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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

CHARACTISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED ("THE STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Perspective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristic of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance given that there will be a liquid market in the securities traded on GEM.

FINAL RESULTS

The board of Directors (the "Board") of the Company herein present audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2009 together with comparative audited figures for the corresponding year in 2008 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	Note	**2009**	2008
		HK$'000	HK$'000
Turnover	2	**374,581**	313,097
Cost of sales		**(311,169)**	(238,721)
Gross profit		**63,412**	74,376
Other revenue	4	**2,452**	4,182
Other net income	4	**1,490**	3,453
Administrative and other operating expenses		**(39,853)**	(31,582)
Profit from operations		**27,501**	50,429
Finance costs		**(5,570)**	(6,323)
Profit before taxation	5	**21,931**	44,106
Income tax	6	**(5,955)**	(7,781)
Profit for the year		**15,976**	36,325
Other comprehensive income for the year			
Exchange differences arising on translation of foreign operations		**(17)**	12,592
Total comprehensive income for the year		**15,959**	48,917
Profit attributable to:			
Equity shareholders of the Company		**14,602**	34,793
Minority interests		**1,374**	1,532
Profit for the year		**15,976**	36,325
Total comprehensive income attributable to:			
Equity shareholders of the Company		**14,585**	47,149
Minority interests		**1,374**	1,768
Total comprehensive income for the year		**15,959**	48,917
Earnings per share	7		
- Basic		**HK$ 6.0 cents**	HK$ 14.4 cents
- Diluted		**HK$ 6.0 cents**	HK$ 14.4 cents

CONSOLIDATED BALANCE SHEET

At 31 December 2009

	Note	2009 HK$'000	2008 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**117,051**	116,015
Lease premium for land		**24,991**	22,272
Goodwill		**67,717**	67,723
		209,759	206,010
CURRENT ASSETS			
Trading securities		**50**	-
Inventories		**12,750**	18,318
Lease premium for land		**590**	514
Trade and other receivables	9	**186,440**	177,334
Cash and cash equivalents		**15,365**	5,254
		215,195	201,420
CURRENT LIABILITIES			
Trade and other payables	10	**110,604**	110,622
Bank and other borrowings		**64,861**	67,929
Current taxation		**1,988**	1,905
		177,453	180,456
NET CURRENT ASSETS		**37,742**	20,964
TOTAL ASSETS LESS CURRENT LIABILITIES		**247,501**	226,974
NON-CURRENT LIABILITIES			
Bank and other borrowings		**2,467**	-
Deferred tax liabilities		**3,254**	2,749
		5,721	2,749
NET ASSETS		**241,780**	224,225
CAPITAL AND RESERVES			
Issued capital		**24,219**	24,219
Reserves		**202,068**	185,887
Total equity attributable to equity shareholders of the Company		**226,287**	210,106
Minority interests		**15,493**	14,119
TOTAL EQUITY		**241,780**	224,225

Notes:

1. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued one new HKFRS, a number of amendments to HKFRS and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 8, Operating segments
- HKAS 1 (revised 2007), Presentation of financial statements
- Amendments to HKFRS 7, Financial instruments: Disclosures - improving disclosures about financial instruments
- Improvements to HKFRSs (2008)
- Amendments to HKAS 27, Consolidated and separate financial statements - cost of an investment in a subsidiary, jointly controlled entity or associate
- HKAS 23 (revised 2007), Borrowing costs
- Amendments to HKFRS 2, Share-based payment - vesting conditions and cancellations

The amendments to HKAS 27, HKAS 23 and HKFRS 2 have had no material impact on the Group's financial statements as the amendments and interpretations were consistent with policies already adopted by the Group. The impact of the remainder of these developments is as follows:

- HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. The adoption of HKFRS 8 has not resulted in redesignation of the presentation of segment information.

- As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a statement of changes in equity. All other items of income and expense are presented in the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

- As a result of the adoption of the amendments to HKFRS 7, the financial statements include expanded disclosures about the fair value measurement of the Group's financial instruments, categorizing these fair value measurements into a three-level fair value hierarchy according to the extent to which they are based on observable market data. The Group has taken advantage of the transitional provisions set out in the amendments to HKFRS 7, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments has not been provided.

The application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior year adjustment is required.

The Company has not early applied any of the following new and revised standards, amendments or interpretations which have been issued but are not yet effective for annual periods beginning on 1 January 2009.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of improvements to HKFRS 2008 [1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009 [2]
HKAS 24 (Revised)	Related Party Disclosures [3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements [1]
HKAS 32 (Amendment)	Financial Instruments: Presentation – Classification of Rights Issues [4]
HKAS 39 (Amendment)	Eligible Hedged Items [1]
HKFRS 1 (Revised)	First-time Adoption of HKFRSs [1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters [5]
HKFRS 2 (Amendments)	Share-based Payment – Group Cash-settled Share-based Payment Transactions [5]
HKFRS 3 (Revised)	Business Combinations [1]
HKFRS 9	Financial Instruments [6]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement [3]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners [1]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments [7]

[1] Effective for annual periods beginning on or after 1 July 2009
[2] Effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate
[3] Effective for annual periods beginning on or after 1 January 2011
[4] Effective for annual periods beginning on or after 1 February 2010
[5] Effective for annual periods beginning on or after 1 January 2010
[6] Effective for annual periods beginning on or after 1 January 2013
[7] Effective for annual periods beginning on or after 1 July 2010

The Company's directors anticipate that the application of the new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Company.

2. TURNOVER

The principal activities of the Group are manufacture and sale of packaging materials in the PRC.

Turnover represents the sales value of goods supplied to the customers, which excludes value-added tax and it stated after deduction of all goods returns and trade discounts.

3. SEGMENT REPORTING

The Company has adopted HKFRS 8 "Operating segments" with effective from 1 January 2009. HKFRS 8 requires operating segments to be identified on basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

a) Segment revenue, results, assets and liabilities

The Group is principally engaged in the manufacture and sale of packaging materials in the PRC. The Group's chief operating decision maker regularly review their consolidated financial information to assess the performance and make resource allocation decisions. Accordingly, there is only one operating segment for the Group and no segmental revenue, results, assets and liabilities is presented.

b) Geographical information

The geographical location of customers is based on the location at which the goods are delivered. Substantially, all of the Group's revenue from external customers, non-current assets and capital expenditure are located in the PRC, no analysis on revenue from external customers and non-current assets by location are presented.

c) Information about major customers

Revenues from external customers of the corresponding years contributing over 10% of the total revenue from the Group's sole operating activity of sale of packaging materials in the PRC are as follows:

	2009	2008
	HK$'000	HK$'000
Customer A	**151,046**	209,775
Customer B	**72,424**	-
	223,470	209,775

4. OTHER REVENUE AND OTHER NET INCOME

	2009	2008
	HK$'000	HK$'000
Other revenue		
Interest income from bank deposits	**220**	82
Total interest income on financial assets not at fair value through profit or loss	**220**	82
Amount recovered for impairment loss on trade receivables recognised in prior years	**-**	2,693
Government grants	**1,383**	812
Penalties received from suppliers	**412**	282
Sundry income	**437**	313
	2,452	4,182
Other net income		
Sales of raw materials and scrap products	**1,105**	2,773
Sales of steam	**522**	511
Net loss on sale of property, plant and equipment	**(72)**	(23)
Net exchange (loss)/gain	**(65)**	192
	1,490	3,453

5. PROFIT FROM OPERATIONS

Profit before taxation is arrived at after charging/(crediting) the following:

		2009	2008
		HK$'000	HK$'000
a)	**Finance costs:**		
	Interest on bank advances wholly repayable within five years	**5,570**	6,323
	Total interest expense on financial liabilities not at fair value through profit or loss	**5,570**	6,323
b)	**Staff cost (director' emoluments included):**		
	Salaries, wages and other benefits	**29,274**	25,581
	Equity settled share-based payment expenses	**1,596**	-
	Contribution to defined contribution retirement plans	**1,113**	999
		31,983	26,580
c)	**Other items:**		
	Amortisation of lease premium of land	**278**	505
	Impairment loss recognised / (reversed) in respect of trade and other receivables	**161**	(2,693)
	Depreciation for property, plant and equipment	**17,144**	12,943
	Impairment losses for plant and machinery	**572**	-
	Auditors' remuneration	**595**	630
	Operating lease charges on rented premises and equipment	**5,401**	4,451
	Cost of inventories	**311,169**	238,721

6. INCOME TAX

Income tax in the consolidated statement of comprehensive income represents:

	2009	2008
	HK$'000	HK$'000
Current tax		
PRC enterprise income tax	**5,450**	7,844
Deferred tax		
Current year	**505**	(63)
	5,955	7,781

No Hong Kong profits tax has been provided for the financial statements as the Group has no estimated assessable profits for both current and prior year.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

7. EARNINGS PER SHARE

The calculations of the basic and diluted earnings per share attributable to the ordinary equity shareholders of the Company are based on the following data:

	2009	2008
	HK$'000	HK$'000
Profit:		
Profit for the year attributable to ordinary equity shareholders of the Company	**14,602**	34,793

	2009	2008
	'000	'000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**242,190**	241,200
Add: Effect of deemed issue of shares under the Company's share option scheme	**121**	-
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**242,311**	242,200

8. DIVIDEND

The directors do not recommend the payment of any dividend in respect of the years ended 31 December 2008 and 2009.

9. TRADE AND OTHER RECEIVABLES

	2009	2008
	HK$'000	HK$'000
Trade receivables	**90,998**	78,291
Bills receivables	**51,712**	58,720
	142,710	137,011
Less: Allowance for doubtful debts	**(161)**	-
	142,549	137,011
Other receivables	**1,443**	2,090
Loan and receivables	**143,992**	139,101
Prepayments and deposits	**42,448**	38,233
	186,440	177,334

The aging analysis of the trade and bills receivables is as follows:-

	2009	2008
	HK$'000	HK$'000
Within 3 months	**118,091**	97,770
Over 3 months but within 6 months	**24,334**	38,021
Over 6 months but within 1 year	**80**	187
Over 1 year	**205**	1,033
	142,710	137,011
Less: Impairment loss on trade receivables	**(161)**	-
	142,549	137,011

The normal credit period granted to the customers of the Group is 60 to 90 days (2008: 60 to 90 days). Impairment loss on trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

10. TRADE AND OTHER PAYABLES

	2009	2008
	HK$'000	HK$'000
Bills payable	**47,947**	49,536
Trade payables	**44,661**	34,445
	92,608	83,981
Land lease premium payable	**-**	1,158
Amount due to a related company	**82**	21
Amount due to a former shareholder of subsidiaries	**10,015**	16,702
Other payables	**7,899**	8,760
Financial liabilities measured at amortised cost	**110,604**	110,622

The following is an aging analysis of the bills and trade payables as at the balance sheet date:

	2009	2008
	HK$'000	HK$'000
Within 3 months	**56,047**	38,727
Over 3 months but within 6 months	**33,819**	36,860
Over 6 months but within 1 year	**1,547**	5,381
Over 1 year	**1,195**	3,013
	92,608	83,981

a) Trade payables approximately HK$4,481,000 (2008: HK$244,000) is guaranteed by Mr. Chao Pang Fei "Mr. Chao", the controlling shareholder of the Company.

b) The amount due to a related company is interest-free, unsecured and has not fixed terms of repayment. This related company is controlled by Mr. Chao.

c) The amount due to a former shareholder of subsidiaries is interest-free, unsecured and has no fixed terms of repayment.

FINANCIAL REVIEW

For the year under review, the Group recorded a total turnover of approximately HK$374.58 million, representing an increase of approximately 19.64% as compared with approximately HK$ 313.10 million for the corresponding year in 2008. Profit attributable to equity shareholders of the Company was approximately HK$14.60 million, represent a decrease of approximately 58.03% as compared with approximately HK$34.79 million for the corresponding year in 2008.

BUSINESS REVIEW

In the first half of 2009, the global financial crisis resulted in a tremendous market downturn. The slowdown for the demand of cushioning packaging products for household appliances had a direct negative impact on the Group's operating results. On the other hand, the "Rural Area Subsidized Electrical Appliances Purchase Policy", the "Home Appliances Replacement Policy" and the "Energy Efficient Product Subsidy Policy" implemented by the PRC government stimulated the demand of home appliances. The Group's operating results have stabilized in the second half of 2009.

During the year under review, the Group has committed to broaden the sources of income and reduce the operating costs. In addition to consolidate the existing business, the Group has also actively developed the new customers and the new markets. In the second half of 2009, the continuous rise of fuel, electricity, labour cost, raw materials and accessory materials brought high pressures on the operating costs of the Group, the Group put strenuous efforts to implement effective cost-control measures, through strengthening the internal management and improving the operating processes resulting in a more streamlined operation and increased overall production efficiency.

In 2009, the Group has gained precious experience in response to adverse business environment and it laid a solid foundation for the future sustainable development of the Group.

RECOGNITION

During the past year, the subsidiaries of the Group received numerous awards from the local governments and their business partners for their achievement, including:

- "2009 Outstanding Contribution (Top Ten) Enterprise" by the Working Committee of Jiushui Road , Licang District, Qingdao City
- "2009 Outstanding Manager" by the Working Committee of Xuejiadao Street, Huangdao District, Qingdao City
- "2009 Brand Name of China EPS Industry" by China Plastics Processing Industry Association – EPS Professional Committee
- "2008 Outstanding Entrepreneur" by Anhui Province Foreign Investment Association

- "2008 Outstanding Foreign Investment Enterprise" by Anhui Province Foreign Investment Association

BUSINESS OUTLOOK

Given the initial recovery of the global economy and the support of the "Rural Area Subsidized Electrical Appliances Purchase Policy" implemented by the PRC government, the Group is cautious optimistic for the operation in 2010. In 2010, the Group's core strategies are "to optimize the product structures, strengthen the internal management and team building".

To optimize the product structures

In addition to consolidate the existing household electrical appliance packaging business, the Group will continue to optimize its product structures so as to boost sales value.

The Group has started to develop the new businesses beyond its existing household electrical appliance packaging business, including the logistic and freight packaging solutions business. The Group has targeted to upgrade from the manufacturer of household electrical appliance packaging products to an excellent complete packaging solutions providers so as to further improve its overall competitiveness and profitability.

To strengthen the internal management

The Group will continue to strengthen its internal management, simplify and improve procedures and processes to make operations more streamlined. The Group will convene regular internal meetings to facilitate communication among the Group's subsidiaries in order to promote market information and exchange production technology so that all departments complement each other in their respective merits and enhance overall efficiency.

The Group will strengthen the management of production technology and improve the mechanization of equipment standards, and enhance staff operational skills in order to improve overall production efficiency.

The Group requires utilizing the massive steam in the daily production process and to improve the mould design can effectively reduce the consumption of steam. In 2010, the Group will focus on improving mould design, thereby enhancing production efficiency and cost savings.

Team building

The Group has adhered to the "people-oriented" enterprise conviction and strongly believed that only having outstanding human resources can enhance the overall competitiveness and cohesive spirit of the Group. The Group has adopted a share option scheme and offered a refined incentive bonus program to its staff. The Group provides ongoing staff training and offers fair and equitable career advancement to its staff so as to enhance the quality of management and operations skills of the staff and nurture the key human resources for the future development of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2009, the Group's current assets amounted to approximately HK$215.20 million (2008: HK$201.42 million) of which approximately HK$15.37 million (2008: HK$5.25 million) were cash and cash equivalents. The Group's current liabilities amounted to approximately 177.45 million (2008: HK$180.46 million) which mainly comprised its trade and other payables and interest-bearing bank and other borrowings. Taken into consideration of its current financial resources, the Group shall have adequate capital for its continual operation and development.

GEARING RATIO

As at 31 December 2009, the total tangible assets of the Group were approximately HK$357.24 million whereas the total liabilities were approximately HK$183.17 million. The gearing ratio (total liabilities divided total tangible assets) was approximately 51.27%.

CAPITAL COMMITMENT

The Group's capital commitment outstanding at the year end and contracted but not provided for in the financial statements is HK$2.02 million (2008:1.72 million).

CONTINGENT LIABILITIES

As at 31 December 2009, the Group did not have any significant contingent liabilities.

PLEDGE OF ASSETS

As at 31 December 2009, the Group pledged assets with aggregate carrying value of HK$83.63 million (31 December 2008: HK$77.06 million) to secure banking facilities and other borrowings.

EMPLOYEES

As at 31 December 2009, the Group had a total of around 917 (2008: 972) staff based in the PRC and Hong Kong. The Group remunerates its employees based on their performance, experience and industry practices.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "CCGP") of the GEM Listing Rules throughout the year ended 31 December 2009 except for code provision A.2.1, which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Chao Pang Fei is the Chairman and chief executive officer of the Company. In view of the scale of operations of the Company and the fact that daily operations of the Group's business is delegated to the senior executives and departments heads, the Board considers that vesting the roles of both Chairman and chief executive officer in the same person will not impair the balance of power and authority between the Board and the management of the Company. Save as disclosed, the Company has met the code provisions set out in the CCGP throughout the year ended 31 December 2009.

COMPETING INTERESTS

As at 31 December 2009, none of the Directors or management shareholders (as defined in GEM Listing Rules) of the Company or their respective associates had interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 (the "Required Standard of Dealing") of the GEM Listing Rules.

Specific enquiry has been made by the Company, all Directors have confirmed that they have complied with the Required Standard of Dealing throughout the year ended 31 December 2009.

PURCHASE, DISPOSAL OR REDEMPTION OF SECURITIES

During the year ended 31 December 2009, neither the Company, nor any of its subsidiaries purchased, disposed of or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financing reporting matters including the review of the audited annual financial statements of the Group for the year ended 31 December 2009

SCOPE OF WORK OF CCIF CPA LIMITED

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2009 as set out in the preliminary announcement have been agreed by the Group's auditor, CCIF CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by CCIF CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCIF CPA Limited on the preliminary announcement.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank our shareholders for their continued support during 2009 and all staff for their hard work.

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

Hong Kong, 22 March 2010

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. Cheng Yun Ming, Matthew (independent non-executive Director) and Mr. Sin Ka Man (independent non-executive Director).