

	As at the date of this announcement		Immediately after the Share Consolidation but before completion of the Rights Issue		After completion of Rights Issue on the assumption as set out in Note 1		After completion of Rights Issue on the assumption as set out in Note 2	
	Shares	%	Shares	%	Shares	%	Shares	%
Controlling Shareholder	345,729,000	51.22	34,572,900	51.22	51,859,350	51.22	68,322,900	67.48
Public Shareholders	329,271,000	48.78	32,927,100	48.78	49,390,650	48.78	32,927,100	32.52
Total	<u>675,000,000</u>	<u>100.00</u>	<u>67,500,000</u>	<u>100.00</u>	<u>101,250,000</u>	<u>100.00</u>	<u>101,250,000</u>	<u>100.00</u>

Notes:

1. Assuming all Shareholders take up their respective entitlements to Rights Shares under the Rights Issue.
2. Assuming none of the Shareholders (save for the Controlling Shareholder, which is also the Underwriter, takes up all its entitlement under the Rights Issue) takes up their respective entitlement to Rights Shares under the Rights Issue and, accordingly, the Controlling Shareholder in its capacity as the underwriter of the Rights Issue will take up the underwritten Shares in full pursuant to the terms of the Underwriting Agreement.

GENERAL

A circular containing further details about the Share Consolidation and the notice convening the EGM, will be dispatched to the Shareholders as soon as practicable. If the Shareholders approve the Share Consolidation at the EGM, the Company will then send the Prospectus to the Qualifying Shareholders and, for information only, to the Non-Qualifying Shareholders. PALs and EAFs will also be sent to the Qualifying Shareholders.

SUSPENSION AND RESUMPTION IN TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Thursday, 8 March 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on Friday, 9 March 2007.

TERMS AND DEFINITION

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

“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
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance	the Companies Ordinance, Chapter 32 of the laws of Hong Kong
“Company”	Sino Haijing Holdings Limited, a limited liability company incorporated in Cayman Islands and the shares of which are listed on GEM
“Consolidated Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company after the Share Consolidation becoming effective
“Controlling Shareholder”	Haijing Holdings Limited
“Director(s)”	director(s) of the Company
“EAF(s)”	the excess application form(s) to be issued in connection with the Rights Issue
“EGM”	the extraordinary general meeting of the Company to be convened to approve the Share Consolidation
“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
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“IBS”	acronym for intelligent building system
“Land”	a piece of land, situated at the south of Woyun Road, at the west of Yuping Road and at the north of Fongxing Road, Taohua Industrial Base, Hefei Economic and Technological Development Zone, Hefei City, Anhui Province, the PRC, to be acquired under the S&P Agreement
“Latest Time for Termination”	4:00 p.m. on the second Business Day after the latest date for acceptance of the Rights Shares
“Last Trading Day”	7 March 2007, being the last trading day for the Shares prior to this announcement and on which trading of Shares being suspended at 9:30 a.m. on 8 March 2007 pending release of this announcement
“Major Transaction”	the acquisition of the Land under the S&P Agreement together with the proposed construction of production plant and purchase of machinery and equipment
“Non-Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown on such register outside Hong Kong where the Directors, based on opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“PAL(s)”	the provisional allotment letter(s) to be issued in connection with the Rights Issue
“Prospectus”	a prospectus to be issued containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF

“Prospectus Posting Date”	Wednesday, 11 April 2007 or such later date as the Underwriter may agree in writing with the Company
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	10 April 2007 being the date by reference to which entitlements to the Rights Issue are expected to be determined
“Rights Issue”	the issue by way of rights of one Rights Share for every two Consolidated Shares in issue on the Record Date at a price of HK\$0.30 per Rights Share
“Rights Share(s)”	33,750,000 new Consolidated Share(s) to be issued and allotted under the Rights Issue
“S&P Agreement”	the sale and purchase agreement dated 29 December 2006 entered into between 合肥啟鵬紙製品有限公司 (Hefei Qi Peng Paper Products Company Limited), a wholly owned subsidiary of the Company, and 合肥經濟技術開發區桃花工業園管理委員會 (the Management Committee of Hefei Economic and Technological Development Zone Taohua Industrial Base)
“Share(s)”	ordinary share(s) of HK\$0.01 in the share capital of the Company
“Share Consolidation”	the consolidation of every ten (10) Shares in the issued and unissued share capital of the Company into one (1) Consolidated Share in the issued and unissued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underwriter”	the Controlling Shareholder
“Underwriting Agreement”	the underwriting agreement dated 7 March 2007 entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 8 March 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 Hong Yan 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) on the “Latest Company Announcement” page for at least 7 days from the date of its posting.