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If you are in any doubt as to any aspect of this circular, or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Huajun Holdings Limited, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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 TRANSACTION – DISPOSAL OF DALIAN BAO XING DA**

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## DEFINITIONS

“Announcement”	the announcement dated 15 March 2016 issued by the Company in relation to the Disposal;
“Board”	the board of Directors;
“Company”	Huajun Holdings Limited (stock code: 377), a company incorporated in Bermuda, the Shares of which are listed on the Main Board of the Stock Exchange;
“connected persons(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	RMB80.0 million (equivalent to approximately HK\$94.4 million), being the total consideration payable by the Purchaser for the acquisition of the Target Equity Interests;
“Dalian Bao Xing Da”	Dalian Bao Xing Da Industrial Co., Ltd* (大連保興達實業有限公司), a limited liability company established in the PRC on 2 April 2015;
“Dalian Bao Xing Da Group”	Dalian Bao Xing Da and Dalian Lugang Logistics;
“Dalian Lugang Logistics”	Dalian Lugang Logistics Co., Ltd.* (大連陸港物流基地有限公司), a limited liability company established on the PRC on 7 July 2003;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of Target Equity Interests by the Vendor to the Purchaser as contemplated under the Sale and Purchase Agreement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Huajun International”	Huajun International Limited (華君國際有限公司), a company incorporated in the British Virgin Islands holding 3,980,082,214 Shares, i.e. approximately 70.21% of the issued share capital of the Company, at the date of this circular;

## DEFINITIONS

“Land Property”	the land parcels located at Dalian City, Liaoning Province, the PRC, with a total site area of approximately 1,575,300 m <sup>2</sup> , which is held indirectly by Dalian Bao Xing Da through Dalian Lugang Logistics;
“Latest Practicable Date”	27 April 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“m <sup>2</sup> ”	square metres;
“PRC”	the People’s Republic of China, but for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Purchaser”	Dalian Jia He Xiang Trading Co., Ltd.* (大連嘉和祥貿易有限公司), a limited liability company established in the PRC on 31 March 2014;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 15 March 2016 and entered into between the Vendor and the Purchaser in relation to the Disposal;
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning as ascribed thereto under the Listing Rules;
“Target Equity Interests”	the 60% of the equity interests in Dalian Bao Xing Da;

## DEFINITIONS

“US\$”	United States Dollar, the lawful currency of the United States of America;
“Vendor”	B&H Properties Management (China) Limited (保華置業管理(中國)有限公司), a wholly foreign owned enterprise established in the PRC and an indirect wholly owned subsidiary of the Company as at the date of this circular;
“%”	per cent.

*For the purpose of illustration only, amounts denominated in RMB and US\$ in this circular have been translated into HK\$ at the rate of RMB1.00 = HK\$1.18 and the rate of US\$1 = HK\$7.78, respectively. 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.*

\* *For identification purpose only*



**HUAJUN HOLDINGS LIMITED**

**華君控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 377)**

*Executive Directors:*

Mr. Meng Guang Bao (*Chairman*)  
Mr. Wu Jiwei (*Chief Executive Officer*)  
Mr. Guo Song (*Deputy Chief Executive Officer*)

*Independent Non-executive Directors:*

Mr. Zheng Bailin  
Mr. Shen Ruolei  
Mr. Pun Chi Ping

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office:*

36th Floor, Citibank Tower  
Citibank Plaza  
3 Garden Road  
Central, Hong Kong

29 April 2016

*To the Shareholders*

Dear Sirs or Madam,

**MAJOR TRANSACTION – DISPOSAL OF DALIAN BAO XING DA**

**INTRODUCTION**

Reference is made to the Announcement.

The purpose of this circular is to provide you with, among others, details of the Disposal as required under the Listing Rules.

**THE SALE AND PURCHASE AGREEMENT**

Set out below are the principal terms of the Sale and Purchase Agreement:

Date: 15 March 2016

Parties: (i) B&H Properties Management (China) Limited\* (保華置業管理(中國)有限公司), as the Vendor

\* For identification purpose only

## LETTER FROM THE BOARD

- (ii) Dalian Jia He Xiang Trading Co., Ltd.\* (大連嘉和祥貿易有限公司), as the Purchaser

As at the date of this circular, the Vendor is an indirect wholly-owned subsidiary of the Company.

The Purchaser is an investment holding company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and the connected person(s) of the Company.

### **Assets disposed of by the Vendor**

60% of the equity interests in Dalian Bao Xing Da, being the entire equity interests in Dalian Bao Xing Da held by the Vendor as at the completion date of the Disposal (i.e. 31 March 2016).

### **Consideration and payment**

The Consideration in respect of 60% of the equity interests in Dalian Bao Xing Da is RMB80 million (equivalent to approximately HK\$94.4 million) and pursuant to the Sale and Purchase Agreement, the Purchaser will fully pay the Consideration in cash in five working days after the completion of registration in respect of the change of ownership of the Target Equity Interests to the Purchaser with the relevant Administration of Industry and Commerce Bureau\* (工商行政管理局).

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among others, the net liabilities, the prevailing market price and the valuation of Dalian Bao Xing Da Group.

### **Conditions Precedent**

Completion of the Disposal is conditional upon the fulfillment of the following conditions:

- (a) complete the registration in respect of the change of ownership of the Target Equity Interests to the Purchaser with the relevant Administration of Industry and Commerce Bureau\* (工商行政管理局); and
- (b) full payment of the Consideration.

### **Completion**

Completion has taken place on 31 March 2016.

## LETTER FROM THE BOARD

### INFORMATION ON DALIAN BAO XING DA GROUP

Reference is made to the announcement of the Company dated 12 June 2015, the circular of the Company dated 14 August 2015 (the “Acquisition Circular”) and the completion announcement of the Company dated 18 August 2015 in relation to the acquisition of 60% of the equity interests in Dalian Bao Xing Da by the Group (the “Acquisition”). The Group acquired 60% of the equity interests in Dalian Bao Xing Da with a cash consideration of RMB60 million (equivalent to approximately HK\$70.8 million) on 18 August 2015.

Dalian Bao Xing Da Group is principally engaged in land consolidation, parking services and land leasing in the PRC. As at the Latest Practicable Date, Dalian Bao Xing Da, an investment holding company, which held the entire equity interests in Dalian Lugang Logistics.

Immediately prior to the completion date of the Disposal, other than the Target Equity Interests, approximately 10%, 10% and 20% of the remaining equity interests in Dalian Bao Xing Da were held by Lasa Pinxin Property Management and Advisory Co., Ltd.\* (拉薩品信房產管理諮詢有限公司), Harbin He Zhong Hui Li Economic and Trading Co., Ltd.\* (哈爾濱合眾匯利經貿有限公司) and Beijing Hengyu Jinxin Investment Development Co., Ltd.\* (北京恒昱金鑫投資發展有限公司), respectively. As at the date of this circular, Harbin He Zhong Hui Li Economic and Trading Co., Ltd.\* (哈爾濱合眾匯利經貿有限公司) holds 30% of the equity interests in our subsidiary, Shenzhen Huajun Financial Leasing Limited\* (深圳市華君融資租賃有限公司), hence a connected person of the Company at subsidiary level. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Lasa Pinxin Property Management and Advisory Co., Ltd.\* (拉薩品信房產管理諮詢有限公司) and Beijing Hengyu Jinxin Investment Development Co., Ltd.\* (北京恒昱金鑫投資發展有限公司) and their respective ultimate beneficial owners are third parties independent of the Company and the connected person(s) of the Company.

Dalian Lugang Logistics is a limited company established in the PRC on 7 July 2003 with a registered share capital of RMB440 million (equivalent to approximately HK\$519.2 million) which has been fully paid by its shareholders. Dalian Lugang Logistics is principally engaged in land consolidation, parking services and lease of land. Dalian Lugang Logistics carries out the land consolidation by (i) acquiring the land parcels in Dalian City, Liaoning Province, the PRC from the land users on behalf of the PRC government and (ii) liaising with the land users for their relocation arrangement. Dalian Lugang Logistics is also responsible for the basic facilities construction for the acquired land parcels. As at the completion date of the Disposal, Dalian Bao Xing Da Group had no employee.

As at the date of this circular, the area of the Land Property held by Dalian Lugang Logistics as principal covers approximately 1,575,300 m<sup>2</sup>. On the assumption that Dalian Lugang Logistics has obtained the relevant government approvals in relation to the Land Property, the value of the Land Property is estimated to be approximately RMB1,900 million (equivalent to approximately HK\$2,242 million) using market approach as at 29 February 2016.

## LETTER FROM THE BOARD

The movement of the carrying value of the Land Property which was recorded as land development for sale since 30 April 2015 (i.e. the last period reported on by the reporting accountants and as set out in the Acquisition Circular) is as follows:

	<b>Opening balance as at 30 April 2015 <i>RMB Million</i></b>	<b>Increase/ decrease for the period</b>	<b>Closing balance as at 29 February 2016 <i>RMB Million</i></b>
Land development for sale	<u>1,900</u>	<u>-(Note)</u>	<u>1,900</u>

*Note:* The change in the carrying value of approximately HK\$2,375 million as at 30 April 2015 set out in the Acquisition Circular and approximately HK\$2,242 million as at 29 February 2016 set out in this circular was due to the different exchange rates adopted in the Acquisition Circular (RMB1 = HK\$1.25) and this circular (RMB1 = HK\$1.18).

The Land Property is located at Qian Guan Village and Hou Yan Village, Da Lian Wan Town, Gan Jing Zi District, Dalian City, Liaoning Province, the PRC, which comprises parcels of lands with a total site area of 1,575,300 m<sup>2</sup>. Portion of the Land Property with total site area of approximately 1,239,000 m<sup>2</sup> has been planned mainly for residential and commercial uses while the remaining portion has been planned for industrial and storage uses. Dalian Bao Xing Da Group has not entered or proposed to enter into any agreement, arrangement or understanding in any form with the relevant government in relation to the sale of Land Property. However, Dalian Bao Xing Da Group maintains close working relationship with the relevant departments in the government and communicates regularly regarding the status of the land consolidation in order to facilitate smooth process in the sale of the Land Property to the government upon completion of land consolidation. It is estimated that costs at approximately RMB560 million (equivalent to approximately HK\$660.8 million) will be required for the completion of land consolidation prior to sales of the Land Property to the government. The Directors have taken the estimated amounts into account when assessing the value of the Land Property as at 29 February 2016.

There is no restriction on the use of the Land Property and no encumbrances, liens, pledges, mortgages against the Land Property.

The Directors confirm that there has been (i) no environmental issue; and (ii) no investigation, notice, pending litigation, breach of law or title defect involving the Land Property.

Dalian Bao Xing Da was established in the PRC on 2 April 2015. Therefore, the financial information on Dalian Bao Xing Da for the financial year ended 31 December 2014 is not available. The financial information on Dalian Bao Xing Da Group for the financial year ended 31 December 2014 presented below represents the financial information on Dalian Lugang Logistics only.

## LETTER FROM THE BOARD

The financial information of Dalian Bao Xing Da Group for the two financial years ended 31 December 2015 prepared under Hong Kong Financial Reporting Standards is set out below:

	<b>For the year ended 31 December 2015 (unaudited) RMB'000</b>	<b>For the year ended 31 December 2014 (unaudited) RMB'000</b>
Net profit/(loss) before taxation and extraordinary items	(452,578)	(197,201)
Net profit/(loss) after taxation and extraordinary items	(452,578)	(197,201)

Dalian Bao Xing Da Group recorded net liabilities of approximately RMB412 million as at 31 December 2015. The substantial increase in the net loss of Dalian Bao Xing Da Group for the year ended 31 December 2015 was mainly due to the recognition of goodwill impairment of approximately RMB278.8 million in respect of the acquisition of Dalian Lugong Logistics. The goodwill is recognised from the acquisition of a subsidiary, Dalian Lugang Logistics. During the year ended 31 December 2015, the management of Dalian Bao Xing Da Group determined that the goodwill, amounting to approximately RMB278.8 million (equivalent to approximately HK\$329.0 million), shall be fully impaired as Dalian Lugang Logistics's assets, which mainly comprised land parcels for sale, were already stated at fair value, as such it was considered that there was no further value-in-use to support the carrying amount of the goodwill, so the goodwill was fully impaired immediately upon the acquisition of Dalian Lugang Logistics by Dalian Bao Xing Da in April 2015.

### **POSSIBLE FINANCIAL EFFECT OF THE DISPOSAL**

Immediately after the Completion, Dalian Bao Xing Da will cease to be a subsidiary of the Company and the Company ceased to hold any equity interest in Dalian Bao Xing Da. The financial results of Dalian Bao Xing Da Group will be deconsolidated from the Group's financial statements. The net proceeds (after deducting other expenses in relation thereto) arising from the Disposal of approximately HK\$94.0 million will be used for general working capital of the Group, in particular, to strengthen the Group's working capital on its business of manufacturing and trading of photovoltaic products.

Based on, inter alia, the Consideration and the related expenses for the Disposal, the Group currently expects to record a gain arising from the Disposal and excess of the consideration over the net book value of Dalian Bao Xing Da Group of approximately HK\$435 million upon the Completion subject to review by the auditors of the Company. The net liabilities of Dalian Bao Xing Da Group amounted to approximately RMB480 million (equivalent to approximately HK\$566.4 million) as at 31 March 2016. When the Company disposed of the Target Equity Interests, the Company in turn disposed of its share of net liabilities of approximately RMB288 million (equivalent to approximately HK\$339.8 million), being 60% of the total net liabilities of Dalian Bao Xing Da Group, plus a gain of Consideration of RMB80 million (equivalent to approximately HK\$94.4 million).

## LETTER FROM THE BOARD

The gain from the Disposal was arrived at by comparing the proceeds and the Group's share of the net book value of Dalian Bao Xing Da Group.

Following the Completion, the earnings of the Group are expected to increase by approximately HK\$435 million, while the total assets of the Group are expected to decrease by approximately HK\$2,194 million and the total liabilities of the Group are expected to decrease by approximately HK\$2,819 million.

The carrying value of Land Property which was recorded by the Group as land development for sale will be decreased by approximately HK\$2,242 million upon completion of the Disposal.

**Shareholders should note that the above figures are for illustrative purpose only. The actual gain on the Disposal may be different from the above and will be determined based on the financial position of Dalian Bao Xing Da Group on the date of the Completion and the review by the Company's auditors.**

### REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the business of (a) sale and manufacturing of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products; (b) provision of finance; (c) securities investments; (d) property development and investments; (e) financial leasing; (f) trading and logistics; (g) medical management; and (h) manufacturing of industrial equipment; and (i) manufacturing and sale of photovoltaic products.

In view of (i) high capital requirement and finance cost for land consolidation; (ii) most of the fund necessary to acquire the Land Property was mainly funded through external borrowings; (iii) the unexpected long and slow progress of negotiating the sale of the Land Property to the PRC government compared to the original plan; and (iv) the unexpected delay in the progress of demolition and resettlement of the land and the unexpected increase in costs involved in land consolidation, the capital recovery time of Dalian Bao Xing Da Group was delayed significantly, thus materially adversely affecting the cash flow, operation and financial positions of Dalian Bao Xing Da Group. As such, the Directors are of the view that the Disposal would minimise the Group's continual exposure to the abovementioned risks, benefit the Group by realising its investment in Dalian Bao Xing Da Group and improve the liquidity and overall financial position of the Group.

Considering (i) the unexpected delay and costs involved in the demolition, resettlement and consolidation of land and sale of the Land Property after the Acquisition; (ii) the unexpected delay in recovering the capital of Dalian Bao Xing Da Group; (iii) the disposal of net liabilities incurred by Dalian Bao Xing Da Group plus the gain of Consideration through the Disposal; and (iv) the ability to re-prioritise existing financial resources to develop other more profitable businesses after the Disposal, the Directors are of the view that the immediate benefits of the Disposal at this time would outweigh the potential benefits as originally anticipated at time of the Acquisition which may or may not materialise. As such, despite the market price and valuation of Dalian Bao

## LETTER FROM THE BOARD

Xing Da Group, the Directors believe the Consideration and the terms of the Disposal are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

### LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios is greater than 25% but less than 75% for the purpose of Rule 14.07 of the Listing Rules, the Disposal constitutes a major transaction for the Company pursuant to Rule 14.06(3) of the Listing Rules and is therefore subject to the notification, publication and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, no Shareholder has any material interest in the Disposal and no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal. Written Shareholder's approval has been obtained from Huajun International, being a Shareholder which held more than 50% of the voting rights as at the completion date of the Disposal, in lieu of holding a special general meeting to approve the Disposal in accordance with Rule 14.44 of the Listing Rules.

### RECOMMENDATION

For the reasons set out above, the Directors consider that the terms of the Disposal are fair and reasonable and in the interests of the Group and the Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of the resolution if the Company were to convene a special general meeting to approve the Disposal.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

**A. THREE-YEAR AUDITED FINANCIAL INFORMATION**

Details of the financial information of the Group for each of the three years ended 31 March 2013, 2014 and 2015 are disclosed in the annual reports of the Company for the financial years ended 31 March 2013 (pages 27 to 93), 31 March 2014 (pages 28 to 99) and 31 March 2015 (pages 27 to 107), respectively, and are incorporated by reference into this circular.

The said annual reports of the Company are available on the website of the Company at [www.huajunholdings.com](http://www.huajunholdings.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

**B. INDEBTEDNESS OF THE GROUP**

As at the close of business on 18 March 2016, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following liabilities:

**(a) Borrowings**

As at the close of business on 18 March 2016 (being the latest practicable date for the purpose of this indebtedness statement), the Group had outstanding borrowings of approximately HK\$5,433.7 million, comprising secured bank borrowings of approximately HK\$3,276.4 million, unsecured bank borrowings of approximately HK\$4.8 million, unsecured borrowings from immediate holding company of HK\$988.0 million and unsecured borrowings from a third party of approximately HK\$1,164.5 million.

**(b) Pledge of assets**

As at the close of business on 18 March 2016, the Group's property, plant and equipment, prepaid lease payments, investment properties, land and property for sale, trade receivables and pledged bank deposits with carrying amounts of approximately HK\$481.0 million, HK\$145.1 million, HK\$608.3 million, HK\$111.9 million, HK\$4.2 million and HK\$494.5 million, respectively, were pledged to secure certain banking and credit facilities of the Group.

**(c) Guarantees**

As at the close of business on 18 March 2016, the Company had provided corporate guarantees to the extent of approximately HK\$188.4 million to secure general banking facilities granted to its subsidiaries. As at 18 March 2016, the amount drawn against the banking facilities amounted to approximately HK\$4.2 million.

Save as disclosed above or otherwise mentioned in this circular, and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, the Group did not have any other outstanding indebtedness at the close of business on 18 March 2016 or any debt securities issued and outstanding, and authorised or otherwise created but unissued, bank overdrafts or loans, or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

### C. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group will maintain its focus on its core business segments, namely (a) sale and manufacturing of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products; (b) provision of finance; (c) securities investments; (d) property development and investments; (e) financial leasing; (f) trading and logistics; (g) medical management; (h) industrial equipment; and (i) manufacturing and sale of photovoltaic products, and will continue to optimise its assets structure to ensure a balanced growth with enhanced rate of return on investments.

In respect of the printing business, the Group will continue to invest in machinery and automation of the production process to enhance production efficiency. Regarding the segment of provision of financing services, the Group, through its subsidiary with money lender's licence, intends to provide finance to prospective customers who would provide securities for the performance of their respective obligations to repay the Group. The Group is exploring other investment opportunities in respect of its core business segments. Set out below are details of the financial and trading prospectus of the core business segments of the Group:

#### (a) Sale and manufacturing of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products

The operation of this segment is mainly located in Hong Kong, the PRC and the United States of America. The business has been established for more than fifty years. The management expects that this business will continue to benefit from the opportunities in the PRC, the United States and the European markets. This segment will continue to be the major business segment of the Group and contribute stable revenue and profit to the Group.

#### (b) Provision of finance

The operation of this segment is mainly located in Hong Kong. The Group will further develop this business segment, diversify the customer portfolio, seek opportunity to cooperate with its business partners and is actively looking for new business opportunities in the PRC to expand the money lending platform of the Group.

**(c) Securities investments**

This segment consists of investments in Hong Kong and overseas securities. This segment mainly utilises the extensive investment experience of the management to make medium and short-term investment by searching for stable revenue with controllable risk, diversifying the corporate operating risk, improving asset liquidity and enhancing the debt-paying ability of the Group.

**(d) Property development and investments**

This segment consists of land consolidation and development, real estate development and sales, property leasing and management, and various real estate business. Leveraging on the rich resources in the PRC, the Group seeks development projects with asset appreciation potential for investment and enjoys asset appreciation while generating stable revenue.

**(e) Financial leasing**

This segment consists of the leasing of land, property, plant and equipment, and other tangible assets. The operation of this segment is mainly located in the PRC where the Group seeks stable revenue with controllable risk.

**(f) Trading and logistics**

This segment consists of the trading of electronic, oil and timber products. The operation of this segment is mainly located in Hong Kong and the PRC. This business has been established since 2014. The management expects that this business will continue to benefit from the stable demand in Hong Kong and the PRC markets for the Group's products.

**(g) Medical management**

This segment is one of the investment segments which the Group intends to further develop in accordance with the call on hospital reform of the Ministry of Health of the PRC to improve the quality of PRC citizens' healthcare services and to develop the medical and health care industry of the PRC. The Group will look for other cooperation opportunities with hospitals and clinics in the PRC for the provision of medical management services.

**(h) Industrial equipment**

The Group started a new segment in August 2015 following the acquisition of Zhejiang Linhai Machinery Co. Ltd.\* (浙江臨海機械有限公司).

**(i) Manufacturing and sale of photovoltaic products**

The Group started a new segment in January 2016 following the acquisitions of Changzhou City Jintan Ruxin Optoelectronic Co., Ltd.\* (常州市金壇瑞欣光電有限公司) and Jiangsu Zkong Ke Zhong Ke Gao Meng Photovoltaic Technology Co., Ltd.\* (江蘇中科國能光伏科技有限公司).

The Group has always endorsed a prudent philosophy of good governance with emphasis on risk management, and strived to maintain excellent assets quality, stability and financial resources. At the same time, the Group has been proactively seeking core business returns and exploring new business opportunities carefully.

To the best knowledge of the Directors, the Directors are optimistic about the future development of the Group. The Directors expect that the Group would have sufficient funds for its existing requirements. The Group will also continue to proactively and prudently seek new investment opportunities in the right circumstances, with a view to increasing the value of investment for the Shareholders.

**D. WORKING CAPITAL**

As at the Latest Practicable Date, after due and careful enquiry, the Directors were of the opinion that, after taking into account Group's business prospects, the net assets position of the Group, the internal financial resources available to the Group, the ample cash and bank balances of the Group, and the existing banking facilities available to the Group, the working capital available to the Group was sufficient for the Group's requirement for at least 12 months from the date of this circular.

*The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this circular received from RHL Appraisal Limited., an independent valuer, in connection with its valuation as at 29 February 2016 of the Property to be disposed of by Huajun Holdings Ltd.*



永利行評值顧問有限公司  
**RHL Appraisal Limited**  
Corporate Valuation & Advisory

**T +852 2730 6212**  
**F +852 2736 9284**

Room 1010, 10/F, Star House,  
Tsimshatsui, Hong Kong

29 April 2016

**The Board of Directors**

**Huajun Holdings Ltd**

36/F,  
Citibank Tower,  
3 Garden Road,  
Central,  
Hong Kong

*Dear Sirs/ Madam,*

**INSTRUCTIONS**

We refer to the instruction of Huajun Holdings Ltd (the "Company") for us to value the property interest (the "Property") to be disposed of by the Company or its subsidiaries (altogether referred to as the "Group"). We confirm that we have carried out property inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 29 February 2016 (the "Valuation Date").

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigations and limiting conditions of this valuation.

**BASIS OF VALUATION**

The valuation is our opinion of the market value (“Market Value”) which we would define as intended to mean the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably prudently and without compulsion.

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase and without offset for any associated taxes or potential taxes.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

**VALUATION METHODOLOGY**

We have valued property interests by using the Direct Comparison Approach by making reference to the comparable market transactions/asking cases as available. Comparable properties of similar size, scale, nature, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market value.

**VALUATION CONSIDERATIONS**

In valuing the property interest, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards 2012 Edition.

**VALUATION ASSUMPTION**

In our valuation, unless otherwise stated, we have assumed that:

- i. the owner is entitled to transfer the Property based on designated usage at specific terms and no any outstanding land premium shall be borne by the owner;
- ii. transferable land use rights in respect of the Property for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid;

- iii. We have not carried out investigations on site to determine the suitability of the ground conditions and the services etc., for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and no extraordinary expenses or delay will be incurred during the development period; and
- iv. the Property is connected to main services and sewers which are available on normal terms.

### TITLE INVESTIGATION

We have been shown copies of various documents relating to the property interest. However, we have not examined the original documents to verify the existing titles to the property interest or any amendment which does not appear on the copies handed to us. We have relied considerably on the information given by the Company's PRC legal adviser, concerning the validity of the titles to the property interests.

### LIMITING CONDITIONS

We have conducted on-site inspections to properties located in the PRC in April 2016 by our Mr. Kevin Mok (Bachelor of Civil Engineering). During the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the properties are free from rot infestation or any other defects. No tests were carried out on any of the services.

We have not carried out detailed on-site measurement to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents handed to us are correct. All dimensions, measurements and areas are approximate.

We have relied to a considerable extent on information provided by the Company and accepted advices given to us on such matters, in particular, but not limited to tenure, planning approvals, statutory notices, easements, particulars of occupancy, size and floor areas and all other relevant matters in the identification of the Properties.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also been advised by the Company that no material fact has been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

No allowance has been made in our report for any charges, mortgages or amounts owing neither on the property interest valued nor for any expenses or taxation which may be incurred in effecting a sale.

The reported market value only applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

**REMARKS**

We have valued the property interests in Renminbi (RMB).

We enclose herewith the valuation certificate.

Yours faithfully,  
For and on behalf of  
**RHL Appraisal Ltd.**

**Serena S. W. Lau**

*FHKIS, AAPI, MRICS, RPS(GP),  
MBA(HKU)  
Managing Director*

**Jessie X. Chen**

*MRICS, MSc (Real Estate), BEcon  
Associate Director*

*Ms. Serena S. W. Lau is a Registered Professional Surveyor (GP) with over 20 years' experience in valuation of properties in HKSAR, Macau SAR, mainland China and the Asia Pacific Region. Ms. Lau is a Professional Member of The Royal Institution of Chartered Surveyors, an Associate of Australian Property Institute, a Fellow of The Hong Kong Institute of Surveyors as well as a registered real estate appraiser in the PRC.*

*Ms. Jessie Chen is a Chartered Surveyor (Valuation) of The Royal Institution of Chartered Surveyors with over 5 years' experience in valuation of properties in HKSAR, Macau SAR, mainland China and the Asia Pacific Region.*

## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value as at 29 February 2016 RMB
Land parcels located at Qian Guan Village and Hou Yan Village, Da Lian Wan Town, Gan Jing Zi District, Dalian City, Liaoning Province, the PRC	<p>The property comprises parcels of land with a total site area of 1,575,300 sq.m. (16,956,529 sq.ft.). (refer to Note 1 below)</p> <p>Portion of the Property with total site area of approximately 1,239,000 sq.m. has been planned mainly for residential and commercial uses while the remaining portion has been planned for industrial and storage uses.</p> <p>We have assumed in the valuation that the land use rights have been granted for residential, commercial and industrial uses for various terms of 40 years, 50 years and 70 years respectively commencing from the Valuation Date.</p>	The Property is currently vacant.	2,460,000,000 (RENMINBI TWO BILLION FOUR HUNDRED AND SIXTY MILLION ONLY)

## Notes:

- Pursuant to various land transfer contracts and agreements entered between Lugang Logistics (the "Buyer") and respectively parties (the "Sellers"), Lugang Logistics has acquired various land parcels with total site area of 1,761,800 sq.m. (18,964,015 sq.ft.). Details please see below table:

Lot Name	Previous Owner (the "Sellers")	Site Area (sq.m.)
Ru Gu Land and Qi Dong District Land	Hou Yan Villagers' Committee under People's Government of Dalian Gan Jing Zi District Dalian Wan Town	536,500.00
Hua Yue Hotel	Dalian Petrochemical Engineering Company	4,700.00
Jin Luen Electronics	Dalian Jin Luen Electronic Equipment Factory	6,500.00
Guo Lin Group	China National Forestry Materials Trading Corporation	52,800.00
Jin Zhou Cement Plant No. 2	Jin Zhou Cement Plant No. 2	101,400.00
Dalian Bay Cement	Dalian City Gan Jing Zi District Dalian Wan Street office	109,700.00

Lot Name	Previous Owner (the "Sellers")	Site Area (sq.m.)
Qian Guan	Qian Guan Village, Qian Guan Industrial Company of Dalian City	772,900.00
Hou Yan	Hou Yan Villagers' Committee under People's Government of Dalian Gan Jing Zi District Dalian Wan Town	77,300.00
Da Bei	Da Bei Industrial Company	100,000.00
	Total:	<u>1,761,800.00</u>

Among which, as advised by the Company, land portion with a total site area of approximately 180,000 sq.m. has been withdrawn by the government for railway construction. Moreover, the transaction of land parcel with site area of 6,500 sq.m. between Lugang Logistics and Dalian Jin Luen Electronic Equipment Factory (the original owner) is under the procedure of litigation which may affect the validity of transaction. We have disregarded the aforesaid portions and only consider the remaining portions with total site area of 1,575,300 sq.m. (16,956,529 sq.ft.) in our valuation.

2. The whole site has been separated into east zone and west zone by Shenhai Expressway. Pursuant to planning parameters with reference No. 210211201300009 issued by Dalian Planning Department at 2013, total site area of 1,239,000 sq.m. which located at east zone has been approved mainly for residential and commercial uses with a minimum plot ratio of 1.5 while the remaining site located at west zone are for industrial and storage uses.
3. In our estimation of market value, no any potential transaction cost such as any payable tax, administrative expenses and demolition costs have been considered.
4. Pursuant to the legal opinion by the Group's PRC legal adviser:
  - i. The Company has acquired the whole site with site area of approximately 1,575,300 sq.m., the acquisition is valid and legal, the original owners of land parcels have no rights to interrupt any further transaction of the Property;
  - ii. The Company is entitled to occupy, use, transfer, develop and consolidate the Property;
  - iii. Up to the valuation date, no any change or amendment has been made on the regional statutory planning details announced by Dalian Planning Department, the lawyer hold the opinion that the Property can be granted for the same usage as stated on the planning document with reference No. 210211201300009/10 dated on January 2013; and
  - iv. After consolidation, the government will store up the Property into land bank from the Company at a consideration based on the market value of the Property determined by its area, location, condition and planned usage deducting the administrative cost charged by the government; such cost is negotiable and generally not lower than 10% of consideration and relevant administration expenses; up to the valuation date, no details of such cost have been provided, we have therefore ignore such cost in our estimation, also no other potential transaction cost such as any payable tax, administrative expenses and demolition costs have been considered.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

## 2. INTERESTS AND/OR SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

### Interests of Directors and chief executive

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the shares or underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was taken or deemed to have under such provisions 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 Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules (the "Model Code") to be notified to the Company and the Stock Exchange were as follows:

#### *Interests in the Shares*

Director	Nature of interests	Number of Shares	Approximate percentage of interests in the issued share capital of the Company
Mr. Meng Guang Bao	Beneficial owner	60,430,371 (L)	1.07%
	Interest in controlled corporation <sup>(Note 1)</sup>	3,980,082,214 (L)	70.21%
Mr. Wu Jiwei	Interest in controlled corporation <sup>(Note 2)</sup>	133,264,500 (L)	2.35%
	Share options <sup>(Note 3)</sup>	26,386,371 (L)	0.47%
Mr. Guo Song	Share options <sup>(Note 3)</sup>	26,386,371 (L)	0.47%
Mr. Zheng Bailin	Share options <sup>(Note 4)</sup>	2,638,637 (L)	0.05%
Mr. Shen Ruolei	Share options <sup>(Note 4)</sup>	2,638,637 (L)	0.05%
Mr. Pun Chi Ping	Share options <sup>(Note 4)</sup>	2,638,637 (L)	0.05%

The letter "L" denotes a long position in the Shares.

*Notes:*

- 3,980,082,214 Shares were held in the name of Huajun International. The entire issued share capital of Huajun International was beneficially owned by Huajun Holdings Group Limited, which in turn was wholly owned by Huajun (International) Development Limited. The entire issued share capital of Huajun (International) Development Limited was beneficially owned by Hua Jun Holding Group Co. Ltd\* (華君控股集團有限公司). Mr. Meng Guang Bao and Ms. Bao Le, being a spouse of Mr. Meng Guang Bao, held 97.5% and 2.5%, respectively, in Hua Jun Holding Group Co. Ltd\* (華君控股集團有限公司). Mr. Meng Guang Bao was deemed to be interested in all the Shares held by Huajun International by virtue of the SFO.
- 133,264,500 Shares were beneficially owned by Forest Tree Limited, which in turn was wholly-owned by Mr. Wu Jiwei. Mr. Wu Jiwei was deemed to be interested in all the Shares held by Forest Tree Limited by virtue of the SFO.
- 26,386,371 share options had been granted to each of Mr. Wu Jiwei and Mr. Guo Song. For further details of such share options, please refer to the announcements of the Company dated 16 February 2015 and 30 June 2015.
- 2,638,637 share options had been granted to each of Mr. Zheng Bailin, Mr. Shen Ruolei and Mr. Pun Chi Ping. For further details of such share options, please refer to the announcement of the Company dated 30 June 2015.

**Interests in the shares in associated corporation**

Associated corporation	Director	Amount of registered capital in the associated corporation	Capacity	Approximate percentage of interests in the registered capital of the associated corporation
Hua Jun Holding Group Co. Ltd* (華君控股集團有限公司) <i>(Note 6)</i>	Mr. Meng Guang Bao	97,500,000 (L)	Beneficial owner	97.5%

The letter "L" denotes a long position in the Shares.

*Notes:*

- Huajun International, Huajun Holdings Group Limited and Huajun (International) Development Limited are wholly-owned subsidiaries of Hua Jun Holding Group Co. Ltd\* (華君控股集團有限公司).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the

Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### 3. INTERESTS AND/OR SHORT POSITIONS DISCLOSEABLE UNDER THE SFO AND THE SUBSTANTIAL SHAREHOLDERS

So far as was known to the Directors or the chief executive of the Company, as at the Latest Practicable Date, persons other than a Director or chief executive of the Company who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly interested in 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, or held any option in respect of such capital were as follows:

Shareholder	Nature of interests	Number of Shares	Approximate percentage of interests in the issued share capital of the Company
Huajun International	Beneficial owner	3,980,082,214 (L) <sup>(Note 1)</sup>	70.21%
Huajun Holdings Group Limited	Interest in controlled corporation	3,980,082,214 (L) <sup>(Note 1)</sup>	70.21%
Huajun (International) Development Limited	Interest in controlled corporation	3,980,082,214 (L) <sup>(Note 1)</sup>	70.21%
Hua Jun Holding Group Co. Ltd* (華君控股集團有限公司)	Interest in controlled corporation	3,980,082,214 (L) <sup>(Note 1)</sup>	70.21%
Bao Le	Interest of spouse	4,040,512,585 (L) <sup>(Note 2)</sup>	71.27%

The letter "L" denotes a long position in the shares.

*Notes:*

1. 3,980,082,214 Shares were held in the name of Huajun International. The entire issued share capital of Huajun International was beneficially owned by Huajun Holdings Group Limited, which in turn was wholly owned by Huajun (International) Development Limited. The entire issued share capital of Huajun (International) Development Limited was beneficially owned by Hua Jun Holding Group Co. Ltd\* (華君控股集團有限公司).
2. Ms. Bao Le, being the spouse of Mr. Meng Guang Bao, was deemed to be interested in the Shares in which Mr. Meng Guang Bao was deemed to be interested under the SFO.

Save as disclosed above, so far as known to the Directors or the chief executive of the Company, as at the Latest Practicable Date, no persons other than a Director or chief executive of the Company had any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly interested in 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, or held any option in respect of such capital.

Save as disclosed above, none of the Directors was a director or an employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**4. DIRECTORS' SERVICES CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into a service contract or service agreement with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

**5. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors and their respective close associates (as defined in the Listing Rules) was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

**6. DIRECTORS' INTEREST IN ASSETS/CONTRACTS AND OTHER INTERESTS**

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which had been, since 31 March 2015 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

There was no contract or arrangement subsisting at the date of this circular in which a Director was materially interested and which was significant in relation to the business of the Group.

**7. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and there is no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

**8. EXPERT AND CONSENT**

The qualifications of the experts who have given opinions and advice in this circular are as follows:

<b>Name</b>	<b>Qualification</b>
RHL Appraisal Limited	Property valuer

As at the Latest Practicable Date, the expert had not had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The expert has given and has not withdrawn its written consent to the issue of this circular with the expert's statement made for incorporation in this circular and included in the form and context in which it is included.

As at the Latest Practicable Date, the expert had not had any interest, direct or indirect, in any assets which had been, since 31 March 2015 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

## 9. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this circular:

- (a) the loan agreement dated 29 September 2014 entered into between the Company and Huajun International in respect of a loan in the principal amount of HK\$585,960,000.00;
- (b) the subscription agreement dated 5 November 2014 entered into between Huajun Capital Limited, being a wholly-owned subsidiary of the Company, and Sheng Yuan Holdings Limited in relation to the subscription by Huajun Capital Limited of convertible bonds issued by Sheng Yuan Holdings Limited in a principal amount of HK\$100 million;
- (c) the subscription agreement dated 28 November 2014 entered into between Huajun Capital Limited, being a wholly-owned subsidiary of the Company, and Global High Growth Industries Fund Series SPC ("GHGI Fund Series SPC") in relation to the subscription of the shares of GHGI Fund Series SPC in respect of the Sheng Hua Financial Stable Growth Investment Fund SP, which are classified into Class B ("Class B Shares") in a principal amount of HK\$542.87 million;
- (d) the sale and purchase agreement dated 19 January 2015 entered into between Huajun Capital Limited, being a wholly-owned subsidiary of the Company, and Wah Lun International Development Limited in relation to the disposal of the Class B Shares to Wah Lun International Development Limited for a consideration of HK\$564,090,982.57;

- (e) the sale and purchase agreement dated 19 January 2015 entered into between Huajun Capital Limited, being a wholly-owned subsidiary of the Company, and CL International Training Limited in relation to the disposal of the 8% 3-year convertible bonds in a principal amount of HK\$100 million by Huajun Capital Limited to CL International Training Limited for a consideration of HK\$101,797,260.27;
- (f) the share subscription agreement dated 20 January 2015 entered into between Huajun Logistics Co. Limited, being a wholly-owned subsidiary of the Company, as the subscriber, Candice Development Limited as the issuer and Gather Take Development Limited as the guarantor in relation to the subscription of 52,041 shares of Candice Development Limited for a consideration of US\$52,041 (equivalent to approximately HK\$404,880);
- (g) the sale and purchase agreement dated 6 February 2015 entered into between Continuously Water Affairs (China) Limited\* (源源水務(中國)有限公司), being an indirect wholly-owned subsidiary of the Company, as the purchaser and Mr. Qin Shixu (秦世旭) and Ms. Cheng Meijun (程梅君) as the vendors in relation to the sale and purchase of the entire equity interests in Dashiqiao Continuously Water Affairs Limited\* (大石橋源源水務有限公司) for a consideration of RMB100,000,000 (equivalent to approximately HK\$118,000,000);
- (h) the sale and purchase agreement dated 9 February 2015 entered into between B&H Properties Group Limited\* (保華地產集團有限公司), being an indirect wholly-owned subsidiary of the Company, as the purchaser and Mr. Li Yonggang (李永剛) as the vendor in relation to the sale and purchase of 40% of the equity interests in Zhihua Logistics Technology Co., Ltd. of the Yingkou Economic Development Zone\* (營口經濟技術開發區志華物流有限公司) for a consideration of RMB120,000,000 (equivalent to approximately HK\$141,600,000);
- (i) the sale and purchase agreement dated 9 February 2015 entered into between B&H Properties Management (China) Limited\* (保華置業管理(中國)有限公司), being a wholly-owned subsidiary of the Company, as the purchaser and Ms. Zhao Changai (趙長愛) as the vendor in relation to the sale and purchase of 80% of the equity interests in Yingkou Wanhe Industrial Company Limited\* (營口萬合實業有限公司) for a consideration of RMB80,000,000 (equivalent to approximately HK\$94,400,000);
- (j) the subscription agreement dated 10 February 2015 entered into between the Company and the subscribers named therein in relation to the subscription of 533,058,000 Shares at HK\$0.70 each;

- (k) the subscription agreement dated 13 February 2015 entered into between the Company, Huajun International and Mr. Wu Jiwei in respect of the subscription of convertible bonds in an aggregate principal amount of HK\$500 million issued by the Company on 11 June 2015;
- (l) the sale and purchase agreement dated 26 March 2015 entered into between the Company and Hung Jia Holdings Limited in relation to the disposal of the entire issued share capital of Success Crest Investment Limited for a consideration of RMB90,000,000 (equivalent to approximately HK\$106,200,000);
- (m) the sale and purchase agreement dated 26 March 2015 entered into between New Island Holdings (BVI) Limited, being a wholly-owned subsidiary of the Company, and Folli Follie Group Holding Co., Ltd. in relation to the disposal of the entire issued share capital of New Island Property (BVI) Limited for a consideration of HK\$142,800,000;
- (n) the termination agreement dated 27 March 2015 entered into between B&H Properties Group Limited\* (保華地產集團有限公司), being an indirect wholly-owned subsidiary of the Company, as the purchaser and Mr. Li Yonggang (李永剛) as the vendor in relation to the sale and purchase of 40% of the equity interests in Zhihua Logistics Technology Co., Ltd. of the Yingkou Economic Development Zone\* (營口經濟技術開發區志華物流有限公司) for a consideration of RMB120,000,000 (equivalent to approximately HK\$141,600,000);
- (o) the supplemental agreement dated 31 March 2015 entered into between the Company, Huajun International and Mr. Wu Jiwei for the purpose of supplementing and amending the subscription agreement in relation to the subscription of the convertible bonds in an aggregate principal amount of HK\$500 million issued by the Company on 11 June 2015;
- (p) the capital increase agreement dated 27 April 2015 entered into between New Island Management Services Limited, being an indirectly wholly-owned subsidiary of the Company, and Harbin He Zhong Hui Li Economic and Trading Co., Ltd.\* (哈爾濱合眾滙利經濟有限公司) in respect of the subscription of additional registered capital of Shenzhen Huajun Financial Leasing Limited\* (深圳市華君融資租賃有限公司) for a consideration of US\$15 million (equivalent to approximately HK\$116.7 million), as a result of which Harbin He Zhong Hui Li Economic and Trading Co., Ltd.\* (哈爾濱合眾滙利經濟有限公司) is interested in 30% of the equity interest in Shenzhen Huajun Financial Leasing Limited\* (深圳市華君融資租賃有限公司);
- (q) the sale and purchase agreement dated 26 May 2015 entered into between Huajun Industrial Equipment Group Limited\* (華君工業裝備集團有限公司), being an indirect wholly-owned subsidiary of the Company, as the purchaser and Linhai Finance Bureau\* (臨海市財政局) and Linhai Economic and

Information Technology Bureau\* (臨海市經濟和信息化局), together as the vendors, in relation to the sale and purchase of the entire equity interests in Zhejiang Linhai Machinery Company Limited\* (浙江臨海機械有限公司) for a consideration of RMB192,150,000 (equivalent to approximately HK\$226,737,000);

- (r) the sale and purchase agreement dated 26 May 2015 entered into between Continuously Water Affairs (China) Limited\* (源源水務(中國)有限公司), being an indirect wholly-owned subsidiary of the Company, as the purchaser, and Yingkou Yin Ke Jian An Investment Co., Ltd.\* (營口銀科建安投資有限公司), as the vendor, in relation to the sale and purchase of 49% of the equity interests in Liaoning Yinzhu Chemtex Group Co. Ltd.\* (遼寧銀珠化紡集團有限公司) for a consideration of RMB70,000,000 (equivalent to approximately HK\$82,600,000);
- (s) the sale and purchase agreement dated 12 June 2015 entered into between B&H Properties Management (China) Limited\* (保華置業管理(中國)有限公司), being a wholly-owned subsidiary of the Company, as the purchaser and Mr. Zhang Yu (張玉) as the vendor in relation to the sale and purchase of 60% of the equity interests in Dalian Bao Xing Da Industrial Co., Ltd.\* (大連保興達實業有限公司) for a consideration of RMB60 million (equivalent to approximately HK\$70.8 million);
- (t) the sale and purchase agreement dated 17 June 2015 entered into between B&H Properties Management (China) Limited\* (保華置業管理(中國)有限公司), being a wholly-owned subsidiary of the Company, as the purchaser and Lijiang Tianan Forestry Development Co., Ltd.\* (麗江天安林業開發有限公司) as the vendor in relation to the sale and purchase of the entire equity interests in each of Heqing County Sengong Forestry Development Co., Ltd.\* (鶴慶縣森工林業有限公司), Ninglang Boyu Forestry Development Co., Ltd.\* (寧蒗博宇林業開發有限公司) and Yangbi Yunsen Forestry Development Co., Ltd.\* (漾濞雲森林業有限公司) for an aggregate consideration of RMB160 million (equivalent to approximately HK\$188.8 million);
- (u) the agreement dated 26 June 2015 entered into between B&H Properties Management (China) Limited\* (保華置業管理(中國)有限公司), being a wholly-owned subsidiary of the Company, Tianan Property Investment Strategic Planning (Shenzhen) Co. Ltd.\* (天安地產投資策劃(深圳)有限公司) and Suzhou Tianan Import and Export Trading Co. Ltd.\* (蘇州天安進出口貿易有限公司) in relation to the proposed establishment of a joint venture company;
- (v) the sale and purchase agreement dated 16 July 2015 entered into between B&H Properties Management (China) Limited\* (保華置業管理(中國)有限公司), being a wholly-owned subsidiary of the Company, as the purchaser and Mr. Zhou Luohong (周羅洪), Mr. Xie Jianming (謝建明) and Ms. Zhou Jing (周靜), collectively as the vendors, in relation to the sale and purchase of the entire equity interests in Yingkou Xiang Feng Properties Co., Ltd.\* (營口翔峰置業有

限公司) and the development project named Xiang Feng Wealth Seaview\* (翔峰財富海景), including the land use right of the state-owned land, for a consideration of RMB250 million (equivalent to approximately HK\$295 million);

- (w) the sale and purchase agreement dated 25 August 2015 entered into between Continuously Water Affairs (China) Limited\* (源源水務(中國)有限公司), being an indirect wholly-owned subsidiary of the Company, as the purchaser and Ms. Zhang Ying (張英) and Mr. Zhang Hao (張浩) as the vendors in relation to the acquisition of the entire equity interests in Changzhou City Jintan Ruixin Optoelectronic Co., Ltd.\* (常州市金壇瑞欣光電有限公司) and the shareholder's loan for a consideration of RMB75,000,001 (equivalent to approximately HK\$88,500,001);
- (x) the sale and purchase agreement dated 25 August 2015 entered into between Continuously Water Affairs (China) Limited\* (源源水務(中國)有限公司), being an indirect wholly-owned subsidiary of the Company, as the purchaser and Mr. Kong De Song (孔德松) and Ms. Shen Li Li (沈莉莉) as the vendors in relation to the acquisition of Jiangsu Zhong Ke Zhong Ke Guo Neng Photovoltaic Technology Co., Ltd.\* (江蘇中科國能光伏科技有限公司) for a consideration of RMB1 (equivalent to approximately HK\$1.18);
- (y) the equity transfer agreement dated 26 August 2015 entered into between Continuously Water Affairs (China) Limited\* (源源水務(中國)有限公司), being an indirect wholly-owned subsidiary of the Company, as the purchaser and Dalian Hydraulic Machinery Co., Ltd.\* (大連液力機械有限公司) as the vendor in relation to the acquisition of assets for a consideration of RMB33,412,572.70 (equivalent to approximately HK\$39,426,836);
- (z) the sale and purchase agreement dated 10 September 2015 entered into between Continuously Water Affairs (China) Limited\* (源源水務(中國)有限公司), being an indirect wholly-owned subsidiary of the Company, as the purchaser and Mr. Yu Jun (于俊) as the vendor in relation to the acquisition of the entire equity interests in Jurong Guangxuan Optoelectronic Technology Co., Ltd.\* (句容光軒光電科技有限公司) and the shareholder's loan for a consideration of RMB212,900,000 (equivalent to approximately HK\$251,222,000);
- (aa) the sale and purchase agreement dated 7 October 2015 entered into between B&H Properties Management (China) Limited\* (保華置業管理(中國)有限公司), being a wholly-owned subsidiary of the Company, as the purchaser and Dalian Hydraulic Machinery Co., Ltd.\* (大連液力機械有限公司) as the vendor in relation to the acquisition of the entire equity interests in Liaoning Bao Hua Properties Development Co., Ltd.\* (遼寧保華房地產開發有限公司) for a consideration of RMB750,000,000 (equivalent to approximately HK\$885,000,000);

- (bb) the asset transfer agreement dated 31 December 2015 entered into between Jurong Zhong Ke Guo Neng Photovoltaic Technology Limited\* (句容中科國能光伏科技有限公司), being an indirect wholly-owned subsidiary of the Company, as the transferee and Jurong Guangxuan Optoelectronic Technology Ltd.\* (句容光軒光電科技有限公司) as the transferor in relation to the acquisition of the non-current assets set out therein for the consideration of RMB292,900,000 (equivalent to approximately HK\$345,622,000);
- (cc) the subscription agreement dated 18 January 2016 entered into between Huajun Power Company Limited (華君電力有限公司), being a direct wholly-owned subsidiary of the Company, and Baohuaxing Assets Management (Shenzhen) Co., Ltd.\* (保華興資產管理(深圳)有限公司), being an indirect wholly-owned subsidiary of the Company, both as the subscribers, and Hareon Solar Technology Co., Ltd. (海潤光伏股份有限公司) as the issuer in relation to the subscription of 629,629,629 shares in the share capital of Hareon Solar Technology Co., Ltd. (海潤光伏股份有限公司) for a consideration of RMB1,700,000,000 (approximately HK\$2,006,000,000);
- (dd) the asset purchase agreement dated 18 January 2016 entered into between Huajun Power Company Limited (華君電力有限公司), being a direct wholly-owned subsidiary of the Company, and Baohuaxing Assets Management (Shenzhen) Co., Ltd.\* (保華興資產管理(深圳)有限公司), being an indirect wholly-owned subsidiary of the Company, both as the vendors and Hareon Solar Technology Co., Ltd. (海潤光伏股份有限公司) as the purchaser in relation to the disposal of the entire equity interests in Continuously Water Affairs (China) Limited\* (源源水務(中國)有限公司), being an indirect wholly-owned subsidiary of the Company;
- (ee) the profit guarantee agreement dated 18 January 2016 entered into between Huajun Power Company Limited (華君電力有限公司), being a direct wholly-owned subsidiary of the Company, and Baohuaxing Assets Management (Shenzhen) Co., Ltd.\* (保華興資產管理(深圳)有限公司), being an indirect wholly-owned subsidiary of the Company, both as the guarantors and Hareon Solar Technology Co., Ltd. (海潤光伏股份有限公司) as the guarantee in relation to the guarantee in respect of the net profits of Continuously Water Affairs (China) Limited\* (源源水務(中國)有限公司), being an indirect wholly-owned subsidiary of the Company;
- (ff) the placing agreement dated 18 January 2016 entered into between the Company and Get Nice Securities Limited in relation to the subscription of up to 2,180,000,000 Shares at HK\$0.75 each;

- (gg) the sale and purchase agreement dated 19 January 2016 entered into between, among others, B&H Properties Management (China) Limited\* (保華置業管理(中國)有限公司), being a wholly-owned subsidiary of the Company, as vendor, and Zhou Hailin (周海林) and Zhou Guoqing (周國慶), as purchasers in relation to the disposal of 80% of the equity interests in Yingkou Wanhe Industrial Company Limited\* (營口萬合實業有限公司) for a consideration of RMB480 million (equivalent to approximately HK\$566.4 million);
- (hh) the subscription agreement dated 20 January 2016 entered into between the Company and Huajun International in relation to the subscription of convertible bonds in an aggregate principal amount of HK\$1,330,000,000;
- (ii) the supplemental agreement dated 9 March 2016 entered into between the Company and Huajun International for the purpose of supplementing and amending the subscription agreement in relation to the subscription of the convertible bonds in an aggregate principal amount of HK\$1,330,000,000 to be issued by the Company;
- (jj) the sale and purchase agreement dated 21 March 2016 entered into between B&H Properties Management (China) Limited\* (保華置業管理(中國)有限公司), being a wholly-owned subsidiary of the Company, as purchaser, and Mr. Zhang (張旭飛) and Ms. Wang (王兆玲), as vendors in relation to the acquisition of 100% equity interests in and assignment of shareholders' loan of RMB240 million (equivalent to approximately HK\$283.2 million) of Yingkou Kunlun Real Estate Company Limited\* (營口昆侖房地產有限公司) for a consideration of RMB250 million (equivalent to approximately HK\$295 million); and
- (kk) the Sale and Purchase Agreement.

## 10. GENERAL

- (a) The secretary to the Company is Mr. Chan Wing Hang, who is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.
- (c) The head office and principal place of business of the Company is situated at 36th Floor, Citibank Tower, Citibank Plaza, 3 Garden Road, Central, Hong Kong.
- (d) The Hong Kong branch share registrar of the Company is Union Registrars Limited of Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

- (e) If there is any inconsistency in this circular between the English and Chinese versions, then English version shall prevail.

#### 11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at 36th Floor, Citibank Tower, Citibank Plaza, 3 Garden Road, Central, Hong Kong during normal business hours on any week day (except public holidays) for the period of 14 days from the date of this circular:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the material contracts disclosed in the paragraph headed "Material Contracts" in this Appendix;
- (c) the valuation report on Land Property prepared by RHL Appraisal Limited, the text of which is set out in Appendix II to this circular;
- (d) the annual reports of the Company for the two years ended 31 March 2014 and 31 March 2015;
- (e) the circulars of the Company dated 7 May 2015, 14 August 2015, 30 November 2015, 1 February 2016, 11 March 2016 and 24 March 2016; and
- (f) this circular.

\* For identification purpose only