

中國海景

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中國海景控股有限公司
Sino Haijing Holdings Limited

Stock Code: 8065



CHARACTERISTICS 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.

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This report, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

This report, in both English and Chinese versions, is available on the Company’s website at www.sinohajijing.com (the “Company Website”).

Shareholders who have chosen or have been deemed consented to receive the corporate communications of the Company (the “Corporate Communications”) via the Company Website and who for any reason have difficulty in receiving or gaining access to this report posted on the Company Website will promptly upon request be sent this report in printed form free of charge.

Shareholders may at any time change their choice of the means of receipt (either in printed form or via the Company Website) and/or language(s) (either English only or Chinese only or both languages) of Corporate Communications.

Shareholders may send their request to receive this report in printed form, and/or to change their choice of the means of receipt and/or language(s) of Corporate Communications by notice in writing to the Hong Kong Share Registrar of the Company, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong or by sending an email to the Hong Kong Share Registrar of the Company at is-ecom@hk.tricorglobal.com.



HIGHLIGHTS

- For the six months ended 30 June 2010, turnover was approximately HK\$263.87 million, representing an increase of approximately 52.48% as compared with approximately HK\$173.05 million for the corresponding period in 2009.
- For the six months ended 30 June 2010, gross profit margin was approximately 18.02% as compared to gross profit margin was 15.55% for the corresponding period in 2009.
- For the six months ended 30 June 2010, profit attributable to equity shareholders of the Company was approximately HK\$13.16 million, representing an increase of approximately 146.90% as compared with approximately HK\$5.33 million for the corresponding period in 2009.
- The board of directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30 June 2010.

INTERIM RESULTS

The board of Directors (the "Board") of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the three months and six months ended 30 June 2010, together with comparative unaudited figures for the corresponding period in 2009 as follows:-

CONDENSED CONSOLIDATED INCOME STATEMENT

Notes	Six months ended 30 June		Three months ended 30 June		
	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	
Turnover	2	263,867	173,051	147,282	93,536
Cost of sales		(216,330)	(146,134)	(120,083)	(77,064)
Gross profit		47,537	26,917	27,199	16,472
Other income		1,514	2,234	790	1,013
Administrative and other operating expenses		(25,234)	(18,446)	(13,389)	(10,565)
Operating profit		23,817	10,705	14,600	6,920
Finance costs		(3,189)	(2,647)	(1,680)	(1,289)
Profit before taxation	4	20,628	8,058	12,920	5,631
Income tax	5	(6,532)	(1,943)	(4,129)	(1,264)
Profit the period		14,096	6,115	8,791	4,367
Other comprehensive income for the period					
Exchange differences arising on translation of foreign operations		2,791	(277)	2,438	(15)
Total comprehensive income for the period		16,887	5,838	11,229	4,352
Equity shareholders of the Company		13,159	5,330	8,109	3,943
Minority interests		937	785	682	424
Profit for the period		14,096	6,115	8,791	4,367
Total comprehensive income attributable to:					
Equity shareholders of the Company		15,795	5,068	10,414	3,922
Minority interests		1,092	770	815	430
Total comprehensive income for the period		16,887	5,838	11,229	4,352
Earnings per share	7				
– Basic		2.71 cents	1.10 cents	1.67 cents	0.81 cents
– Diluted		2.70 cents	1.10 cents	1.66 cents	0.81 cents



CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	As at 30 June 2010 HK'000 (Unaudited)	As at 31 December 2009 HK'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	8	117,337	117,051
Lease premium for land		24,830	24,991
Goodwill		68,456	67,717
		<u>210,623</u>	<u>209,759</u>
CURRENT ASSETS			
Trading securities		37	50
Inventories		14,247	12,750
Lease premium for land		596	590
Trade and other receivables	9	187,131	186,440
Cash and cash equivalents		17,631	15,365
		<u>219,642</u>	<u>215,195</u>
CURRENT LIABILITIES			
Trade and other payables	10	94,054	110,604
Bank and other borrowings	11	63,241	64,861
Current taxation		5,955	1,988
		<u>163,250</u>	<u>177,453</u>
NET CURRENT ASSETS		<u>56,392</u>	<u>37,742</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>267,015</u>	<u>247,501</u>
NON-CURRENT LIABILITIES			
Bank and other borrowings	11	4,467	2,467
Deferred tax liabilities		4,370	3,254
		<u>8,837</u>	<u>5,721</u>
NET ASSETS		<u>258,178</u>	<u>241,780</u>
CAPITAL AND RESERVES			
Issued capital	12	24,411	24,219
Reserves		218,926	202,068
Total equity attributable to equity shareholders of the Company		<u>243,337</u>	<u>226,287</u>
Minority interests		<u>14,841</u>	<u>15,493</u>
TOTAL EQUITY		<u>258,178</u>	<u>241,780</u>



CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 June	
	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)
Net cash inflow from operating activities	12,486	18,883
Net cash outflow from investing activities	(10,600)	(4,930)
Net cash inflow from financing activities	380	7,217
Increase in cash and cash equivalents	2,266	21,170
Cash and cash equivalents at the beginning of the period	15,365	5,254
Cash and cash equivalents at the end of the period	17,631	26,424
Analysis of the balances of cash and cash equivalents Cash and bank balances	17,631	26,424



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2010

	Attributable to equity shareholders of the Company									
	Issued capital HK\$'000	Share Premium HK\$'000	Capital reserve HK\$'000	Share options reserve HK\$'000	Statutory surplus reserves HK\$'000	Translation reserve HK\$'000	Retained Profits HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
At 1/1/2009	24,219	153,923	117	-	5,957	12,955	12,935	210,106	14,119	224,225
Equity settled share-based transactions	-	-	-	1,596	-	-	-	1,596	-	1,596
Total comprehensive income for the year	-	-	-	-	-	(17)	14,602	14,585	1,374	15,959
Transfer	-	-	-	-	4,147	-	(4,147)	-	-	-
At 31/12/2009 and 1/1/2010	24,219	153,923	117	1,596	10,104	12,938	23,390	226,287	15,493	241,780
Equity settled share-based transactions	-	-	-	449	-	-	-	449	-	449
Exercise of share option	192	845	-	(231)	-	-	-	806	-	806
Dividend paid	-	-	-	-	-	-	-	-	(1,744)	(1,744)
Total comprehensive income for the period	-	-	-	-	-	2,636	13,159	15,795	1,092	16,887
At 30/6/2010	<u>24,411</u>	<u>154,768</u>	<u>117</u>	<u>1,814</u>	<u>10,104</u>	<u>15,574</u>	<u>36,549</u>	<u>243,337</u>	<u>14,841</u>	<u>258,178</u>



Notes:

1. BASIS OF PREPARATION

The Group's unaudited condensed consolidated results for the six months ended 30 June 2010 have been prepared in accordance with the applicable disclosure requirements set out in Chapter 18 of the GEM Listing Rules and Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the company. There have been no significant changes to the accounting policies applied in these financial statements for the periods presented as a result of these developments.

The preparation of financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It is also requires management to exercise their judgments in the process of applying the Group's accounting policies.

The accounting policies adopted in preparing the unaudited condensed consolidated interim results were consistent with those applied for the financial statements of the Group for the year ended 31 December 2009.

The condensed consolidated interim results have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

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 reviews 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.



4. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:-

	Six months ended 30 June		Three months ended 30 June	
	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)
Audit fee	400	200	200	200
Cost of inventories recognized as expense	216,330	146,134	120,083	77,064
Depreciation	9,184	7,019	4,578	3,716
Staff costs	21,683	14,637	12,086	7,709
Interest expenses on borrowings	3,189	2,647	1,680	1,289

5. INCOME TAX

No provision for Hong Kong profits tax has been provided as the Group has no assessable profit in Hong Kong. The provision for PRC income tax is calculated based on the statutory income tax rate according to the relevant laws and regulations in the PRC.

6. DIVIDEND

For the six months ended 30 June 2010, the Board does not recommend the payment of an interim dividend (2009: Nil)

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:

	Six months ended 30 June		Three months ended 30 June	
	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)
Profit:				
Profit for the period attributable to ordinary equity shareholders of the Company	13,159	5,330	8,109	3,943
Number of shares (thousands):				
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	485,433	484,380	485,433	484,380
Add: Effect of deemed issue of shares under the Company's share option scheme	2,919	-	2,919	-
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	488,352	484,380	488,352	484,380



8. PROPERTY, PLANT AND EQUIPMENTS

During the six months ended 30 June 2010, additions to property, plant and equipments amounted to HK\$10,600,000 (year ended 31 December 2009: HK\$20,036,000) and disposal amounted HK\$1,414,000 (year ended 31 December 2009: HK\$1,745,000).

9. TRADE AND OTHER RECEIVABLES

	As at 30 June 2010 HK'000 (Unaudited)	As at 31 December 2009 HK'000 (Audited)
Trade receivables	163,562	90,998
Bills receivables	16,938	51,712
	180,500	142,710
Less; Allowance for doubt debts	(255)	(161)
	180,245	142,549
Other receivables	1,968	1,443
Loan and receivables	182,213	143,992
Prepayments, deposits and other receivables	4,918	42,448
	187,131	186,440

The Group allows its customers credit period of 90 days depending on their credit worthiness. The aging analysis of the trade and bills receivables is as follows:-

	As at 30 June 2010 HK'000 (Unaudited)	As at 31 December 2009 HK'000 (Audited)
Within 3 months	166,348	118,091
Over 3 months but within 6 months	13,222	24,334
Over 6 months but within 1 year	725	80
Over 1 year	205	205
	180,500	142,710
Less; Impairment loss on trade receivables	(255)	(161)
	180,245	142,549



10. TRADE AND OTHER PAYABLES

	As at 30 June 2009 HK'000 (Unaudited)	As at 31 December 2009 HK'000 (Audited)
Bills payable	6,653	47,947
Trade payables	70,593	44,661
	77,246	92,608
Amount due to a related company	83	82
Amount due to a former shareholder of subsidiaries	10,840	10,015
Other payables	5,885	7,899
	94,054	110,604

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

	As at 30 June 2009 HK'000 (Unaudited)	As at 31 December 2009 HK'000 (Audited)
Within 3 months	68,910	56,047
Over 3 months but within 6 months	5,437	33,819
Over 6 months but within 1 year	1,454	1,547
Over 1 year	1,445	1,195
	77,246	92,608

At 30 June 2010, trade payable of approximately HK\$10,476,000 (At 31 December 2009: HK\$4,481,000) is guaranteed by Mr. Chao Pang Fei ("Mr. Chao"), the controlling shareholders.

11. BANK BORROWINGS

At 30 June 2010, the bank borrowings to the total extent of approximately HK\$5,870,000 (At 31 December 2009: HK\$3,267,000) of the Company are secured by the property of Mr. Chao and Mrs. Chao, and the personal guarantee of Mr. Chao.

12. SHARE CAPITAL

	HK\$000
Authorised:	
As at 31 December 2009	
– 1,000,000,000 ordinary shares of HK\$0.10 each (Audited)	100,000
As at 30 June 2010	
– 2,000,000,000 ordinary shares of HK\$0.05 each (Unaudited)	100,000
Issued and fully paid:	
As at 31 December 2009	
– 242,189,655 ordinary shares of HK\$0.10 each (Audited)	24,219
As at 30 June 2009	
– 488,215,310 ordinary shares of HK\$0.05 each (Unaudited)	24,411

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 3 May 2010, every one issued and unissued ordinary share of HK\$0.10 each in the share capital of the Company be subdivided into 2 shares of HK\$0.05 each.



MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the six months ended 30 June 2010, the Group recorded a turnover of approximately HK\$263.87 million, representing an increase of approximately 52.48 % as compared with approximately HK\$173.05 million for the corresponding period in 2009. Profit attributable to equity shareholders of the Company for the six months ended 30 June 2010 was approximately HK\$13.16 million, representing an increase of approximately 146.90% as compared with approximately HK\$5.33 million for the corresponding period in 2009.

Liquidity and financial resources

As at 30 June 2010, shareholders' funds of the Group amounted to approximately HK\$243.34 million, the Group's current assets amounted to approximately HK\$219.64 millions and the Group's current liabilities amounted to approximately 163.25 million which mainly comprised its trade and other payables and interest-bearing bank borrowings. Taken into consideration of its current financial resources, the Group shall have adequate capital for its continual operation and development.

Pledge of assets

As at 30 June 2010, the Group pledged assets with aggregate carrying value of HK\$66.44 million (31 December 2009: HK\$83.63 million) to secure banking facilities.

Contingent liabilities

As at 30 June 2010, the Group did not have any significant contingent liabilities.

Gearing ratio

As at 30 June 2010, the total tangible assets of the Group were approximately HK\$361.81 million whereas the total liabilities were approximately HK\$172.09 million. The gearing ratio (total liabilities divided total tangible assets) was approximately 47.56%.

Business Review

During the period under review, 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 net profit for the six months ended 30 June 2010 was approximately HK\$13.16 million as compared with approximately HK\$5.33 million for the corresponding period in 2009, showing a significant profit improvement.

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 relatively optimistic for the operation in 2010. The Group will commit to broaden the sources of income and reduce the operating costs. In addition to consolidate the existing business, the Group will also actively develop the new customers and the new markets. The Group will also 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 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.

EMPLOYEES

As at 30 June 2010, the total number of employees of the Group was 945. Remuneration of Directors and staff were approximately HK\$21.68 million (six months ended 30 June 2009: HK\$14.64 million). Employees were remunerated based on their performance, experience and industry practices.



DISCLOSURE OF DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE SECURITIES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 June 2010, the interests or short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 under the Laws of Hong Kong ("SFO"), which will have to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provision of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) Long positions in the shares of the Company

Name of Director	Types of interests	Number of shares held	Approximate % of shareholding
Mr. Chao Pang Fei ("Mr. Chao")	Interest of a controlled corporation	345,198,010 (Note)	70.71
	Beneficial interest	18,060,000	3.70
		363,258,010	74.41
Mr. Wang Yi	Beneficial interest	2,000,000	0.41
Ms. Hui Hongyan	Beneficial interest	500,000	0.10

Note:

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

(b) Share options granted to Directors

On 6 November 2009, the Company granted share options to certain Directors under the share option scheme (the "Share Option Scheme") that was adopted on 6 June 2003. Details of the share options movement as at 30 June 2010 are set out in the heading "Share Option Scheme" below.

(c) Short positions in the shares and underlying shares of equity derivatives of the Company

Save as disclosed herein, as at 30 June 2010, none of Directors or chief executives of the Company has short positions in the shares, underlying shares of equity derivatives of the Company or any of its associated corporations.



PERSONS WHO HAVE AN INTEREST OR A SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISION 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDING

So far as was known to the Director or chief executive of the Company, as at 30 June 2010, persons (not being a Director or chief executive of the Company) who have an interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed under the positions of Divisions 2 and 3 of Part XV of the SFO or be interested in, directly or indirectly, 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Group were as follows:

(a) Long positions in the shares of the Company

Name of Director	Types of interests	Number of shares held	Approximate % of shareholding
			%
Haijing (Note 1)	Beneficial owner	345,198,010	70.71
Ms. Sam Mei Wa (Note 2)	Interest of spouse	363,258,010	74.41

Notes:

1. Haijing is a company incorporated in the BVI and is wholly owned by Mr. Chao. Mr. Chao is also the sole director of Haijing.
2. Ms Sam Mei Wa ("Mrs. Chao") is the spouse of Mr. Chao Pang Fei, hence Mrs. Chao is taken to be interested in all the Shares held or deemed to be held by Mr. Chao pursuant to the SFO.

(b) Short positions in the shares and underlying shares of equity derivatives of the Company

So far as the Directors are aware, save as disclosed herein, no persons have short position in the shares or underlying shares of equity derivatives of the Company.

SHARE OPTIONS SCHEME

The purpose of the Share Option Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Share Option Scheme include any employees, directors, substantial shareholders or any of their respective associates of the Company and/or any of its subsidiaries of associated companies.



The following table discloses the movement of the Company's share options during the period ended 30 June 2010.

	Date of grant	Exercisable period	Exercise price per share HK\$	Number of share options			Balance as at 30/6/2010
				Balance as at 1/1/2010	Exercised during the period	Lapsed upon resignation	
Category 1							
Directors							
Wang Yi	6/11/2009	6/11/2009-5/11/2013	0.21	4,000,000	2,000,000	-	2,000,000
Wang Yi	6/11/2009	6/11/2011-5/11/2013	0.21	4,000,000	-	-	4,000,000
Hui Hongyan	6/11/2009	6/11/2009-5/11/2013	0.21	2,336,000	500,000	-	1,836,000
Hui Hongyan	6/11/2009	6/11/2011-5/11/2013	0.21	2,336,000	-	-	2,336,000
Deng Chuangping	6/11/2009	6/11/2009-5/11/2013	0.21	2,880,000	-	-	2,880,000
Deng Chuangping	6/11/2009	6/11/2011-5/11/2013	0.21	2,880,000	-	-	2,880,000
				<u>18,432,000</u>	<u>2,500,000</u>	<u>-</u>	<u>15,932,000</u>
Category 2							
Employees	6/11/2009	6/11/2009-5/11/2013	0.21	14,984,000	1,336,000	-	13,648,000
Employees	6/11/2009	6/11/2011-5/11/2013	0.21	14,984,000	-	-	14,984,000
				<u>29,968,000</u>	<u>1,336,000</u>	<u>-</u>	<u>28,632,000</u>
				<u>48,400,000</u>	<u>3,836,000</u>	<u>-</u>	<u>44,564,000</u>

COMPETING INTERESTS

As at 30 June 2010, 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.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors of the Company, all Directors confirm that they complied with such code of conduct throughout the six months ended 30 June 2010.

PURCHASE, DISPOSAL OR REDEMPTION OF SECURITIES

During the period ended 30 June 2010, neither the Company, nor any of its subsidiaries purchased, disposed of or redeemed any of the Company's listed securities.



CORPORATE GOVERNANCE

Save and except the following deviations from the code provisions set out in the Code on Corporate Governance Practices as contained in Appendix 15 to the GEM Listing Rules (the “CCGP”), the Company had, during the period ended 30 June 2010 complied with the CCGP.

	Code provision set out in the CCGP	Reason for deviations
A.2	The Chairman and chief executive officer of the Company were 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 period ended 30 June 2010.

AUDIT COMMITTEE

In accordance with the requirement of the GEM Listing Rules, the Group established an audit committee comprising three independent non-executive directors of the Company. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group.

The audit committee currently comprises three independent non-executive directors, namely Mr. Ho Ka Wing, Mr. Cheng Yun Ming, Matthew and Mr. Sin Ka Man.

The Group’s unaudited condensed consolidated interim results for the six months ended 30 June 2010 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

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

Hong Kong, 9 August 2010

As at the date of this report, 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).

This report will remain on the “Latest Company Reports” page of the GEM website (<http://www.hkgem.com>) for at least seven days from the date of its posting and on the website of the Company at www.sinohaijing.com