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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)

### **PROPOSED ISSUE OF NOTES**

This announcement is made by Sino Haijing Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

### **PLACING AGREEMENT**

The board (the “**Board**”) of directors of the Company (the “**Directors**”) announces that on 17 April 2015 (after trading hours), the Company’s wholly-owned subsidiary, Equal Smart Global Limited (the “**Issuer**”) which was incorporated under the laws of the British Virgin Islands as the issuer and CNI Securities Group Limited (the “**Placing Agent**”) as the placing agent entered into a placing agreement (the “**Placing Agreement**”) pursuant to which the Placing Agent agreed to act as placing agent of the Issuer to procure, on a best endeavour basis, placee(s) who (and their respective ultimate beneficial owners, if applicable) are third parties independent of, and not connected with the Issuer, its connected persons (within the meaning of the Listing Rules) and their respective associates to subscribe for the 8% coupon secured and unlisted notes (the “**Notes**”) to be issued by the Issuer in an aggregate principal amount of up to HK\$280,000,000 maturing on the second anniversary of the date of the first issue of Notes at the placing price equal to 100% of the principal amount of the Notes (the “**Placing**”). The placing period for the Placing shall last for a period of six months commencing on the day immediately following the date of the Placing Agreement.

The Notes will constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and will rank equally and without any preference amongst themselves. The Notes will be secured by an equitable mortgage (the “**Deed of Share Mortgage**”) over all the share capital of Great Prospect Enterprise Limited (the “**Subsidiary**”), a wholly-owned subsidiary of the Company which was incorporated under the laws of the British Virgin Islands. No listing of the Notes will be sought on the Stock Exchange or any other stock exchanges.

To the best of the knowledge and belief of the Directors, the Placing Agent and its ultimate beneficial owners is not a connected person (within the meaning of the Listing Rules) of the Company.

### **REASONS FOR THE PLACING AND USE OF PROCEEDS**

If all the Notes are fully and successfully placed, the gross proceeds from the issuance of the Notes will be HK\$280,000,000 and the net proceeds of the issuance will be approximately HK\$276,000,000 after deduction of the relevant commission and expenses. The Group intends to use the net proceeds of the issuance for developing potential new business should such opportunities arise and for the working capital of the Group.

The Group currently focuses on the production and sale of expanded polystyrene (“**EPS**”) packaging products for household electrical appliances in the PRC. Due to the household electrical appliances industry is facing the problem of overcapacity whereas the EPS packaging industry is also seeing the problem of overcapacity and the fierce competition within the industry.

In view of this, the Directors have considered any possibility of diversifying the business of the Group by developing property investment project in the PRC. As many Chinese cities have relaxed purchase restrictions and the Central Bank has lowered interest rates to boost the Mainland property market, the Board believes that tapping into the PRC property market would be an opportunity for the Company to diversify its business and income source. The Board and the management of the Company has been actively investigating and exploring various property investment projects with high potential and looking for long term business partners with experience and knowledge in the PRC property industry.

As at the date of this announcement, the Company has no concrete plan for the development of any new business. Further announcement(s) will be made by the Company pursuant to the Listing Rules as and when appropriate.

The Directors consider that the Placing represents an opportunity to obtain funding, which could be used to finance any potential investment or business opportunities of the Group that may arise from time to time.

The Board considers the terms of the Placing and the Notes to be fair and reasonable and is of the view that the transactions contemplated under the Placing Agreement and the issuance of the Notes are in the interests of the Company and its shareholders (the “Shareholders”) as a whole.

#### **POTENTIAL COVENANT ON MINIMUM SHAREHOLDING IN THE COMPANY**

Pursuant to the terms of the Notes to be issued, it will be an event of default if Mr. Chao Pang Fei (“Mr. Chao”), the Company's controlling shareholder, directly and indirectly owns less than 30% of the issued share capital of the Company. Any occurrence of such event of default will give the holders of the Notes the right to demand for repayment of the amount due under the Notes and to enforce the security constituted by the Deed of Share Mortgage. At the date of this announcement, Mr. Chao directly and indirectly holds attributable interests of approximately 58.57% in the issued share capital of the Company. The Company will make disclosure pursuant to Rule 13.18 of the Listing Rules upon its entering into the relevant document relating to the Notes which gives effect to such event of default provision.

**Shareholders and potential investors should note that under the Placing Agreement, the Placing is undertaken on a best endeavour basis. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 17 April 2015

*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), Ms. Szeto Wai Ling Virginia (executive Director), Mr. Lam Wai Hung (executive Director), Mr. Ho Ka Wing (independent non-executive Director), Mr. Hong Jianhua (independent non-executive Director) and Mr. Pang Hong (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>.*