

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 ACQUISITION OF LAND IN QINGDAO AND CONSTRUCTION OF PRODUCTION PLANT

Agreement for Acquisition of Land in Qingdao

On 24 August 2011, Qingdao Haijing entered into a stated-owned construction land use rights transfer agreement (國有建設用地使用權出讓合同) with Jiaozhou City Land Bureau of Qingdao City, Shandong Province, the PRC (中華人民共和國山東省青島市膠州市國土資源局), for the acquisition of land use rights of the Land for a term of 50 years at a consideration of RMB 4,770,000 (equivalent to approximately HK\$5,819,400). The Land will be used for the construction of production plant of the Group for the manufacture of EPS packaging products.

Main Contractor Agreement for Construction and Installation of Steel Structure of the Production Plant

On 23 September 2011, Qingdao Haijing entered into a main contractor agreement for construction and installation of Steel Structure of the production plant with Qingdao Tailong Steel Structure Company Limited (青島泰龍鋼構有限公司), the total project cost is RMB7,180,000 (equivalent to approximately HK\$8,759,600).

Main Contractor Agreement for Civil Construction of the Production Plant

On 23 September 2011, Qingdao Haijing entered into a main contractor agreement for civil construction of the production plant with Qingdao Guanhua Construction Company Limited (青島冠華建設有限公司), the total project cost is RMB12,800,000 (equivalent to approximately HK\$15,616,000).

Implication under the Listing Rules

The capital expenditure for the acquisition of Land in Qingdao and construction of production plant constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Agreement for Acquisition of Land in Qingdao

On 24 August 2011, Qingdao Haijing entered into a stated-owned construction land use rights transfer agreement (國有建設用地使用權出讓合同) with Jiaozhou City Land Bureau of Qingdao City, Shandong Province, the PRC (中華人民共和國山東省青島市膠州市國土資源局), for the acquisition of land use rights of the Land for a term of 50 years at a consideration of RMB 4,770,000 (equivalent to approximately HK\$5,819,400).

Principal terms of the Agreement for Acquisition of Land

Date 24 August 2011

Parties

The Purchaser: 青島海景包裝制品有限公司 (Qingdao Haijing Packing Materials Company Limited), an indirect wholly-owned subsidiary of the Company;

The Vendor: 中華人民共和國山東省青島市膠州市國土資源局 (Jiaozhou City Land Bureau of Qingdao City, Shandong Province, the PRC) a PRC Governmental Bureau in charge of management of the land resources in Jiaozhou City, Qingdao City, Shandong Province, the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor 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 Land

The Land is an industrial land and is located in 中國山東省青島市膠州市馬店鎮陸家村緯四十七路以南、縱一路以西側 (The South of Horizontal Road 47 and the West of Vertical Road 1, Lu Village, Madian Town, Jiaozhou City, Qingdao City of Shandong Province, the PRC) with a total site area of approximately 28,357 square metres. The Land has a tenor of 50 years from the issue of land use right certificate. It is estimated that the Vendor will deliver the Land to the Purchaser on or before 26 September 2011. As at the date of this announcement, the land use rights certificate has not been obtained.

Consideration

The consideration for the Land is RMB 4,770,000 (equivalent to approximately HK\$5,819,400). The Group has fully paid RMB 4,770,000 (equivalent to approximately HK\$5,819,400) to the Vendor. The consideration is funded by internal resources of the Group.

The Directors, including the independent non-executive Directors, consider that the value of the Land is commensurate with the consideration for the acquisition of the Land which was arrived at as a result of a successful bid by the Purchaser at an opening bidding organized by the Vendor. The Directors, including the independent non-executive Directors, consider that the consideration for the acquisition of the Land is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Main Contractor Agreement for Construction and Installation of Steel Structure of the Production Plant

On 23 September 2011, Qingdao Haijing entered into a main contractor agreement for construction and installation of steel structure for the production plant with Qingdao Tailong Steel Structure Company Limited (青島泰龍鋼構有限公司), the total project cost is RMB7,180,000 (equivalent to approximately HK\$8,759,600).

Principal terms of the Agreement for Construction of Steel Structure

Date 23 September 2011

Parties

The Developer: 青島海景包裝制品有限公司 (Qingdao Haijing Packing Materials Company Limited)

The Main Contractor: 青島泰龍鋼構有限公司 (Qingdao Tailong Steel Structure Company Limited), a steel structural 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 the Steel Structural Construction

The total site area of the steel structural construction is approximately 18,669.45 square metres.

Consideration

The total project cost is RMB7,180,000 (equivalent to approximately HK\$8,759,600). The total project cost of the steel structural 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 steel structural 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 steel structural 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 total project cost shall be paid in cash as follows:

- 1) 30% of the consideration will be paid upon the signing of the steel structural construction agreement;
- 2) 20% of the consideration will be paid after the erection of the first steel column;
- 3) 20% of the consideration will be paid upon the installation of wall-plate started;
- 4) 15% of the consideration will be paid upon the installation of wall-plate completed;
- 5) 10% of the consideration will be paid within 10 days after construction project is completed and accepted
- 6) 5% of the consideration, being the retention money, will be paid one year after the final acceptance of the construction project.

Main Contractor Agreement for Civil Construction of the Production Plant

On 23 September 2011, Qingdao Haijing entered into a main contractor agreement for civil construction of the production plant with Qingdao Guanhua Construction Company Limited (青島冠華建設有限公司), the total project cost is RMB12,800,000 (equivalent to approximately HK\$15,616,000).

Principal terms of the Civil Construction Agreement

Date 23 September 2011

Parties

The Developer: 青島海景包裝製品有限公司 (Qingdao Haijing Packing Materials Company Limited)

The Main Contractor: 青島冠華建設有限公司 (Qingdao Guanhua Construction Company Limited), a civil 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 the Civil Construction

The total site area of the civil construction is approximately 32,546.29 square metres.

Consideration

The total project cost is RMB12,800,000 (equivalent to approximately HK\$15,616,000); including the plant construction cost is RMB 5,660,000 (equivalent to approximately HK\$6,905,200), the dormitory construction cost is RMB 4,180,000 (equivalent to approximately HK\$5,099,600) and other single project cost is RMB 2,960,000 (equivalent to approximately HK\$3,611,200). The total project cost of the civil 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 civil 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 civil 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 construction cost shall be paid in cash as follows:

Plant Construction Work (Construction cost is RMB 5,660,000)

- 1) 20% of the plant construction cost will be paid within 3 days after the commencement of the plant construction work ;
- 2) 20% of the plant construction cost will be paid within 3 days after the completion of the ground beam construction;
- 3) 20% of the plant construction cost will be paid upon the completion of the enclosure wall construction;
- 4) 20% of the plant construction cost will be paid within 15 days after the completion of the plant construction;
- 5) 15% of the plant construction cost will be paid within 1 month after the plant construction is completed and accepted;
- 6) 5% of the plant construction cost, being the retention money, will be paid one year after the final acceptance of the plant construction work.

Dormitory Construction Work (Construction cost is RMB 4,180,000)

- 1) 5% of the dormitory construction cost will be paid within 3 days after the commencement of the dormitory construction work ;
- 2) 15% of the dormitory construction cost will be paid within 3 days after the completion of the ground beam construction;
- 3) 10% of the dormitory construction cost will be paid upon the completion of the 2nd floor slab;
- 4) 10% of the dormitory construction cost will be paid upon the completion of the 3rd floor slab;
- 5) 10% of the dormitory construction cost will be paid upon the completion of the 4th floor slab;
- 6) 10% of the dormitory construction cost will be paid upon the completion of the 5th floor slab;
- 7) 10% of the dormitory construction cost will be paid upon the completion of the 6th floor slab;
- 8) 15% of the dormitory construction cost will be paid upon the acceptance of the main project;
- 9) 10% of the dormitory construction cost will be paid within 1 month after the dormitory construction work is completed and accepted;
- 10) 5% of the dormitory construction cost, being the retention money, will be paid one year after the final acceptance of the dormitory construction work.

Other Single Project Cost (Project cost is RMB 2,960,000)

- 1) 20% of the other single project cost will be paid within 3 days after the commencement of the other single project ;
- 2) 15% of the other single project cost will be paid within 3 days after the completion of the ground beam construction;
- 3) 20% of the other single project cost will be paid upon the 50% completion of other single project ;
- 4) 20% of the other single project cost will be paid upon the acceptance of the main project;
- 5) 20% of the other single project cost will be paid within 1 month after the other single project is completed and accepted;
- 6) 5% of the other single project cost, being the retention money, will be paid one year after the final acceptance of the other single project.

REASON FOR THE ACQUISITION OF THE LAND AND CONSTRUCTION OF THE PRODUCTION PLANT

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. To facilitate the development of the Group's growing EPS packaging business in Qingdao City, the Land will be used for the construction of production plant of the Group for the manufacture of EPS packaging products. The consideration for the Land is RMB 4,770,000 (equivalent to approximately HK\$ 5,819,400) and the capital expenditure for the construction of production plant is RMB 19,980,000 (equivalent to approximately HK\$24,375,600). The total Transaction cost is RMB 24,750,000 (equivalent to approximately HK\$30,195,000). The construction of the production plant will be funded by the Group's internal resources and/or bank borrowings.

It is expected that the construction of the production plant will be commenced by the end of September 2011 and the operation of the production plant will be commenced in July 2012. With the establishment of new production plant, the Board considers it will increase the production capacity of the Group and should further enhance the service to the customers located in Qingdao City.

GENERAL

The capital expenditure for the acquisition of Land in Qingdao and construction of production plant 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”	expandable polystyrene, a commonly used cushion packaging materials for electrical products
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People's Republic of China
“Land”	The Land is an industrial land and is located in 中國山東省青島市膠州市馬店鎮陸家村緯四十七路以南、縱一路以西側 (The South of Horizontal Road 47 and the West of Vertical Road 1, Lu Village, Madian Town, Jiaozhou City, Qingdao City of Shandong Province, the PRC) with a total site area of approximately 28,357 square metres.

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Qingdao Haijing”	: 青島海景包裝制品有限公司 (Qingdao Haijing Packing Materials Company Limited), an indirect wholly-owned subsidiary of the Company
“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
“Transaction”	: the capital expenditure for the acquisition of Land in Qingdao and construction of production plant
“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\$1.22 has been used for conversion.

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

Hong Kong, 23 September 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).

This announcement is published on the HKExnews website at <http://www.hkexnews.hk> and on the website of the Company at <http://www.sinohaijing.com>.