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HUAJUN HOLDINGS LIMITED

華君控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 377)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

ANNUAL RESULTS

The board of directors (the “**Board**”) of Huajun Holdings Limited (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2016 together with the comparative figures for the year ended 31 March 2015.

* *For identification purposes only*

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 MARCH 2016

	<i>NOTES</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Continuing operations			
Revenue	3	1,295,581	747,926
Cost of sales and services		(1,052,537)	(581,356)
Gross profit		243,044	166,570
Gains on disposal of subsidiaries		542,858	73,021
Other income	5	28,643	3,345
Gain arising on change in fair value of investment properties		–	305,191
Other gains and losses	6	14,162	42,715
Selling and distribution expenses		(52,871)	(48,862)
Impairment loss on goodwill		(283,857)	–
Administrative expenses		(208,234)	(104,561)
Finance costs	7	(256,014)	(14,776)
Share of profits from associates		3,814	–
Profit before tax		31,545	422,643
Income tax expense	8	(62,122)	(145,526)
(Loss) profit for the year from continuing operations	9	(30,577)	277,117
Discontinued operation			
Profit from discontinued operation	10	579	35
(Loss) profit for the year		(29,998)	277,152
Other comprehensive expense for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(60,309)	(8,122)
Change in fair value of available-for-sale (“AFS”) investments		(10,087)	–
Other comprehensive expense for the year		(70,396)	(8,122)
Total comprehensive (expense) income for the year		(100,394)	269,030

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME – continued**
FOR THE YEAR ENDED 31 MARCH 2016

	<i>NOTES</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Profit for the year attributable to shareholders of the Company			
– from continuing operations		32,075	242,128
– from discontinued operation		579	62
		<hr/>	<hr/>
Profit for the year attributable to shareholders of the Company		32,654	242,190
		<hr/>	<hr/>
(Loss) profit for the year attributable to non-controlling interests			
– from continuing operations		(62,652)	34,989
– from discontinued operation		–	(27)
		<hr/>	<hr/>
(Loss) profit for the year attributable to non-controlling interests		(62,652)	34,962
		<hr/>	<hr/>
(Loss) profit for the year		(29,998)	277,152
		<hr/>	<hr/>
Total comprehensive (expense) income attributable to:			
Shareholders of the Company		(32,736)	234,068
Non-controlling interests		(67,658)	34,962
		<hr/>	<hr/>
		(100,394)	269,030
		<hr/>	<hr/>
Earnings per share	<i>11</i>	<i>HK cent</i>	<i>HK cents</i>
From continuing and discontinued operations			
Basic		0.87	8.92
		<hr/>	<hr/>
Diluted		0.87	8.92
		<hr/>	<hr/>
From continuing operations			
Basic		0.86	8.92
		<hr/>	<hr/>
Diluted		0.86	8.92
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2016

	<i>NOTES</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment		522,290	247,689
Prepaid lease payments		150,928	16,979
Investment properties		88,294	637,431
Club membership		2,092	2,092
Finance lease receivables		61,855	462,492
Loan receivables		202,485	54,199
Deferred tax assets		2,214	2,332
Deposits for purchases of plant and equipment		6,345	10,966
Deposits for acquisition of subsidiaries		96,000	–
Goodwill		71,698	–
Available-for-sale investments		408,549	–
Interests in associates		111,174	–
		1,723,924	1,434,180
CURRENT ASSETS			
Land and properties held for sale		854,336	–
Prepaid lease payments		3,573	–
Inventories		177,900	106,253
Finance lease receivables		241,745	41,258
Trade and other receivables	12	403,430	189,680
Loan receivables		946,600	71,300
Tax recoverable		369	336
Held for trading investments		58,393	–
Pledged bank deposits		426,273	644,388
Bank balances and cash		132,918	1,231,259
		3,245,537	2,284,474
Assets classified as held for sale	10	1,355,728	–
		4,601,265	2,284,474
CURRENT LIABILITIES			
Trade and other payables	13	658,865	442,353
Tax payable		62,045	11,767
Borrowings		857,932	714,710
		1,578,842	1,168,830
Liabilities associated with assets classified as held for sale	10	889,891	–
		2,468,733	1,168,830
NET CURRENT ASSETS		2,132,532	1,115,644
TOTAL ASSETS LESS CURRENT LIABILITIES		3,856,456	2,549,824

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued
AT 31 MARCH 2016

	<i>NOTES</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Long term deposits received		–	21,875
Deferred tax liabilities		17,178	128,543
Borrowings		264,000	1,051,910
		<hr/> 281,178	<hr/> 1,202,328
NET ASSETS		<hr/> 3,575,278	<hr/> 1,347,496
CAPITAL AND RESERVES			
Share capital	<i>14</i>	56,690	31,983
Reserves		3,385,272	1,250,176
		<hr/> 3,441,962	<hr/> 1,282,159
Equity attributable to shareholders of the Company		133,316	65,337
Non-controlling interests		<hr/> 3,575,278	<hr/> 1,347,496
TOTAL EQUITY		<hr/> 3,575,278	<hr/> 1,347,496

NOTES

1. BASIS OF PREPARATION

The annual results set out in the announcement do not constitute the Group's financial statements for the year ended 31 March 2016 but are extracted from those financial statements. The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following amendments to HKFRSs issued by HKICPA for the first time in the current year:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years.

3. REVENUE

The principal activities of the Group are: (1) sale and manufacturing of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products (hereinafter collectively described as “**printing products**”); (2) sale of electronic parts and devices; (3) sale of oil and other related products; (4) sale of industrial equipment; (5) provision of finance lease and related services; (6) provision of finance; (7) property investments; (8) securities investments; and (9) provision of medical management services.

Revenue represents the invoiced value of goods sold, interest income from the provision of finance, rental income from property investments and income from provision of medical management services, net of sales tax, returns and discounts.

The Group’s significant category of revenue from continuing operations recognised during the year is as follows:

Continuing operations

	2016	2015
	<i>HK\$’000</i>	<i>HK\$’000</i>
Sale of printing products	658,544	686,218
Sale of electronic parts and devices	293,816	22,746
Sale of oil and other related products	191,630	–
Sale of industrial equipment	26,442	–
Revenue from finance lease and related services	62,812	34,183
Interest income from provision of finance	36,127	362
Rental income from property investments	9,341	1,786
Dividend and interest income from securities investments	8,294	2,214
Income from provision of medical management services	8,575	417
	<u>1,295,581</u>	<u>747,926</u>

4. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by different business lines. In a manner consistent with the way in which information is reported internally to the Group's Executive Directors, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and performance assessment, the Group has identified the following eight operating and reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Printing: Sale and manufacturing of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products
- Trading and logistics: Trading, logistics and supply chain
- Finance lease: Provision of finance through finance lease and related services
- Provision of finance: Provision of finance through money lending business
- Property development and investments: Property development and investments
- Securities investments: Investment activities in equity securities, funds, bonds and assets management services
- Medical management: Provision of medical management services
- Industrial equipment: Sale and manufacturing of industrial equipment

During the year ended 31 March 2016, the Group started a new segment of industrial equipment segment. The Group also expanded two business segments, includes: 1) the property investments segment is expanded to including the property development business; and 2) the trading and logistics segment is expanded to including the trading of oil and other related products.

During the year ended 31 March 2016, the Group acquired a group of subsidiaries and assets to start a photovoltaic segment. Subsequently during the same year, the segment was discontinued. The segment information reported in this note does not include any amounts from this discontinued operation which is disclosed in more detail in note 10.

4. SEGMENT INFORMATION – continued

Year ended 31 March 2016

Continuing operations

	Printing <i>HK\$'000</i>	Trading and logistics <i>HK\$'000</i>	Finance lease <i>HK\$'000</i>	Provision of finance <i>HK\$'000</i>	Property development and investments <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Medical management <i>HK\$'000</i>	Industrial equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue									
Revenue from external customers	<u>658,544</u>	<u>485,446</u>	<u>62,812</u>	<u>36,127</u>	<u>9,341</u>	<u>8,294</u>	<u>8,575</u>	<u>26,442</u>	<u>1,295,581</u>
Segment results	<u>27,127</u>	<u>15,168</u>	<u>41,461</u>	<u>11,122</u>	<u>(3,503)</u>	<u>14,350</u>	<u>8,205</u>	<u>(5,135)</u>	108,795
Unallocated amounts									
Corporate administrative expenses									(92,205)
Gain on disposal of subsidiaries									542,858
Other gains and losses of corporate									(416)
Impairment of goodwill									(283,857)
Share of profits from associates									3,814
Corporate other income									8,570
Finance costs									<u>(256,014)</u>
Group's profit before tax									<u>31,545</u>

Year ended 31 March 2015

Continuing operations

	Printing <i>HK\$'000</i>	Trading and logistics <i>HK\$'000</i>	Finance lease <i>HK\$'000</i>	Provision of finance <i>HK\$'000</i>	Property development and investments <i>HK\$'000</i>	Securities investments <i>HK\$'000</i>	Medical management <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue								
Revenue from external customers	<u>686,218</u>	<u>22,746</u>	<u>34,183</u>	<u>362</u>	<u>1,786</u>	<u>2,214</u>	<u>417</u>	<u>747,926</u>
Segment results	<u>7,540</u>	<u>7,017</u>	<u>33,879</u>	<u>94</u>	<u>307,910</u>	<u>22,769</u>	<u>393</u>	379,602
Unallocated amounts								
Corporate administrative expenses								(22,122)
Gain on disposal of subsidiaries								73,021
Other gains and losses of corporate								5,083
Corporate other income								1,835
Finance costs								<u>(14,776)</u>
Group's profit before tax								<u>422,643</u>

4. SEGMENT INFORMATION – continued

Other segment information

Year ended 31 March 2016

	Printing	Trading and logistics	Finance lease	Provision of finance	Property development and investments	Securities investments	Medical management	Industrial equipment	Unallocated	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:										
Depreciation and amortisation for the year	38,356	6,224	76	-	86	-	-	1,430	3,452	49,624
Additions to non-current assets during the year	33,820	219,636	462	-	192,980	-	8	104,658	21,794	573,358
Gain on disposal of property, plant and equipment	318	-	-	-	-	-	-	-	-	318
Gain arising on change in fair value of held for trading investments	-	-	-	-	-	6,126	-	-	-	6,126
Loss on disposal of an investment property	-	-	-	-	548	-	-	-	-	548
Interest income earned on bank balances and pledged bank deposits	258	390	11,465	-	78	2	150	181	1,809	14,333

Year ended 31 March 2015

	Printing	Trading and logistics	Finance lease	Provision of finance	Property development and investments	Securities investments	Medical management	Unallocated	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:									
Depreciation and amortisation for the year	40,954	1	-	-	-	-	-	489	41,444
Additions to non-current assets during the year	43,685	182	-	-	399,042	-	-	9,579	452,488
Bargain purchase gain	-	6,972	-	-	-	-	-	-	6,972
Gain on disposal of property, plant and equipment	55	-	-	-	-	-	-	-	55
Gain arising on change in fair value of investment properties	-	-	-	-	305,191	-	-	-	305,191
Gain arising on change in fair value of convertible bonds and fund investment	-	-	-	-	-	21,396	-	-	21,396
Gain arising on change in fair value of trading securities	-	-	-	-	-	9,417	-	-	9,417
Interest income earned on bank balances and pledged bank deposits	944	-	46	175	-	11	28	631	1,835

Segment results represent the profit and loss of each segment without allocation of expenses arising from corporate administrative expenses, impairment of goodwill, corporate other gain and loss, corporate other income, finance costs, gain on disposal of subsidiaries and share of profits from associates. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

5. OTHER INCOME

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Continuing operations		
Interest income earned on bank balances and pledged bank deposits	14,333	1,835
Interest income from deposit for acquisition of subsidiaries	6,762	–
Others	7,548	1,510
	<u>28,643</u>	<u>3,345</u>

6. OTHER GAINS AND LOSSES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Continuing operations		
Gain on disposal of property, plant and equipment	318	55
Gain arising on change in fair value of held for trading investments	6,126	9,417
Exchange gain, net	8,266	4,875
Gain arising from convertible bonds and fund investment (<i>note</i>)	–	21,396
Bargain purchase gain for acquisition of subsidiaries	–	6,972
Loss on disposal of an investment property	(548)	–
	<u>14,162</u>	<u>42,715</u>

Note:

The Group acquired a 8% interest bearing convertible bond and 54,287 shares of an investment fund on 19 November 2014 and 22 December 2014, respectively. The convertible bond and the entire interest in the investment fund were disposed of during the year ended 31 March 2015 at an aggregate gain of HK\$21,396,000.

7. FINANCE COSTS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Continuing operations		
Interest on bank and other borrowings	258,493	6,046
Less: interest expense capitalised into land and properties held for sale (<i>note</i>)	<u>(19,362)</u>	<u>–</u>
	239,131	6,046
Imputed interest arising on interest free borrowings from immediate holding company	3,669	6,636
Effective interest expense on convertible bonds	2,637	–
Other finance charges	<u>10,577</u>	<u>2,094</u>
	<u>256,014</u>	<u>14,776</u>

Note:

The borrowing costs have been capitalised at a rate of 10% per annum.

8. INCOME TAX EXPENSE

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Continuing operations		
Current tax:		
Hong Kong Profits Tax	5,939	1,970
PRC Enterprise Income Tax	56,208	12,152
Other jurisdictions	<u>164</u>	<u>174</u>
	62,311	14,296
(Over-provision) under-provision in prior year:		
Hong Kong Profits tax	(10)	545
PRC Enterprise Income Tax	<u>–</u>	<u>1,289</u>
	(10)	1,834
Deferred tax		
Origination and reversal of temporary differences	<u>(179)</u>	<u>129,396</u>
Total income tax recognised in profit or loss	<u>62,122</u>	<u>145,526</u>

8. INCOME TAX EXPENSE – continued

Hong Kong Profits Tax is calculated at 16.5% (2015: 16.5%) of the estimated assessable profit for the year.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for the year (2015: 25%).

Under the existing rules and regulations on land appreciation tax (“LAT”), all gains arising from transfer of real estate property in the PRC are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of the land value, being the proceeds of sales of properties less deductible expenditure including cost of land use rights, borrowing costs and all property development expenditure.

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

9. (LOSS) PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS

	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss) profit for the year from continuing operations is arrived after charging:		
Directors' remuneration	19,657	7,965
Staff cost, excluding Directors' remuneration:		
Salaries, wages and other benefits	193,273	174,084
Retirement benefits scheme contributions	22,594	18,143
Share-based payment	18,010	853
	<hr/>	<hr/>
Total staff costs	253,534	201,045
	<hr/>	<hr/>
Rental income from investment properties:		
Gross rental income from investment properties	9,341	1,786
Less: direct operating expenses incurred for investment properties that generated rental income during the year	(467)	(46)
	<hr/>	<hr/>
	8,874	1,740
	<hr/>	<hr/>
Amortisation of land lease premium	1,794	735
Auditor's remuneration		
– Audit services	2,300	1,100
– Non-audit services	–	1,650
Cost of inventories recognised as an expense	999,323	581,012
Depreciation for property, plant and equipment	47,830	40,709
Operating lease rental on land and buildings	24,572	11,291
	<hr/>	<hr/>

10. DISCONTINUED OPERATION

On 18 January 2016, the Group entered into a subscription agreement with Hareon Solar Technology Co., Ltd. (“**Hareon**”), a company incorporated in the PRC and its shares are listed on the Shanghai Stock Exchange, pursuant to which the Group conditionally agreed to subscribe and Hareon conditionally agreed to issue 629,629,629 new ordinary shares of RMB1 each in the share capital of Hareon in an aggregate consideration of RMB1,700,000,000 (equivalent to HK\$2,040,000,000).

The aggregate consideration will be firstly settled by the fair value of the entire 100% equity interest of a subsidiary of the Company, Continuously Water Affairs (China) Limited (“**Water Affairs**”), and its subsidiaries (collective as “**Solar Group**”) and the remaining balance will be settled by cash. The subsidiaries of Water Affairs are all acquired during the year ended 31 March 2016. As at the date of this announcement, the transaction has not yet been completed.

The assets and liabilities attributable to the business carried out by the Solar Group, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position (see below).

The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

The profit from the discontinued solar business operation carried out by the Solar Group for the period from the respective dates of acquisition of the relevant subsidiaries to 31 March 2016 is set out below.

	Period from the respective dates of acquisition to 31 March 2016 HK\$'000
Revenue	388,695
Cost of sales	(356,811)
Other income	875
Gain on bargain purchase	189
Selling and distribution expenses	(724)
Administrative expenses	(22,914)
Finance costs	(8,731)
	<hr/>
Profit for the period	<u>579</u>

10. DISCONTINUED OPERATION – continued

The major classes of assets and liabilities of the Solar Group as at 31 March 2016, which have been presented separately in the consolidated statement of financial position, are as follows:

	As at 31 March 2016 <i>HK\$'000</i>
Property, plant and equipment	747,418
Prepaid lease payments	94,721
Goodwill	7,132
Deferred tax assets	3,758
Inventories	91,042
Trade and other receivables	309,722
Pledged bank deposits	71,863
Bank balances and cash	<u>30,072</u>
Assets classified as held for sale	<u>1,355,728</u>
	As at 31 March 2016 <i>HK\$'000</i>
Trade and other payables	(393,070)
Tax payable	(1,325)
Deferred tax liabilities	(4,096)
Borrowings	<u>(491,400)</u>
Liabilities associated with assets classified as held for sale	<u>(889,891)</u>

On 28 March 2014, the Group entered into a conditional sales and purchase agreement with Mr. Law Man Lung (“**Mr. Law**”), who is a 8% shareholder of CEPA Alliance Holdings Limited, to dispose of the Group’s entire 70% interest in CEPA Alliance Holdings Limited and its subsidiary, (together referred to as the “**CEPA Group**”) at a total cash consideration of HK\$34,800,000, subject to the approval of Securities and Futures Commission of Hong Kong. A deposit of HK\$17,400,000 was received from Mr. Law as at 31 March 2014. The disposal was completed on 17 July 2014, on which date the Group ceased to control the CEPA Group.

10. DISCONTINUED OPERATION – continued

The result from the discontinued operation for the year ended 31 March 2015 is analysed as follows:

	Year ended 31 March 2015
	<i>HK\$'000</i>
Revenue	2,951
Commission rebate expenses	(442)
Other income	115
Administrative expenses	<u>(2,679)</u>
Loss before tax	(55)
Income tax expense	<u>(36)</u>
Loss for the year	<u>(91)</u>
Attributable to:	
Equity shareholders of the Company	(64)
Non-controlling interests	<u>(27)</u>
	<u>(91)</u>
Profit from discontinued operation:	
Loss for the year	(91)
Gain on disposal	<u>126</u>
	<u>35</u>

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the shareholders of the Company is based on the following data:

Continuing and discontinued operations

	2016	2015
	HK\$'000	HK\$'000
Earnings		
Earnings for the purposes of basic earnings per share (Profit for the year attributable to shareholders of the Company)		
– from continuing operations	32,075	242,128
– from discontinued operation	579	62
	<u>32,654</u>	<u>242,190</u>
	2016	2015
Number of shares		
Weighted average number of share for the purposes of basic earnings per share	<u>3,735,795,032</u>	<u>2,714,944,718</u>

During the years ended 31 March 2016 and 2015, diluted earnings per share is the same as the basic earnings per share as all potential dilutive instruments were anti-dilutive.

12. TRADE AND OTHER RECEIVABLES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade receivables	238,467	122,402
Allowance for doubtful debts	(990)	(7,749)
	237,477	114,653
Deposits and other receivables	91,616	75,027
Prepayments	74,337	–
	403,430	189,680

The Group allows credit term to selected customers on a case-by-case basis depending on the business relationship with and creditworthiness of the respective customers.

Before accepting any new customer, the Group management would assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed from time to time. Allowances for doubtful debts are recognised against trade receivables at 31 March 2016 and 2015 based on estimated recoverable amount determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Trade receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

The following is an ageing analysis of trade receivables presented based on the invoice date which approximates the respective revenue recognition date, at the end of the reporting period.

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade receivables		
0-30 days	142,040	62,808
31-90 days	38,990	40,609
91-180 days	32,202	4,586
Over 180 days*	24,245	6,650
	237,477	114,653

* Included trade receivables of HK\$6,308,000 (2015: Nil) were retention monies receivable from customers in one year after the invoice date.

13. TRADE AND OTHER PAYABLES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade payables	105,797	83,615
Other payables	361,068	111,217
Other payable in relation to acquisition of subsidiaries	–	229,696
Other payables to non-controlling shareholders of a subsidiary of the Company	144,000	–
Bills payable	48,000	17,825
	<u>658,865</u>	<u>442,353</u>

An ageing analysis of bills payable based on the issuance date of the bills at the end of the reporting period is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
0-30 days	48,000	5,293
31-60 days	–	5,703
61-90 days	–	6,303
Over 90 days	–	526
	<u>48,000</u>	<u>17,825</u>

The following is an ageing analysis of trade payables based on the invoice date at the end of the reporting period.

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade payables		
0-30 days	71,381	45,751
31-90 days	18,305	26,610
Over 91 days	16,111	11,254
	<u>105,797</u>	<u>83,615</u>

The average credit period on purchase of goods is approximately 90 days. The Group has financial risk management policies in place to monitor that all trade payables are settled within the credit timeframe.

14. SHARE CAPITAL

Ordinary shares	Number of shares		Share capital	
	2016 '000	2015 '000	2016 HK\$'000	2015 HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each at 1 April 2014, 31 March 2015 and 31 March 2016	40,000,000	40,000,000	400,000	400,000
Issued and fully paid:				
At 1 April	3,198,348	2,665,290	31,983	26,653
Issue of shares (<i>note</i>)	–	533,058	–	5,330
Issue of shares arising from conversion of convertible bonds	2,044,286	–	20,443	–
Issue of shares for acquisition of a subsidiary	400,000	–	4,000	–
Exercise of share options	26,386	–	264	–
At 31 March	5,669,020	3,198,348	56,690	31,983

Note:

On 26 February 2015, a placement of 533,058,000 new shares at par value of HK\$0.01 each was completed. The placing price was HK\$0.7 per share. The difference between the placing price and the par value of the issued shares of HK\$367,811,000 was recognised in share premium account.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

15. CAPITAL COMMITMENTS

	2016 HK\$'000	2015 HK\$'000
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of the acquisition of:		
Plant and equipment	1,636	16,041
Equity interest of subsidiaries (<i>Note</i>)	300,000	–
	301,636	16,041

Note: The amount represents the commitments for cash consideration on the acquisitions of subsidiaries. In addition to the cash considerations, part of the consideration for an acquisition is to be settled by the issuance of 71,428,571 new ordinary shares of the Company. Details of such share consideration for the acquisition are set out in the Company's announcement dated 18 June 2015.

BUSINESS REVIEW

Huajun Holdings Limited is an investment holding company. The Company focuses on manufacturing, investment and finance and supply chain operations. It operates nine segments, namely Printing; Trading and Logistics; Finance Lease; Provision of Finance; Property Development and Investments; Securities Investments; Medical Management; Industrial Equipment; and Solar Photovoltaic.

Our strategy is to strengthen our foundation, better diversify our business portfolio, and to grow, both organically and through strategic acquisitions. We believe that this strategy will unlock value for our shareholders by creating an even stronger Huajun.

For the year under review, revenue was approximately HK\$1,295.6 million, representing an increase of approximately HK\$547.7 million, or 73.2%, compared to revenue of approximately HK\$747.9 million for last year. The overall increase in revenue was attributable to the development of Trading and Logistics business in particular the commencement of sale of oil products and growth of sale of parts and devices in the year under review. The Company continued to grow the Finance Lease business and the Provision of Finance business.

Our Group generated most of its revenue from Printing segment which accounted for approximately 50.8% (2015: approximately 91.7%) of the total revenue followed by Trading and Logistics segment which accounted for approximately 37.5% (2015: approximately 3.0%) of the total revenue. For the year under review, local PRC sales continued to be its major source of revenue, representing approximately 66.7% (2015: approximately 43.8%) of the total revenue.

The table below sets forth our Group's revenue by business segment for the two years ended 31 March 2015 and 2016:

	For the year ended 31 March			
	2016		2015	
	<i>HK\$ Million</i>	<i>%</i>	<i>HK\$ Million</i>	<i>%</i>
Printing	658.6	50.8	686.2	91.8
Trading and Logistics	485.5	37.5	22.7	3.0
Finance Lease	62.8	4.8	34.2	4.6
Provision of Finance	36.1	2.8	0.4	0.0
Industrial Equipment	26.4	2.0	0.0	0.0
Property Development and Investments	9.3	0.7	1.8	0.2
Securities Investments	8.3	0.7	2.2	0.3
Medical Management	8.6	0.7	0.4	0.1
	<u>1,295.6</u>	<u>100.0</u>	<u>747.9</u>	<u>100.0</u>

The table below sets forth our Group's revenue by geographical locations based on the location by customers for the two years ended 31 March 2016 and 2015:

	For the year ended 31 March			
	2016		2015	
	<i>HK\$ Million</i>	<i>%</i>	<i>HK\$ Million</i>	<i>%</i>
The PRC	864.5	66.7	327.7	43.8
The US	236.3	18.2	194.5	26.0
Hong Kong	101.1	7.8	86.7	11.6
Europe	55.8	4.3	57.2	7.7
Others	37.9	3.0	81.8	10.9
	<u>1,295.6</u>	<u>100.0</u>	<u>747.9</u>	<u>100.0</u>

Set out below are details of the financial and trading prospectus of the core business segments of the Group:

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

Our Printing business mainly locates in Hong Kong, Dongguan, Shanghai and the United States of America. The business has been established for more than fifty years. Our Company expects that this business will continue to benefit from the opportunities in the PRC, the United States and the European markets. Printing will continue to be the major business segment of the Group and contribute stable revenue and profit to the Group.

(2) Trading and Logistics

The trading of electronic, oil and timber products mainly locates in Hong Kong and the PRC. This business has been commenced since February 2015. Our Company expects that this business will continue to benefit from the stable demand in Hong Kong and the PRC markets for the Group's products.

(3) Finance Lease

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.

(4) Provision of Finance

The Group provides finance to prospective customers who would provide securities for the performance of their respective obligations to repay the Group. 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.

(5) 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.

(6) Securities Investments

The Group invests in Hong Kong and overseas securities, we mainly utilise 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.

(7) Medical Management

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.

(8) 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).

(9) Solar Photovoltaic

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). Please refer to note 10 for the financial information of this segment.

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.

FINANCIAL REVIEW

Revenue

Our Group's revenue from continuing operations for the year ended 31 March 2016 was approximately HK\$1,295.6 million, representing an increase of approximately HK\$547.7 million, or 73.2%, compared to revenue of approximately HK\$747.9 million for last year. For the year ended 31 March 2016, our Group's major business segments, namely (1) Printing reported a revenue of approximately HK\$658.6 million (2015: approximately RMB686.2 million); (2) Trading and logistics reported a revenue of approximately HK\$485.5 million (2015: approximately HK\$22.7 million); (3) Finance lease recorded a revenue of approximately HK\$62.8 million (2015: approximately HK\$34.2 million); and (4) Provision of finance recorded a revenue of approximately HK\$36.1 million (2015: approximately HK\$0.4 million).

As a group with diversified businesses, we look for opportunity of sustainable growth, The overall increase in revenue was primarily attributable to the growth of trading and logistics business in particular the commencement of sale of oil products and growth of sale of electronic parts and devices in the year under review.

Gross Profit and Gross Margin

Gross profit was approximately HK\$243.0 million for the year under review (2015: approximately HK\$166.6 million), with gross profit margin of approximately 18.8% (2015: 22.3%). The mix of business segments that the Group operates affects its results of operations such as its gross profit margins since different segments have different profitability. While our printing business maintained a stable gross margin, the commencement of new businesses in the year under review affected the Group's gross profit margin as the percentage of contribution from printing business decreased.

Selling and Distribution Expenses

For the year under review, selling and distribution expenses increased by approximately HK\$4.0 million or 8.2% to approximately HK\$52.9 million, or 4.1% of revenue for the year under review, from approximately HK\$48.9 million, or 6.5% of revenue for the last year.

Administrative Expenses

For the year under review, administrative expenses increased by approximately HK\$103.7 million or 99.2% to approximately HK\$208.2 million, or 16.1% of revenue for the year under review, from approximately HK\$104.6 million, or 14.0% of revenue for last year. The increase in administrative expenses was mainly attributable to an increase in staff costs by approximately HK\$52.5 million and an increase in rental expenses by approximately HK\$13.3 million compared to last year.

Finance Costs

Finance costs for the year under review was approximately HK\$256.0 million (2015: approximately HK\$14.8 million). This equates to approximately 19.8% and approximately 2.0% of revenue for the year ended 31 March 2016 and 2015, respectively. The increase in finance costs for the year under review compared to last year was mainly attributable to increase in bank borrowings.

Profit attributable to shareholders of the Company for the year

As a combined effect of the above, plus the gains on disposal of subsidiaries amounted to HK\$542.9 million which was partially offset by an impairment loss of goodwill amounting to HK\$283.9 million, during the year under review, our Group recorded a profit attributable to shareholders of the Company of approximately HK\$32.7 million, as compared to a profit of approximately HK\$242.2 million for last year.

Liquidity and Financial Resources

Shareholders' Funds

Total shareholders' funds amounted to approximately HK\$3,575.3 million as at 31 March 2016, as compared to approximately HK\$1,347.5 million at 31 March 2015, representing an increase of 165.3%.

Financial Position

As at 31 March 2016, the Group had current assets of approximately HK\$4,601.3 million (31 March 2015: HK\$2,284.5 million) comprising cash and cash equivalents of approximately HK\$132.9 million (31 March 2015: HK\$1,231.3 million), and current liabilities of HK\$2,468.7 million (31 March 2015: approximately HK\$1,168.8 million). The Group's current ratio (defined as current assets divided by current liabilities) was 1.9 (31 March 2015: 2.0).

Our gearing ratio, expressed as a percentage of interest-bearing liabilities to total assets, was at 17.4% as at 31 March 2016 as compared to 19.3% as at 31 March 2015.

Cash and Cash Equivalents

As at 31 March 2016, our Group had cash and cash equivalents of approximately HK\$132.9 million (31 March 2015: approximately HK\$1,231.3 million), most of which were denominated in Renminbi.

Bank Borrowings

Our Group had interest-bearing bank borrowings of approximately HK\$1,098.4 million (31 March 2015: HK\$716.3 million). Of these borrowings, approximately HK\$1,089.3 million (31 March 2015: approximately HK\$707.5 million) were secured by the Group's assets with an aggregate carrying value of approximately HK\$979.4 million (31 March 2015: HK\$863.3 million).

Capital Expenditure

The Group's capital expenditure represent additions to investment properties, property, plant and equipment and prepaid lease payment totaling of approximately HK\$1,440.0 million (2015: HK\$452.5 million).

FOREIGN EXCHANGE RISK MANAGEMENT

The Group is exposed to foreign currency risk on bank balances and cash, trade and other receivables, trade and other payables and borrowings that are denominated in currencies other than the functional currency of the operations to which they relate. The Directors ensure that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2016.

STAFF

As at 31 March 2016, the Group had a total staff of 3,527 (2015: 2,442).

The Group provides employee benefits such as staff insurance, retirement schemes and discretionary bonus and also provides in-house training programmes and external training sponsorship.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with the code provisions of the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) (the “Listing Rules”) for the year ended 31 March 2016 except for the deviation of code provision of CG Code as expressly below.

Code Provision A.6.7

Code provision A.6.7 of the CG Code stipulates that Independent Non-executive Directors and other Non-Executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders.

An Independent Non-Executive Director of the Company was unable to attend the general meeting of the Company held on 18 August 2015 (the “AGM”) as he had other important business engagement. However, there were three Executive Directors and two Independent Non-Executive Directors of the Company present at the AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (“Model Code”) set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 March 2016.

AUDIT COMMITTEE

The audit committee comprises three Independent Non-executive Directors and reports directly to the Board. The audit committee meets regularly with the Group's senior management and the Company's external auditor to review the financial reporting and internal control systems of the Group as well as the financial statements of the Company. The audit committee has reviewed the annual results of the Group for the year ended 31 March 2016.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31 March 2016, the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2016.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The register of members of the Company will be closed from 12 August 2016 to 17 August 2016, both days inclusive, for the purpose of determining the entitlement to attend and vote at the AGM scheduled to be held on 17 August 2016. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by relevant share certificates must be lodged with our Company's Hong Kong Share Registrar, Union Registrar Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:30 p.m. on 11 August 2016.

PUBLICATION OF ANNUAL RESULTS AND 2016 ANNUAL REPORT

The annual results announcement of the Company is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.huajunholdings.com>). The annual report will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.huajunholdings.com>) in due course.

ANNUAL GENERAL MEETING

The Annual General Meeting (“AGM”) of the Company will be held on 17 August 2016. A notice convening the AGM will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.huajunholdings.com>) and will be dispatched to the shareholders of the Company.

By Order of the Board

Meng Guang Bao

Chairman and Executive Director

Hong Kong, 28 June 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.

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