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HUAJUN HOLDINGS LIMITED

華君控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 377)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE TARGET EQUITY INTEREST

THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 16 July 2015 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendors, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Target Equity Interest and Target Assets at the Consideration of RMB250 million (equivalent to approximately HK\$312.5 million).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

* *For identification purposes only*

INTRODUCTION

The Board is pleased to announce that on 16 July 2015 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendors, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Target Equity Interest.

SALE AND PURCHASE AGREEMENT

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

- Date : 16 July 2015
- Parties : (i) B&H Properties Management (China) Limited* (保華置業管理(中國)有限公司), as the Purchaser
- (ii) Mr. Zhou Luhong* (周羅洪), Mr. Xie Jianming* (謝建明) and Ms. Zhou Jing* (周靜) collectively as the Vendors

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

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

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Target Equity Interest and Target Assets.

As at the date of this announcement, and as informed by the Vendors, the Target Company owns and/or has currently participated in the development of the following property projects:

1. Xiang Feng Wealth Seaview* (“**Seaview**”) 翔峰財富海景
2. Xiang Feng International* 翔峰國際
3. Shanshui Fudi* 山水福地

Pursuant to the Sale and Purchase Agreement, Seaview will be the only property project remained in the Target Company which will be acquired by the Purchaser. Pursuant to the Sale and Purchase Agreement, the Target Company will arrange for the shares/assets and liabilities of Xiang Feng International and Shanshui Fudi to be transferred to the Vendors and the Purchaser shall assist the Target Company to complete the relevant transfer of shares of shares/assets and liabilities of Xiang Feng International and Shanshui Fudi. Thereafter, Xiang Feng International and Shanshui Fudi will cease to be held/owned by the Target Company.

The Vendors shall transfer/dispose all other assets (except for the Target Assets) which are currently held in the name of the Target Company to other independent third party within 3 months from the date of signing of the Sale and Purchase Agreement and bear all expenses including tax and fees.

Consideration

The Consideration of the Acquisition is RMB250 million (equivalent to approximately HK\$312.5 million).

The Company will make the payment of the Consideration to the Vendors for the Target Equity Interest in the following manner:

- (a) RMB100 million (equivalent to approximately HK\$125 million) shall be paid in cash on the date of signing of the Sale and Purchase Agreement;
- (b) Approximately RMB37.201 million (equivalent to approximately HK\$46.5 million), being the amount arising from the sale of property of the areas of approximately 4,960.12 square meters will be deemed as received by the Vendors as part of the Consideration;
- (c) RMB20 million (equivalent to approximately HK\$25 million), paid in cash from the date of (i) completion of the registration of change of ownership of the Target Equity Interest from the Vendors to the Purchaser; and (ii) the original of the statutory certificates, among the other, business license, necessary permits, land registration documents of the Target Company have been updated and delivered to the Purchaser;
- (d) RMB50 million (equivalent to approximately HK\$62.5 million) will be paid in cash within 4 Business Days after the date of payment of paragraph (c) above.

- (e) The balance of the Consideration, being RMB42.799 million (equivalent to approximately HK\$53.499 million) will be paid in cash within 3 Business Days upon fulfillment of the following:
 - (i) Signed a withdrawal agreement by the Vendors with existing construction builders,
 - (ii) Settled by the Vendors all the debts, among the other, the bank loan, project funds, land-transferring fees, government fines, and employee compensation,
 - (iii) The originals of the Target Assets, among the other, the Lands and Properties owned by the Target Company has been delivered to the Purchaser,
 - (iv) The originals of the formal invoices with the principle amount in aggregation of RMB250,000,000 belonged to the Target Company has been delivered to the Purchaser by the Vendors.

The Consideration was determined by the Company and Purchaser after arm's length negotiations after taking into account of the market value of the assets of Target Company and Target Assets details of which are stated under the paragraph headed "FINANCIAL INFORMATION OF THE TARGET COMPANY" below.

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

Conditions Precedent

Completion of the Acquisition is conditional upon the fulfillment of the following Conditions on or before the Conditions Fulfillment Date:

- (a) the passing of the resolution(s) by the Shareholders to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the SGM (if required under the Listing Rules);
- (b) the Purchaser having received (and be satisfied with) the documents proving that the Vendors are the sole legal and beneficial owners of the Target Equity Interest, which are not subject to any encumbrances and third parties' rights;
- (c) the Purchaser having been satisfied with the Completion of the Acquisition is in compliance with the PRC law and Completion shall take place simultaneously;

- (d) the management of Target Company shall not have done any act which may have negative impact on the businesses, assets, properties, financial conditions, operations and future prospects of the Target Company on or prior to Completion; and all warranties shall be accurate and true in all respects as at the Completion Date;
- (e) the Vendors having obtained all necessary third party consents, approvals, authorisations, waivers, permission and certifications in relation to the transactions contemplated under the Sale and Purchase Agreement and other relevant matters;
- (f) the representations, warranties and undertakings given by the Vendors (the “**Warranties**”) having remained true, accurate and not misleading in all material respects and there having been no breach of any of the Warranties in any respect by the Vendors; and
- (g) the Vendors have transfer/dispose all other assets (except for the Target Assets) which are currently held in the name of the Target Company to other independent third party within 3 months from the date of signing of the Sale and Purchase Agreement and bear all expenses including tax and fees.

If any of the Conditions have not been fulfilled by the Conditions Fulfillment Date, the Sale and Purchase Agreement shall lapse and have no further effect. The Vendors shall refund all amounts (if any) previously received from the Purchaser without interest to the Purchaser forthwith on the Conditions Fulfillment Date. Upon the due receipt of the said payment by the Purchaser, none of the parties shall make any claims against the other party pursuant to the terms and conditions of the Sale and Purchase Agreement.

Registration and Completion

Pursuant to the Sale and Purchase Agreement, the Vendors shall conduct and complete any registrations in respect of the changes of (i) ownership of the Target Equity Interest to the Purchaser and (ii) the respective directors, shareholders and legal representatives of each company in the Target Company within 3 Business Days from the date of the Sale and Purchase Agreement.

Pursuant to the Sale and Purchase Agreement, the Vendors within 10 Business Days from the date of the Sale and Purchase Agreement shall proceed to transfer/dispose all other assets (except for the Target Assets) which are currently held in the name of the Target Company to other independent third party which shall be completed within 3 months from the date of signing of the Sale and Purchase Agreement and bear all expenses including tax and fees.

Upon Completion, the Target Company will become indirect wholly-owned subsidiaries of the Company and the financial results of the Target Company will be consolidated into the Company’s consolidated financial statements.

INFORMATION OF THE VENDORS AND THE TARGET COMPANY

As advised by the Vendors, namely Mr. Zhou Luhong* (周羅洪), Mr. Xie Jianming* (謝建明) and Ms. Zhou Jing* (周靜), are businessmen and citizens in the PRC.

The Target Company is a limited company established in the PRC, which is, as advised by the Vendors, principally engaged in, among other things, real estate development, property services, steel, building materials and metal distribution. As at the date of this announcement, the Target Company is directly owned as to a total of 100% by the Vendors.

FINANCIAL INFORMATION OF THE TARGET COMPANY

As informed by the Vendors, the unaudited combined financial information of the Target Company for the two financial years ended 31 December 2013 and 31 December 2014 and for the period from 1 January 2015 to 30 June 2015 is summarized as follows (for illustration purposes only):

	For the year ended 31 December 2013 (RMB'000) (unaudited)	For the year ended 31 December 2014 (RMB'000) (unaudited)	For the period from 1 January 2015 to 30 June 2015 (RMB'000) (unaudited)
Net profit/(loss) before taxation	10,622	(1,404)	(304)
Net profit/(loss) after taxation	10,087	(1,404)	(304)
Net assets	47,813	53,609	54,616

REASONS FOR AND BENEFITS OF THE ACQUISITION

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

The Directors believe that entering into of the Sale and Purchase Agreement will provide a great opportunity to the Group to provide a sustainable growth to the Company's assets, thus potentially greater return for the Shareholders.

The Directors consider that the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition calculated are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

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

“Acquisition”	the acquisition in relation to the Target Equity Interest pursuant to the terms and conditions of the Sale and Purchase Agreement;
“Board”	the board of Directors;
“Business Days”	a day (other than a Saturday or a Sunday at any time between 9:00 a.m. to 5:00 p.m.) on which licensed banks in the PRC are open for general banking business throughout their normal business hours;
“Company”	Huajun Holdings Limited (Stock Code: 377), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement;
“Completion Date”	the 10th Business Day immediately following the date that all of the Conditions having been satisfied but not later than the Condition Fulfillment Date;
“Condition(s)”	the conditions precedent of the Completion, details of which are set out in the paragraph headed “Conditions Precedent” of this announcement;
“Condition Fulfillment Date”	31 December 2015 or such later date as the parties to the Sale and Purchase Agreement may agree in writing;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;

“Consideration”	the total consideration payable by the Purchaser to the Vendors for the Target Equity Interest, being RMB250 million (equivalent to approximately HK\$312.5 million);
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	the independent third party who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of and not connected with the Company and its connected person(s);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China and for the sole purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Purchaser”	B&H Properties Management (China) Limited* (保華置業管理(中國)有限公司), an indirect wholly-owned subsidiary of the Company;
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 16 July 2015, including its amendments or replacement, entered into between the Vendors and the Purchaser in relation to the Acquisition;
“Shareholders”	the holders of shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Assets”	the development project named Xiang Feng Wealth Seaview* 翔峰財富海景 including the use rights of the state-owned lands;
“Target Company”	Yingkou Xiang Feng Properties Company Limited* (營口翔峰置業有限公司), a limited liability company established in the PRC;

“Target Equity Interest”	aggregate of all the equity interest of the Target Company;
“Vendors”	Zhou Luhong* (周羅洪), who is a PRC citizen; Xie Jianming* (謝建明), who is a PRC citizen; and Zhou Jing* (周靜), who is a PRC citizen;
“%”	per cent;
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC.

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

Hong Kong, 16 July 2015

For the purposes of illustration only, any amount denominated in RMB in this announcement was translated into HK\$ at the rate of RMB1 = HK\$1.25. 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.

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.