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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 – LAND ACQUISITION

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DEFINITIONS

“Announcements”	the announcements dated 17 August 2016, 19 August 2016, 7 September 2016 and 29 September 2016 issued by the Company in relation to the Shanghai Land Acquisition
“Auction”	the auction held by Shanghai Minhang District Land Bureau on 17 August 2016
“Board”	the board of the Directors
“Company”	Huajun Holdings Limited (Stock Code: 377), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules from time to time
“Consideration”	RMB2,305,000,000 (equivalent to approximately HK\$2,685,325,000) being the aggregate consideration for the Shanghai Land Acquisition
“Development”	the development plan of the Land
“Director(s)”	the director(s) (including the independent non-executive directors) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of and not connected with the Company and its connected persons
“Land”	six pieces of land located at Minhang District, Shanghai, the PRC with an aggregate site area of 39,824.50 square meters, namely Land I, Land II, Land III, Land IV, Land V and Land VI
“Land I”	a piece of land located at Minhang District, Shanghai, the PRC with a site area of 10,449.3 square meters
“Land II”	a piece of land located at Minhang District, Shanghai, the PRC with a site area of 10,620.2 square meters

DEFINITIONS

“Land III”	a piece of land located at Minhang District, Shanghai, the PRC with a site area of 15,435.9 square meters
“Land IV”	a piece of land located at Minhang District, Shanghai, the PRC with a site area of 1,067.7 square meters
“Land V”	a piece of land located at Minhang District, Shanghai, the PRC with a site area of 1,125.5 square meters
“Land VI”	a piece of land located at Minhang District, Shanghai, the PRC with a site area of 1,125.9 square meters
“Land Use Rights Grant Contract”	the Land Use Rights Grant Contract (國有建設用地使用權出讓合同) entered into between Shanghai Baohua Wanlong and Shanghai Minhang District Land Bureau on 17 August 2016 in respect of the Shanghai Land Acquisition
“Latest Practicable Date”	27 October 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
“PRC”	the People’s Republic of China, excluding Hong Kong and Macau Special Administrative Region for the purpose of this circular
“PRC Governmental Body”	has the same meaning ascribed to it under the Listing Rules from time to time
“PRC Law”	has the same meaning ascribed to it under the Listing Rules from time to time
“Shanghai Baohua Wanlong”	Shanghai Baohua Wanlong Real Estates Company Limited* (上海保華萬隆置業有限公司), an indirect wholly-owned subsidiary of the Company
“Shanghai Land Acquisition”	the acquisition of the land use rights of the Land through the bidding process at the Auction
“Shanghai Minhang District Land Bureau”	Shanghai Minhang District Planning and Land Administration Bureau* (上海市閔行區規劃和土地管理局)

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States Dollar, the lawful currency of the United States of America
“%”	per cent.

For the purpose of illustration only, any amount denominated in RMB and US\$ in this circular was translated into HK\$ at the rate of RMB1.00 = HK\$1.165 and the rate of US\$1 = HK\$7.8, 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, Champion Tower
3 Garden Road
Central, Hong Kong

31 October 2016

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION – LAND ACQUISITION

INTRODUCTION

Reference is made to the Announcements.

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

THE SHANGHAI LAND ACQUISITION

On 17 August 2016, Shanghai Baohua Wanlong, an indirectly wholly-owned subsidiary of the Company, successfully bid for the land use rights of the Land through the Auction during which the Land was offered for sale by way of tender at a bidding price of RMB2,305,000,000 (equivalent to approximately HK\$2,685,325,000), which will be settled by the borrowings and internal resources of the Group.

The Land Use Rights Grant Contract was entered into between Shanghai Minhang District Land Bureau and Shanghai Baohua Wanlong on the same day.

* *For identification purpose only*

LETTER FROM THE BOARD

PARTICULARS OF THE LAND USE RIGHTS GRANT CONTRACT

Date of the Auction and date of the Land Use Rights Grant Contract

17 August 2016

Parties to the Land Use Rights Grant Contract

- (a) Shanghai Baohua Wanlong
- (b) Shanghai Minhang District Land Bureau

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Shanghai Minhang District Land Bureau is an Independent Third Party.

Information of the Land

The Land is located in Minhang Xincheng, Shenzhuang Town, Minhang District, Shanghai, the PRC. The aggregate site area of the Land is 39,824.50 square meters. The land cost is approximately RMB18,521 per square meter (equivalent to approximately HK\$21,577 per square meter). The terms for the grant of the land use rights of the Land for commercial use and office use are 40 years and 50 years, respectively.

The Land will be developed into office, commercial units and car park spaces for sale and investment.

Specification of Development under the Land Use Rights Grant Contract

Pursuant to the Land Use Rights Grant Contract, the major terms in relation to the specifications of Development are as follows:

- (a) Land use: commercial use – not less than 10% of the total construction area; and office use – not more than 90% of the total construction area
- (b) Plot ratio: For each of Land I, Land II and Land III, 3.3 times; and for each of Land IV, Land V and Land VI, 1.2 times
- (c) Building density: For each of Land I, Land II and Land III, not more than 40%; and for each of Land IV, Land V and Land VI, not more than 45%
- (d) Green area ratio: For each of Land I, Land II and Land III, not less than 35%; and for each of Land IV, Land V and Land VI, not less than 30%

LETTER FROM THE BOARD

- (e) Building height: For each of Land I, Land II and Land III, not higher than 80 meters; and for each of Land IV, Land V and Land VI, not higher than 25 meters
- (f) Gross floor area: For Land I, 34,482.69 square meters; for Land II, 35,046.66 square meters; for Land III, 50,938.47 square meters; for Land IV, 1,281.24 square meters; for Land V, 1,350.6 square meters; and for Land VI, 1,351.08 square meters
- (g) Development timeframe: commencement of works within 12 months after the delivery of the Land and shall be completed within 48 months after the delivery of the Land

Shanghai Baohua Wanlong should own not less than 60% of the construction area, i.e. 67,203.4 square meters of the office properties and the entire commercial properties, i.e. 12,445.07 square meters developed on the Land during the terms for the grant of the land use rights.

There is no specific requirement on the unit size of the commercial properties; whereas the smallest unit size of the office properties shall be 500 square meters.

The major legal and financial consequences to be borne by Shanghai Baohua Wanlong under the Land Use Rights Grant Contract are as follow:

- (a) if the Land is left vacant for more than one year due to reasons attributable to Shanghai Baohua Wanlong, Shanghai Baohua Wanlong may be liable to pay a charge for idle land in accordance with the relevant laws and Shanghai Minhang District Land Bureau may be entitled to claim back the land use rights of the Land;
- (b) if Shanghai Baohua Wanlong terminates the Development due to its own reason and wants to return the Land to Shanghai Minhang District Land Bureau 60 days prior to the second anniversary of the construction commencement date, Shanghai Minhang District Land Bureau shall, in accordance with the terms of the Land Use Rights Grant Contract, refund all or part of the Consideration (without interest) except for the deposit, and claim back the land use rights of the Land. Shanghai Baohua Wanlong shall not be compensated for all the buildings, fixtures and facilities erected on the Land, and Shanghai Minhang District Land Bureau may request Shanghai Baohua Wanlong to remove or dismantle the erected buildings, fixtures and facilities;

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- (c) if Shanghai Baohua Wanlong fails to commence the construction and/or complete the works in accordance with the timeframe stipulated in the Land Use Rights Grant Contract, Shanghai Baohua Wanlong is liable to pay a daily penalty of 0.1% of the Consideration;
- (d) if Shanghai Baohua Wanlong fails to comply with any specification of the Development, Shanghai Baohua Wanlong is liable to pay a penalty; and
- (e) if Shanghai Baohua Wanlong makes any material alteration to the Land use and other Development requirements without approval and does not carry out any remedial actions afterwards, Shanghai Minhang District Land Bureau shall have the right to terminate the Land Use Rights Grant Contract and claim back the land use rights of the Land.

Details of the Development

Pursuant to the Land Use Rights Grant Contract, the Land shall be developed into a mixed-use high-end business district in line with the development of Minhang District to attract high technology listed companies to set up their headquarters, draw in target industries such as new energy and robot intelligence manufacturing and the establishment of marketing centres, research and development centres, enterprise training base and financial platforms, etc.. It is intended that Land I, Land II and Land III shall be mainly used as headquarters of listed companies and the target industries, while Land IV, Land V and Land VI shall be mainly used for the establishment of marketing centres, research and development centres and financial centres, etc.. Each of the construction area for financial centres, research and development centres and marketing centres shall not be less than 1,000 square meters.

As at the date of this circular, the Land is vacant and ready for Development and the Directors expect that the works will be commenced and completed within the timeframe stipulated in the Land Use Rights Grant Contract.

As at the date of this circular, the Directors estimate approximately RMB3.32 billion (equivalent to approximately HK\$3.87 billion) (inclusive of the Consideration) would be required to complete the Development. While RMB1.6 billion (equivalent to approximately HK\$1.86 billion) had been funded by borrowings, it is intended that RMB230 million (equivalent to approximately HK\$267.95 million) shall further be funded by borrowings, and the remaining capital shall be funded by the internal resources of the Group.

Consideration and payment

The Consideration is RMB2,305,000,000 (equivalent to approximately HK\$2,685,325,000) which was arrived at through the bidding process of the Auction.

LETTER FROM THE BOARD

The deposit (which will be applied to satisfy part of the Consideration) in the amount of RMB461,000,000 (equivalent to approximately HK\$537,065,000) had been paid by Shanghai Baohua Wanlong within five working days of the date of the Land Use Rights Grant Contract. The remaining Consideration had been settled by Shanghai Baohua Wanlong on 29 September 2016 (i.e. within 30 working days of the date of the Land Use Rights Grant Contract). Upon the final settlement of the Consideration, the Shanghai Land Acquisition had been completed.

The Consideration had been settled by borrowings of approximately RMB1,600,000,000 (equivalent to approximately HK\$1,864,000,000) and internal resources of the Group of approximately RMB705,000,000 (equivalent to approximately HK\$821,325,000).

As at the Latest Practicable Date, an entrusted loan agreement has been entered into by Shanghai Baohua Wanlong, pursuant to which a sum of RMB1,600,000,000 (equivalent to approximately HK\$1,864,000,000) to be applied and used exclusively for the payment of the Consideration shall be advanced to Shanghai Baohua Wanlong at an interest rate of 10% per annum for an initial period of three years (subject to an extension of a further one year upon mutual agreement by the parties). The said loan shall be secured by (i) a mortgage on the land use rights of the Land provided by Shanghai Baohua Wanlong; (ii) a guarantee jointly provided by Hua Jun Holding Group Co. Ltd* (華君控股集團有限公司), a beneficial owner of the corporate shareholder of the Company, Mr. Meng Guang Bao, the chairman and an executive Director, and Ms. Bao Le, the spouse of Mr. Meng Guang Bao; (iii) an equity pledge on Shanghai Baohua Wanlong provided by Bao Hua Properties (Dalian) Co., Ltd. (保華地產(大連)有限公司), an wholly-owned subsidiary of the Company; and (iv) an equity pledge on the A shares of Hareon Solar Technology Co., Ltd. (海潤光伏科技股份有限公司) provided by Huajun Power Company Limited (華君電力有限公司), an wholly-owned subsidiary of the Company, upon completion of the subscription of A shares to be issued by Hareon Solar Technology Co., Ltd. to the subscribers, including Huajun Power Company Limited, pursuant to the terms and conditions of a share subscription agreement dated 18 January 2016 entered into between, among others, Hareon Solar Technology Co., Ltd. and Huajun Power Company Limited.

To the best of the Directors' knowledge, information and belief, (i) the lender is a limited partnership formed in the PRC and an Independent Third Party which principally engages in urbanisation merger and acquisitions and restructuring activities in the PRC; and (ii) the lending agent is a bank in the PRC and an Independent Third Party.

INFORMATION ABOUT SHANGHAI MINHANG DISTRICT LAND BUREAU

Shanghai Minhang District Land Bureau is a local PRC government authority which is in charge of, among other things, the sale of land use rights in Minhang District, Shanghai, the PRC.

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INFORMATION ABOUT SHANGHAI BAOHUA WANLONG AND THE COMPANY

Shanghai Baohua Wanlong, an indirect wholly-owned subsidiary of the Company, is principally engaged in, inter alia, the development of real estate and properties services. The principal business activity of the Company is investment holding. 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; (h) manufacturing of industrial equipment; and (i) manufacturing and sale of photovoltaic products.

REASONS FOR AND BENEFITS OF THE SHANGHAI LAND ACQUISITION

The Company considers that the Shanghai Land Acquisition is a strategic move to increase its land reserve in Shanghai. In view of (i) the status of Shanghai (being one of the first-tier cities and major financial centres in the PRC); and (ii) the PRC government's plan for the Land to become a mixed-use high-end business district as disclosed in the Land Use Rights Grant Contract, the Directors are of the view the development potential of the Land is exceptionally high. The Land is intended to be developed into office, commercial units and car park spaces for sale and investment, and Shanghai Baohua Wanlong shall own not less than 60% of the construction area, i.e. 67,203.4 square meters of the office properties and the entire commercial properties, i.e. 12,445.07 square meters developed on the Land during the terms for the grant of the land use rights in accordance with the Land Use Rights Grant Contract. In determining the eventual sale or investment proportion of the properties developed on the Land upon completion of the Development, the Board will take into account the property price and market rental of the office property at the relevant time and the associated costs to be incurred by the Group in relation to such sale or investment.

While the Company had not previously undertaken similar property development project in Shanghai, the Company has a management team with prior working experience at other major property developers in the PRC to carry out the Development. In the event that the Development does not proceed as planned or such sale or investment is expected not to generate the estimated return or income as a result of, among other things, (i) the economy in the PRC; (ii) an unexpected significant increase in the Development cost or associated financing cost; or (iii) an unexpected delay in the construction, the Company may consider other alternative plans, including but not limited to the returning of the Land to Shanghai Minhang District Land Bureau. The Directors have taken into consideration the development potential of the Land, the possible fluctuation in property price, the expected return or income to be generated upon completion of the Development, the cost of the Development, the source of funding for the Development and the associated risks in assessing the Shanghai Land Acquisition and the Development. To the best of their knowledge, the Directors consider that the Shanghai Land Acquisition and the Development will eventually be profitable.

LETTER FROM THE BOARD

Accordingly, the Company believes the Shanghai Land Acquisition is in line with the Company's strategy and will complement the Group's property development and investment business. The Board considers that the Shanghai Land Acquisition is undertaken in the Group's ordinary and usual business.

In consideration of the above, in particular (i) the high development potential of the Land; and (ii) that the Consideration was arrived at through the bidding process of the Auction, the Directors are of the view that the Shanghai Land Acquisition is in the interest of the Company and the Shareholders as a whole and the terms thereof (including the Consideration) are on normal commercial terms and are fair and reasonable.

POSSIBLE FINANCIAL EFFECT OF THE SHANGHAI LAND ACQUISITION

Immediately upon completion of the Shanghai Land Acquisition, the financial effects of the Shanghai Land Acquisition would lead to an increase in the Group's non-current assets of RMB2,305,000,000 (equivalent to approximately HK\$2,685,235,000), increase in the Group's borrowings of RMB1,600,000,000 (equivalent to approximately HK\$1,864,000,000) and decrease in the Group's bank balances of RMB705,000,000 (equivalent to approximately HK\$821,325,000).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Shanghai Land Acquisition are greater than 25% but are less than 100%, the Shanghai Land Acquisition should therefore constitute a major transaction for the Company.

The Shanghai Land Acquisition is also regarded as a "qualified property acquisition" under Rule 14.04(10C) of the Listing Rules as the Shanghai Land Acquisition involved an acquisition of governmental land from a PRC Governmental Body through a tender governed by the PRC Law. The Board confirms that the Shanghai Land Acquisition is undertaken on a sole basis by the Group in its ordinary and usual course of business. Therefore, the Shanghai Land Acquisition is subject to the reporting and announcement requirement but is exempt from the Shareholders' approval requirement under Rule 14.33A of the Listing Rules.

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 2014, 2015 and 2016 are disclosed in the annual reports of the Company for the financial years ended 31 March 2014 (pages 28 to 99), 31 March 2015 (pages 27 to 107) and 31 March 2016 (pages 45 to 212), 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 and the website of the Stock Exchange at www.hkexnews.hk.

B. INDEBTEDNESS OF THE GROUP

As at the close of business on 16 September 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 16 September 2016 (being the latest practicable date for the purpose of this indebtedness statement), the Group had outstanding borrowings of approximately HK\$2,786.4 million, comprising secured bank borrowings of approximately HK\$1,988.3 million, unsecured bank borrowings of approximately HK\$65.0 million, unsecured borrowings from immediate holding company of HK\$421.1 million and unsecured bonds payable of approximately HK\$312.0 million.

(b) Pledge of assets

As at the close of business on 16 September 2016, the Group's property, plant and equipment, prepaid lease payments, land and property for sale, and pledged bank deposits with carrying amounts of approximately HK\$212.7 million, HK\$203.3 million, HK\$523.5 million and HK\$182.0 million, respectively, were pledged to secure certain banking and credit facilities of the Group.

(c) Guarantees

As at the close of business on 16 September 2016, the Company had provided corporate guarantees to the extent of approximately HK\$657.2 million to secure general banking facilities granted to its subsidiaries. As at 16 September 2016, the amount drawn against the banking facilities amounted to approximately HK\$316.9 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 16 September 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.

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 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, and the existing borrowings and available facilities 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.

E. NO MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 March 2016, being the date to which the latest published audited consolidated financial statements of the Group were made up.

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)	1.00%
	Interest in controlled corporation ^(Note 1)	3,980,082,214 (L)	65.60%
Mr. Wu Jiwei	Interest in controlled corporation ^(Note 2)	133,264,500 (L)	2.20%
	Share options ^(Note 3)	26,386,371 (L)	0.43%
Mr. Guo Song	Share options ^(Note 3)	26,386,371 (L)	0.43%
Mr. Zheng Bailin	Share options ^(Note 4)	2,638,637 (L)	0.04%
Mr. Shen Ruolei	Share options ^(Note 4)	2,638,637 (L)	0.04%
Mr. Pun Chi Ping	Share options ^(Note 4)	2,638,637 (L)	0.04%

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

Notes:

- 3,980,082,214 Shares were held in the name of Huajun International Limited. The entire issued share capital of Huajun International Limited 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 Limited 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 5)</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 Limited, 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 Limited	Beneficial owner	3,980,082,214 (L) ^(Note 1)	65.60%
Huajun Holdings Group Limited	Interest in controlled corporation	3,980,082,214 (L) ^(Note 1)	65.60%
Huajun (International) Development Limited	Interest in controlled corporation	3,980,082,214 (L) ^(Note 1)	65.60%
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) ^(Note 1)	65.60%
Bao Le	Interest of spouse	4,040,512,585 (L) ^(Note 2)	66.60%

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 Limited. The entire issued share capital of Huajun International Limited 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 2016 (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. 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\$116,500,000);

- (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\$139,800,000);
- (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\$93,200,000);
- (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\$104,850,000);
- (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\$139,800,000);

- (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\$223,854,750);
- (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\$81,550,000);
- (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\$69.9 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\$186.4 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 RMB250,000,000 (equivalent to approximately HK\$291,250,000);
- (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\$87,375,001);
- (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\$1.17);

- (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\$38,925,647);
- (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\$248,028,500);
- (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\$873,750,000);
- (bb) the termination agreement dated 30 December 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\$248,028,500);
- (cc) 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\$341,228,500);
- (dd) 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\$1,980,500,000);

- (ee) 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;
- (ff) 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;
- (gg) 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;
- (hh) 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\$559.2 million);
- (ii) 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;
- (jj) 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;

- (kk) 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 RMB240,000,000 (equivalent to approximately HK\$279,600,000) of Yingkou Kunlun Real Estate Company Limited* (營口昆侖房地產有限公司) for a consideration of RMB250,000,000 (equivalent to approximately HK\$291,250,000);
- (ll) the sale and purchase agreement dated 15 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 vendor, and Dalian Jia He Xiang Trading Co., Ltd.* (大連嘉和祥貿易有限公司), as purchaser in relation to the disposal 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 RMB80.0 million (equivalent to approximately HK\$93.2 million);
- (mm) the subscription agreement dated 30 May 2016 entered into between the Company, as issuer, CCB International Overseas Limited, as subscriber, and Mr. Meng Guang Bao, as guarantor, in relation to the subscription of convertible bonds in an aggregate principal amount of HK\$200 million;
- (nn) the termination agreement dated 30 June 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 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\$186.4 million);
- (oo) the subscription agreement dated 5 July 2016 entered into between the Company, as issuer, Central China International Investment Company Limited (中州國際投資有限公司), as subscriber, and Mr. Meng Guang Bao, as guarantor, in relation to the subscription of convertible bonds in an aggregate principal amount of HK\$100 million;
- (pp) the termination agreement dated 8 July 2016 entered into between the Company and Get Nice Securities Limited in relation to the subscription of Shares as mentioned in (gg) above;
- (qq) the placing agreement dated 8 July 2016 entered into between the Company and Get Nice Securities Limited in relation to the subscription of up to 397,900,000 Shares at HK\$0.78 each;
- (rr) the Land Use Rights Grant Contract;

- (ss) the placing agreement dated 17 August 2016 entered into between the Company and PC Securities Limited in relation to the issuance of HK\$157,100,000 6% unlisted corporate bonds due 2019 by the Company;
- (tt) the supplemental placing agreement dated 5 September 2016 entered into between the Company and PC Securities Limited in relation to the issuance of HK\$157,100,000 6% unlisted corporate bonds due 2019 by the Company;
- (uu) the guarantee agreement dated 19 October 2016 entered into between the Company, as the guarantor, in favour of Jiangsu branch office of China Cinda Asset Management Co., Ltd.* (中國信達資產管理股份有限公司江蘇省分公司), being a branch office of China Cinda Asset Management Co., Ltd.* (中國信達資產管理股份有限公司) (Stock Code: 1359), as the creditor, in relation to the guarantee for a debt of RMB383,361,362.49 (equivalent to approximately HK\$446,615,987.30) owed by Jianguyin Hareon Solar Energy Electrical Power Co., Ltd.* (江陰海潤太陽能電力有限公司) and Hareon Solar Technology Co., Ltd.* (海潤光伏股份有限公司); and
- (vv) the counter indemnity dated 19 October 2016 entered into by Hareon Solar Technology Co., Ltd.* (海潤光伏股份有限公司) in favour of the Company for the liabilities and loss which may arise from the guarantee as mentioned in paragraph (uu) above.

9. 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, Champion Tower, 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.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at 36th Floor, Champion Tower, 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 annual reports of the Company for the two years ended 31 March 2015 and 31 March 2016;
- (d) the circulars of the Company dated 7 May 2015, 14 August 2015, 30 November 2015, 1 February 2016, 11 March 2016, 24 March 2016 and 29 April 2016; and
- (e) this circular.