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## **HUAJUN HOLDINGS LIMITED**

**華君控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 377)**

### **MAJOR TRANSACTIONS IN RELATION TO SUBSCRIPTIONS OF “A SHARES” IN HAREON SOLAR TECHNOLOGY CO., LTD**

#### **SUBSCRIPTIONS OF SHARES OF HAREON SOLAR**

The Board is pleased to announce that on 18 January 2016 (after trading hours of the Stock Exchange), Huajun Power and Baohuaxing, both wholly-owned subsidiaries of the Company, as subscribers, entered into the Subscription Agreement with Hareon Solar, as an issuer, pursuant to which Huajun Power and Baohuaxing conditionally agreed to subscribe and Hareon Solar conditionally agreed to issue the Subscription Shares in an aggregate consideration of RMB1,700,000,000 (approximately HK\$2,006,000,000) which will be partly settled in cash and partly settled by the Disposal Consideration.

Upon Completion, Huajun Power and Baohuaxing will in aggregate hold approximately 11.52 % of the issued share capital of Hareon Solar, thus the Company will indirectly hold a total of 11.52% of the issued share capital of Hareon Solar.

As part of the consideration for the Subscriptions will be settled by the transfer of the Disposal Interest, Huajun Power and Baohuaxing, as vendors, further entered into the Disposal Agreement on 18 January 2016 (after trading hours of the Stock Exchange), with Hareon Solar, as a purchaser, pursuant to which Huajun Power and Baohuaxing together conditionally agreed to sell and Hareon Solar conditionally agreed to purchase the Disposal Interest.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Subscription Agreement and the transaction contemplated thereunder are more than 25% but less than 100%, the Subscription Agreement and the transaction contemplated thereunder constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal Agreement and the transaction contemplated thereunder are more than 25% but less than 75%, the Disposal Agreement and the transaction contemplated thereunder constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has any material interest in the Subscriptions and/or the Disposal and accordingly, no Shareholder is required to abstain from voting at the SGM for approving, inter alia, the Subscriptions and/or the Disposal.

A circular containing, among other things, (i) further details of the Subscriptions; (ii) the Disposal; and (iii) other information as required under the Listing Rules together with a notice of the SGM and a form of proxy will be despatched to the Shareholders on or before 29 February 2016 as additional time is required for the preparation of the relevant information for inclusion in the circular.

**As each of the Completion and the Disposal Completion is subject to the fulfillment and/or waiver of the conditions precedent set out in the Subscription Agreement and Disposal Agreement respectively, the Completion and the Disposal Completion may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## (I) SUBSCRIPTION AGREEMENT

On 18 January 2016 (after trading hours of the Stock Exchange), Huajun Power and Baohuaxing, both wholly-owned subsidiaries of the Company, as subscribers, entered into the Subscription Agreement with Hareon Solar, as an issuer, pursuant to which Huajun Power and Baohuaxing conditionally agreed to subscribe and Hareon Solar conditionally agreed to issue the Subscription Shares in the aggregate consideration of RMB1,700,000,000 (approximately HK\$2,006,000,000) which will be partly settled in cash and partly settled by the Disposal Consideration.

Set out below are the principal terms of the Subscription Agreement:

Date: 18 January 2016

Parties: Huajun Power and Baohuaxing (both as subscribers); and  
Hareon Solar (as issuer)

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Hareon Solar is an Independent Third Party.

### **Consideration and "A Shares" to be subscribed**

Pursuant to the Subscription Agreement, Huajun Power and Baohuaxing conditionally agreed to subscribe for, and Hareon Solar conditionally agreed to issue in aggregate 629,629,629 new "A Shares", at the Issue Price to Huajun Power and Baohuaxing for an aggregate consideration of RMB1,700,000,000 (approximately HK\$2,006,000,000) which will be partly settled in cash ("**Cash Consideration**") and partly settled by the Disposal Consideration ("**Asset Consideration**"). Huajun Power and Baohuaxing will subscribe for 591,349,629 new "A Shares" and 38,280,000 new "A Shares" respectively. Upon Completion, Huajun Power and Baohuaxing will in aggregate hold approximately 11.52% of the issued share capital of Hareon Solar, thus the Company will indirectly hold a total of 11.52% of the issued share capital of Hareon Solar.

The Cash Consideration to be paid by the Subscribers will be the Consideration less the Disposal Consideration. For details of the Disposal Consideration, please refer to the paragraph headed "Disposal Consideration" below.



- (c) the Ministry of Commerce of the PRC has principally approved the transaction contemplated under the Subscription Agreement;
- (d) the Company and Hareon Solar each has obtained the shareholders' approval for the transaction contemplated under the Subscription Agreement; and
- (e) the Subscribers have received the payment demand notice issued by Hareon Solar and the lead underwriter for the Subscriptions.

Within 10 Business Day from the receipt of the letter from CSRC confirming the acceptance of the process of the application for the Subscriptions, the Subscribers shall pay a sum of RMB10,000,000 (approximately HK\$11,800,000) (the “**Security Deposit**”) in cash, as security for their performance of obligations under the Subscription Agreement, to an escrow account either jointly operated by the Subscribers and Hareon Solar or a person designated by the Subscribers and Hareon Solar. Upon payment of the Consideration by the Subscribers and the transfer of the Disposal Interest, Hareon Solar shall within 5 Business Days after the completion of the capital verification of the Subscriptions agree in writing for the Subscribers to withdraw the Security Deposit with interest. If any of the Conditions could not be fulfilled and the Subscribers or Hareon Solar has disclosed such by public announcement, then within 5 Business Days after such announcement Hareon Solar shall agree in writing for the Subscribers to withdraw the Security Deposit with interest.

The Cash Consideration will be settled by internal resources, other means of fund raising and/or borrowings.

### **Basis of the Consideration**

The Issue Price of RMB2.70 (approximately HK\$3.186) per Subscription Share was determined by arm's length negotiations between the Subscribers and Hareon Solar based on normal commercial terms with reference to not less than 90% of the average closing price of RMB2.99 (approximately HK\$3.528) per “A Share” as quoted on the Shanghai Stock Exchange for the last twenty consecutive trading days immediately prior to the Benchmark Date. The Consideration is calculated by multiplying the number of Subscription Shares and the Issue Price.

The Issue Price was determined after arm's length negotiation between the Subscribers and Hareon Solar. The Directors (including the independent non-executive Directors) consider that the Issue Price is fair and reasonable and on normal commercial terms.

Accordingly, the Board (including the independent non-executive Directors) is of the view that the Consideration is fair and reasonable and on normal commercial terms and that the entering into of the Subscription Agreement is in the interests of the Company and the Shareholders as a whole.

### **Conditions precedent**

Completion will take place immediately upon the fulfilment or waive of the following Conditions pursuant to the Subscription Agreement on or before the Conditions Fulfillment Date:

- (a) the board of directors of Haeron Solar having approved the transactions contemplated under the Subscription Agreement;
- (b) the shareholders of Haeron Solar at a general meeting having approved the transactions contemplated under the Subscription Agreement;
- (c) CSRC having approved the transactions contemplated under the Subscription Agreement;
- (d) the Subscriptions by the Subscribers have been approved by the Ministry of Commerce of the PRC in principle;
- (e) the Subscribers and the Company have obtained all necessary consents, approvals, authorisations, waivers, permission and certifications from third party or approval authority (including but not limited to the Stock Exchange, SFC and the Shareholders of the Company at general meeting) in relation to the transactions contemplated under the Subscription Agreement and other relevant matters; and
- (f) the approvals, permission, authorisations or consents as required by the PRC laws at the material time have been obtained.

If the Conditions have not been fulfilled on or before the Conditions Fulfillment Date, and both parties or neither of the parties have or has entered into the termination agreement or requested to terminate the Subscriptions in writing before 15 January 2017, the Conditions Fulfillment Date will be postponed to 30 June 2017.

## **Lock up period**

Pursuant to the Subscription Agreement and the Disposal Agreement, all the Subscription Shares to be held by the Subscribers will be subject to a lock-up period of 36 months, commencing from the date of Completion. If the Subscribers have to bear their obligations for profit guarantee under the Guarantee Agreement, then the Subscribers shall only transfer the Subscription Shares after completion of their payment obligation under the Guarantee Agreement. For details of the profit guarantee, please refer to the paragraph headed “Profit guaranteed by Huajun Power and Baohuaxing” below under the section “Guarantee Agreement”.

## **Non-competition**

As advised by Hareon Solar, its principal business is manufacturing, production and sales of photovoltaic (the “**Current Business**”). Pursuant to the Subscription Agreement and the Disposal Agreement, the Subscribers have undertaken that, so long as the Subscribers are the largest shareholder of Hareon Solar, they (including their shareholders and ultimate controllers) and their related parties shall not in any form (including but not limited to by its own or cooperate with others inside or outside the PRC) (i) engage in, participate in or assist others to engage in any business which will have a direct or indirect competition with the Current Business engaged by Hareon Solar and its subsidiaries at the material time; and (ii) direct or indirect invest in any such entity. If after Completion, there is any competition of the Current Business between the Subscribers and Hareon Solar, both parties shall actively negotiate, disclose and consult CSRC on such business competition between the parties. The parties shall each self-operate its business after the respective permit or approval, if necessary, have been obtained.

## **Completion**

Subject to the fulfilment of the conditions to the Subscription Agreement as set out under the paragraph headed “Conditions precedent” above are satisfied, Completion will take place on the date which the Subscribers have completed the registration of the trusteeship and lock-up procedure in respect of the Subscription Shares with the China Securities Depository and Clearing Company Limited (中國證券登記結算有限公司).

## **(II) DISPOSAL AGREEMENT**

Date: 18 January 2016

Parties: Huajun Power and Baohuaxing (as vendors); and

Hareon Solar (as purchaser)

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Hareon Solar is an Independent Third Party.

### **Assets to be disposed of**

The Disposal Interest to be disposed of represents the entire equity interest in Continuously Water, which directly wholly owns Ruixin, Zhongke and Zhongxiang and indirectly wholly owns Jurong Zhongke.

Continuously Water is a company incorporated in PRC with limited liability. As at the date of this announcement, Continuously Water is an indirectly wholly-owned subsidiary of the Company, which is principally engaged in investment holding.

Jurong Zhongke is a limited liability company established in the PRC. As at the date of this announcement, Jurong Zhongke is principally engaged in production of photovoltaics products, photovoltaic equipment and components, research, production, sales and technical consulting of LED energy-saving products of technology, technology transfer, technical services and sales of monocrystalline silicon, solar stent and parts. Jurong Zhongke is a direct wholly-owned subsidiary of the Zhongke.

Ruixin is a company incorporated in PRC with limited liability. As at the date of this announcement, Ruixin is principally engaged in manufacturing and sales of solar control equipment, LED lighting and energy-saving lighting equipment and sale of monocrystalline silicon wafers, polycrystalline silicon, solar cells, coated glass, rare metals, solar modules and silicon materials.

Zhongke is a company incorporated in PRC with limited liability. As at the date of this announcement, Zhongke is principally engaged in production of photovoltaics products, photovoltaic equipment and components, research, production, sales and technical consulting of LED energy-saving products of technology, technology transfer, technical services and sales of monocrystalline silicon, solar stent and its parts.

Zhongxiang is a company incorporated in PRC with limited liability. As at the date of this announcement, Zhongxiang is principally engaged in, among other things, production, research, sales and technical consulting of photovoltaics products and LED energy-saving products.

Immediately upon Disposal Completion, the Disposal Group will cease to be subsidiaries of the Company and hence the assets, liabilities and results of the Disposal Group will no longer be consolidated into the financial statements of the Group.

The unaudited financial information of the Disposal Group for the two years ended 31 December 2014 and 31 December 2015 is summarized as follows (for illustration purposes only):

	<b>For the year ended 31 December 2014</b>	<b>For the year ended 31 December 2015</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	(unaudited)	(unaudited)
Loss before taxation	386	21,631
Loss after taxation	386	21,631
Net assets	4,614	357,657

### **Disposal Consideration**

The Disposal Consideration of the Disposal Interest will be determined in accordance with the valuation of the Disposal Interest as at 31 December 2015 (“**Valuation Date**”), which is preliminarily assessed as RMB516,780,000 (approximately HK\$609,800,400), subject to final valuation to be prepared by a qualified valuer. As at the date of Disposal Agreement, the said valuation on the Disposal Interest has not been completed yet. The Disposal Consideration will be equivalent to the value determined by the said valuation.

If the value of the Disposal Interest has been decreased during the period between the Valuation Date and the date of the Disposal Completion, the Subscribers shall within 30 days after the issue of the audit report, which will be prepared by Hareon Solar as a document for Disposal Completion, compensate Hareon Solar of such decreased value. For any increased value, it will be enjoyed by Hareon Solar.

The Disposal Consideration will be used to satisfy part of the Consideration.

The Disposal Consideration was determined after arm’s length negotiation between the Subscribers and Hareon Solar with reference to the valuation of the Disposal Interest as at the Valuation Date. Accordingly, the Directors (including the independent non-executive Directors) consider that the Disposal Consideration is fair and reasonable and on normal commercial terms.

Thus, the Board (including the independent non-executive Directors) is of the view that the Disposal Consideration is fair and reasonable and on normal commercial terms and that the entering into of the Disposal Agreement is in the interests of the Company and the Shareholders as a whole.

### **Disposal Completion**

The Disposal Completion will take place within 60 days from the fulfilment or waiver of the Conditions on or before the Conditions Fulfillment Date. For details of the Conditions, please refer to the paragraph headed “Conditions precedent” above of this announcement. If the Conditions have not been fulfilled on or before the Conditions Fulfillment Date, and both parties or neither of the parties have or has entered into the termination agreement or requested to terminate the Subscriptions in writing before 15 January 2017, the Conditions Fulfillment Date will be postponed to 30 June 2017.

### **(III) GUARANTEE AGREEMENT**

Date: 18 January 2016

Parties: Huajun Power and Baohuaxing, as the guarantors; and Hareon Solar.

Pursuant to the Guarantee Agreement, subject to the Disposal Completion, if the net profit of any of the three consecutive financial years after the Disposal Completion is lower than the profit guaranteed by the Subscribers for the corresponding year, the Subscribers shall compensate Hareon Solar of the deficiency. If the Disposal Completion takes place in 2016, then the said three consecutive financial years will be 2016, 2017 and 2018. If the Disposal Completion takes place on a later date, the relevant three consecutive financial years will be postponed accordingly and the amounts of profit guarantee will be further agreed in writing among the parties of the Guarantee Agreement.

#### **Profit guaranteed by Huajun Power and Baohuaxing**

Huajun Power and Baohuaxing undertake that the net profit (excluding non-recurring gains and losses) for the financial years of 31 December 2016, 2017 and 2018 will be the same as corresponding amounts (“**Guaranteed Profits**”) stated in the valuation report of Continuously Water. If the actual net profit incurred during any of the three consecutive financial year is less than the Guaranteed Profit of the corresponding financial year, Huajun Power and Baohuaxing shall compensate Hareon Solar such difference.

The parties to the Guarantee Agreement further agrees to conduct an impairment test (減值測試) for the Disposal Interest within three months from the expiry of the profit guarantee. If the decreased value of the Disposal Interest as at the end of the respective period is less than the total amount of compensation paid by Huajun Power and Baohuaxing, then Huajun Power and Baohuaxing shall further compensate Hareon Solar such difference.

In any event the total amount to be paid by Huajun Power and Baohuaxing (for the profit guarantee and the decreased value because of the impairment test) under the Guarantee Agreement and the decreased value under the Disposal Agreement will not be more than the Disposal Consideration.

The amount of profit guaranteed was determined after arm's length negotiation between the Subscribers and Hareon Solar. The terms of the Guarantee Agreement are part of the terms and condition of the Disposal Agreement. The Directors (including the independent non-executive Directors) consider that the amount of profit guaranteed is fair and reasonable and on normal commercial terms.

Accordingly, the Board (including the independent non-executive Directors) is of the view that the he amount of profit guaranteed is fair and reasonable and on normal commercial terms and that the entering into of the Guarantee Agreement is in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF HUAJUN POWER AND BAOHUAXING**

Huajun Power is a company incorporated in Hong Kong with limited liability. As at the date of this announcement, Huajun Power is principally engaged in investment holding.

Baohuaxing is a company incorporated in PRC with limited liability. As at the date of this announcement, Baohuaxing is principally engaged in, inter alia, management of trust property (excluding restricted business), fixed property investment consultation and marketing planning.

## **INFORMATION OF HAREON SOLAR**

Hareon Solar is a joint stock limited company incorporated in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600401). As advised by Hareon Solar, its principal business is manufacturing, production and sales of photovoltaic.

Based on the audited consolidated financial information of Hareon Solar published on its website prepared in accordance with the generally accepted accounting principles adopted in the PRC, the audited consolidated net asset value (excluding minority interests) of Hareon Solar as at 31 December 2014 and unaudited consolidated net asset value (excluding minority interests) of Hareon Solar as at 30 September 2015 amounted to approximately RMB4,843 million and RMB4,865 million respectively. The consolidated net profit/(loss) of Hareon Solar for the year ended 31 December 2014 and for the 9 months ended 30 September 2015 are as follows:

	<b>For the year ended 31 December 2014</b>	<b>For the 9 months ended 30 September 2015</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	(audited)	(unaudited)
Net (loss) profit before tax	(977,713)	62,435
Net (loss) profit after tax	(932,812)	49,936
Net assets	4,842,955	4,865,572

#### **REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBSCRIPTION AGREEMENT, DISPOSAL AGREEMENT AND GUARANTEE AGREEMENT**

The principal business activity of the Company is investment holding. The Group is principally engaged in the businesses of (i) sale and manufacturing of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products; (ii) trading and logistics; (iii) finance lease; (iv) provision of finance; (v) property development and investments; (vi) securities investments; (vii) medical management; and (viii) industrial equipment.

The Subscriptions, as a strategic investment in line with the Company's development strategy, is conducive for Huajun Power and Baohuaxing to optimize its asset allocation and integrate industrial and financial capitals in pursuit of sound synergy for its subsequent investments at relevant regions. Meanwhile, given the room for future development of Hareon Solar and prospect of photovoltaic industry, the Agreements and the transactions contemplated thereunder are expected to generate desirable return on investment and/or potential gains to Huajun Power and Baohuaxing.

The Directors consider that, subject to Disposal Completion, the Disposal offers an opportunity for the Group to shorten the investment return period and to realize its investments in Disposal Group concurrently with certainty notwithstanding the market conditions. In addition, by settlement of the part of the Consideration by the Disposal Consideration the Company will have an opportunity to enjoy the growth of the Hareon Solar in future.

As Huajun Power and Baohuaxing both are the wholly-owned subsidiaries of the Company, Huajun Power and Baohuaxing could optimize its resource allocation and expects to generate desirable investment return and/or potential capital gains through the transactions contemplated under the Agreements which is in the interests of the Company and the Shareholders as a whole.

Therefore, the Board considers that the terms of the Subscription Agreement are fair and reasonable and the Subscription Agreement and the transaction contemplated thereunder are in the interests of, Huajun Power and Baohuaxing and their respective shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Subscription Agreement and the transaction contemplated thereunder are more than 25% but less than 100%, the Subscription Agreement and the transaction contemplated thereunder constitutes a major transaction for the Company, and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal Agreement and the transaction contemplated thereunder are more than 25% but less than 75%, the Disposal Agreement and the transaction contemplated thereunder constitutes a major transaction for the Company, and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has any material interest in the Subscriptions and/or the Disposal and accordingly, no Shareholder is required to abstain from voting at the SGM for approving, inter alia, the Subscriptions and/or the Disposal.

## SGM

A SGM will be convened to consider and, if thought fit, approve, among other matters, the Subscriptions, the Disposal and the transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the Subscriptions and/or the Disposal and accordingly, no Shareholder is required to abstain from voting at the SGM for approving, inter alia, the Subscriptions and the Disposal.

A circular containing, among other things, (i) further details of the Subscriptions; (ii) the Disposal; and (iii) other information as required under the Listing Rules together with a notice of the SGM and a form of proxy will be despatched to the Shareholders on or before 29 February 2016 as additional time is required for the preparation of the relevant information for inclusion in the circular.

**As each of the Completion and the Disposal Completion is subject to the fulfillment and/or waiver of the conditions precedent set out in the Subscription Agreement and Disposal Agreement respectively, the Completion and the Disposal Completion may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings given to them as below:

“A Shares”	ordinary share(s) of RMB1.00 each in the share capital of Hareon Solar
“Agreements”	collectively the Disposal Agreement, Guarantee Agreement and the Subscription Agreement
“Baohuaxing”	Baohuaxing Assets Management (Shenzhen) Co., Ltd.* (保華興資產管理(深圳)有限公司), a company incorporated in the PRC, being an indirect wholly-owned subsidiary of the Company
“Benchmark Date”	the date on which the board of directors of Hareon Solar approving the resolution for the Subscriptions has been announced

“Board”	the board of Directors
“Business Days”	a day (other than a Saturday or a Sunday at any time between 9:00 a.m. to 5:00 p.m.) on which licensed banks in the PRC are open for general banking business throughout their normal business hours
“Company”	Huajun Holdings Limited (Stock Code: 377), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Subscriptions pursuant to the terms and conditions of the Subscription Agreement
“Conditions”	the conditions precedent of the Completion, details of which are set out in the paragraph headed “Conditions precedent” of this announcement
“Conditions Fulfillment Date”	31 December 2016 or such later date pursuant to Subscription Agreement, details of which are set out in the paragraph headed “Conditions precedent”
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable by the Subscribers to Hareon Solar for the Subscription Shares, being RMB1,700,000,000 (approximately HK\$2,006,000,000) which consist of the Cash Consideration and the Asset Consideration
“Continuously Water”	Continuously Water Affairs (China) Limited* (源源水務(中國)有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員)
“Director(s)”	the director(s) of the Company

“Disposal”	the disposal of the Disposal Interest pursuant to the terms and conditions of the Asset Purchase Agreement
“Disposal Agreement”	the asset purchase agreement dated 18 January 2016 entered into among Baohuaxing, Huajun Power and Hareon Solar in respect of the sale and purchase of the Disposal Interest
“Disposal Completion”	the completion of the Disposal pursuant to the terms and conditions of the Disposal Agreement
“Disposal Consideration”	the consideration for the disposal of the Disposal Interest which will be determined in accordance with the valuation of the Disposal Interest as at 31 December 2015 prepared by a qualified valuer
“Disposal Group”	Continuously Water and its subsidiaries, namely Jurong Zhongke, Ruixin, Zhongke and Zhongxiang
“Disposal Interest”	the entire equity interest in Continuously Water with paid up capital of RMB43,750,000 (equivalent to approximately HK\$51,625,000), as to 20% and 80% held by Baohuaxing and Huajun Power respectively
“Group”	the Company and its subsidiaries
“Guarantee Agreement”	the profit guarantee agreement dated 18 January 2016 and entered into among Baohuaxing, Huajun Power and Hareon Solar in respect of the Disposal Interest
“Hareon Solar”	Hareon Solar Technology Co., Ltd. (海潤光伏股份有限公司), a company incorporated in the PRC and its shares are listed on the Shanghai Stock Exchange (Stock Code: 600401) in the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huajun Power”	Huajun Power Company Limited (華君電力有限公司), a company incorporated in Hong Kong, being a direct wholly-owned subsidiary of the Company

“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
“Issue Price”	RMB2.70 (equivalent to approximately HK\$3.186), or as adjusted as disclosed under the paragraph headed “Consideration and “A Shares” to be acquired” above, per Subscription Share
“Jurong Zhongke”	Jurong Zhongke Guo Neng Optoelectronic Technology Co., Ltd.* (句容中科國能光伏科技有限公司), a limited liability company established in the PRC, which is an indirect wholly-owned subsidiary of Continuously Water
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Ruixin”	Jintan City Ruixin Optoelectronic Co., Ltd.* (常州市金壇瑞欣光電有限公司), a limited liability company established in the PRC, which is a direct wholly-owned subsidiary of Continuously Water
“SFC”	the Securities and Futures Commission
“SGM”	a special general meeting of the Company to be convened to consider and approve the Subscriptions, the Disposal and the Agreements
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	the holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscribers”	collectively Huajun Power and Baohuaxing
“Subscription Agreement”	the share subscription agreement dated 18 January 2016 and entered into among Huajun Power, Baohuaxing and Hareon Solar in respect of the subscription of 629,629,629 “A Shares”
“Subscriptions”	the subscriptions of the Subscription Shares pursuant to the terms and conditions of the Subscription Agreement
“Subscriptions Share(s)”	629,629,629 new “A Shares” or such adjusted number of shares, in aggregate, to be issued by Hareon Solar to Huajun Power and Baohuaxing pursuant to the Subscription Agreement
“Zhongke”	Jiangsu Zhong Ke Guo Neng Photovoltaic Technology Co., Ltd.* (江蘇中科國能光伏科技有限公司), a limited liability company established in the PRC, which is a direct wholly-owned subsidiary of Continuously Water
“Zhongxiang”	Jiangsu Zhongxiang Energy Co., Ltd* (江蘇中翔能源有限公司), a limited liability company established in the PRC, which is a direct wholly-owned subsidiary of Continuously Water
“%”	per cent
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

*If there is any inconsistency in this announcement between the Chinese and English versions, then English version shall prevail.*

*For the purposes of illustration only, any amount denominated in RMB in this announcement was translated into HK\$ at the rate of RMB1 = HK\$1.18. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.*

By Order of the Board  
**Meng Guang Bao**  
*Chairman and Executive Director*

Hong Kong, 18 January 2016

*As at the date of this announcement, the Board comprises Mr. Meng Guang Bao (Chairman), Mr. Wu Jiwei (Chief Executive Officer) and Mr. Guo Song (Deputy Chief Executive Officer) as executive Directors; and Mr. Zheng Bailin, Mr. Shen Ruolei and Mr. Pun Chi Ping as independent non-executive Directors.*

\* *For identification purposes only*