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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
IN RELATION TO THE ACQUISITION OF RUIXIN INTEREST
AND RUIXIN SHAREHOLDER'S LOAN**

THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 25 August 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 has conditionally agreed to sell the Ruixin Interest and Ruixin Shareholder's Loan at a total consideration of RMB75,000,001 (equivalent to approximately HK\$91,500,001) in cash.

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 exceed 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement, circular and Shareholders' approval requirements under the Listing Rules.

Since (i) no Shareholder is required to abstain from voting on the resolution(s) to be proposed at the SGM (if necessary) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) on 25 August 2015, the Company received written shareholder's approval, approving the Acquisition from Huajun International Limited, being the Shareholder holding 2,250,082,214 Shares, representing approximately 57.51% of the entire issued share capital of the Company as of the date of this announcement, no general meeting is required to be convened for the approval of the Acquisition pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, (i) further details of the Acquisition; (ii) the financial information of the Target Company; and (iii) other general information of the Company, is expected to be despatched to the Shareholders on or before 16 September 2015.

INTRODUCTION

The Board is pleased to announce that on 25 August 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 has conditionally agreed to sell the Ruixin Interest and Ruixin Shareholder's Loan of the Target Company.

SALE AND PURCHASE AGREEMENT

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

- Date : 25 August 2015
- Parties : (i) Continuously Water Affairs (China) Limited* (源源水務(中國)有限公司), as the Purchaser
- (ii) Zhang Ying* (張英) and Zhang Hao* (張浩), collectively refer as to 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 an Independent Third Party.

Assets to be acquired

The Ruixin Interest, being the entire equity interest of the Target Company, of which Zhang Ying* (張英) and Zhang Hao* (張浩) respectively owned as to 95% and 5%.

The Ruixin Shareholder's Loan, which amounted not less than approximately RMB75,000,000 (equivalent to approximately HK\$91,500,000) immediately upon the completion of the Debt Restructuring, due by the Target Company to Zhang Ying* (張英).

Upon Completion, the Target Company will become an indirectly wholly-owned subsidiary of the Company. In addition, all outstanding amount of Ruixin Shareholder's Loan will be due by the Target Company to the Purchaser.

Consideration

The Consideration of the Acquisition is RMB75,000,001 (equivalent to approximately HK\$91,500,001) in cash, which is consisted of:

- (i) RMB1 (equivalent to approximately HK\$1.22) being the consideration for the acquisition of the Ruixin Interest; and
- (ii) RMB75,000,000 (equivalent to approximately HK\$91,500,000) being the consideration for the assignment of the Ruixin Shareholder's Loan.

The Consideration shall be paid by the Purchaser to the Vendors, subject to the satisfaction of all Conditions, within 3 Business Days upon the completion of all of the followings acts:-

1. the changes of ownership of the Ruixin Interest to the Purchaser or the designated party of the Purchaser, the legal representative, director(s), supervisor(s), tax registration permit* (稅務登記証),

- Organization Code Certificate* (組織機構代碼證), articles of association and other relevant documents having been completed;
2. the licence(s), permits, company chop(s), financial statements and other documents in relation to the controls and operation powers of the Target Company have been delivered to the Purchaser;
 3. the lands, properties, ancillary facilities, facilities, accessory equipment of the Target Company have been delivered to the Purchaser;
 4. all true, complete and legal documents for the approvals issued by the governmental authorities, the title documents of the land, contracts, architectural diagram and information of project, equipment technical documents, sale or purchase agreements, all information in relation to any debts, liability, litigation or guarantees for third parties have been delivered to the Purchaser;
 5. the Debt Restructuring has been completed;
 6. the Target Company obtains the fixed assets invoices for formal land* (合規土地), safety construction* (建安) or equipment, in the value of not less than RMB203,000,000 (equivalent to approximately HK\$247,660,000) (tax included).

According to the Sale and Purchase Agreement, the above acts should be completed within 10 Business Days from the date of signing of the Sale and Purchase Agreement.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendors taking into account the acquisition cost of the Vendors to acquire the Target Company.

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.

The Consideration will be satisfied by the Company through its internal resources and/or external borrowing.

Debt Restructuring

Pursuant to the Sale and Purchase Agreement, prior to the transfer of Ruixin Interest, the Vendors shall restructure the liabilities of the Target Company and all liabilities of the Target Company, save and except the bank loan(s) and operational liabilities, shall be assigned to Zhang Ying* (張英), one of the Vendors, and form part of the Ruixin Shareholder's Loan.

Conditions Precedent

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

- (a) the Company having obtained the Shareholders' approval in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder at the SGM (if required under the Listing Rules or other relevant regulatory rules for listed companies);
- (b) the Vendors are the legal and beneficial owners of the Ruixin Interest; save as disclosed, the Target Company is not subject to any encumbrances and third parties' rights;
- (c) the management of Target Company has not done any act which may have negative impact on the business, assets, properties, financial conditions, operations and future prospects of the Target Company on or prior to the Completion; and all warranties shall be accurate and true in all respects

as at the Completion Date;

- (d) the Purchaser having obtained all necessary consents, approvals, authorisations, waivers, permissions and certificates from third party(ies) in relation to the transactions contemplated under the Sale and Purchase Agreement;
- (e) the representations, warranties and undertakings given by the Vendors (the “**Warranties**”) having remained true, accurate and not misleading in all material respects and no breach of any of the Warranties in any respect has been made by the Vendors; and
- (f) if required, the Purchaser and the Company have received the consents, approvals, authorisations, waivers, permissions and certificates from the Stock Exchange.

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 Vendor shall refund all amounts (if any) previously received from the Purchaser without interest to the Purchaser forthwith. 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.

Completion

Completion of the Acquisition shall take place, subject to all of the Conditions having been satisfied, within 3 Business Days immediately following the completion of all of the acts as set out in the paragraph headed “Consideration” in relation to the manner of payment of Consideration.

Pursuant to the Sale and Purchase Agreement, within 10 Business Days immediately after signing of the Sale and Purchase Agreement, the Vendors shall conduct and complete the registration in respect of the change of ownership of the Ruixin Interest to the Purchaser and the change of the legal representative, director(s), supervisor(s), business registration certificate, tax registration permit* (稅務登記証), Organization Code Certificate* (組織機構代碼證).

Upon Completion, the Target Company will become indirect wholly-owned subsidiary 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, the Vendors, Zhang Ying* (張英) and Zhang Hao* (張浩), are businesspeople and citizens in the PRC.

The Target Company is a limited company established in the PRC on 5 May 2014 with a registered share capital of RMB100,000,000 (equivalent to approximately HK\$122,000,000), which has not been paid up by the Vendors as its shareholders.

As informed by the Vendor, the Target Company is principally engaged in manufacturing and sales of solar control equipment, LED lighting and energy-saving lighting equipment and sale of monocrystalline silicon wafers, polycrystalline silicon, solar cells, coated glass, rare metals, solar modules and silicon materials.

FINANCIAL INFORMATION OF THE TARGET COMPANY

As informed by the Vendors, the unaudited financial information of the Target Company for the period from 5 May 2014 (its date of establishment) to 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 period from 5 May 2014 to 31 December 2014	For the period from 1 January 2015 to 30 June 2015
	(RMB)	(RMB)
	(unaudited)	(unaudited)
Net loss before taxation	(384,582)	(6,086,215)
Net loss after taxation	(384,582)	(6,086,215)
Net liabilities	(384,582)	(6,086,215)

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 Company is of the view that due to the increase interest on the use of renewable energy, optoelectronic technology business has a great potential for profit. As such, the entering into of the Sale and Purchase Agreement will allow the Company to diversify the Group's business portfolio and also provide a new source of income for the Group.

Having considered the above, the Directors believe that entering into of the Sale and Purchase Agreement will provide a great opportunity to the Group to generate income, thus potentially greater return for the Shareholders.

The Directors further believe that entering into the Sale and Purchase Agreement will not change the nature of the Group's principal business of printing and manufacturing but will diversify the Group's business portfolio. In view of the above, 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 exceed 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement, circular and Shareholders' approval requirements under the Listing Rules.

Since (i) no Shareholder is required to abstain from voting on the resolution to be proposed at the SGM

(if necessary) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) on 25 August 2015, the Company received written shareholder's approval, approving the Acquisition from Huajun International Limited, being the Shareholder holding 2,250,082,214 Shares, representing approximately 57.51% of the entire issued share capital of the Company, no general meeting is required to be convened for the approval of the Acquisition pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, (i) further details of the Acquisition; (ii) the financial information of the Target Company; and (iii) other general information of the Company, is expected to be despatched to the Shareholders on or before 16 September 2015.

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 Ruixin Interest and the Ruixin Shareholder's Loan 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”	subject to all of the Conditions having been satisfied but not later than the Condition Fulfillment Date, 3 Business Days immediately following the date that the completion of the acts as set out in the paragraph headed “Consideration”
“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 Ruixin Interest and the Ruixin Shareholder's Loan, being RMB75,000,001 (equivalent to approximately HK\$91,500,001)

“Debt Restructuring”	the restructuring of the current debts and liabilities, save and except the bank loan(s) and operational liabilities, of the Target Company, to be all due by the Target Company to Zhang Ying* (張英) prior to Completion; details of which are set out in the paragraph headed “Debt Restructuring” of this announcement
“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 the 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”	Continuously Water Affairs (China) Limited* (源源水務 (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 25 August 2015, including its amendments or replacement, entered into between the Vendors and the Purchaser in relation to the Acquisition
“Ruixin Interest”	the entire equity interest, which have not been fully paid, in the Target Company. The outstanding amount of equity interest payable for the entire equity interest is RMB100,000,000 (equivalent to approximately HK\$122,000,000)
“Ruixin Shareholder’s Loan”	the shareholder’s loan, which amounted to not less than approximately RMB75,000,000 (equivalent to approximately HK\$91,500,000), due by the Target Company to Zhang Ying* (張英) upon the completion of Debt Restructuring
“SGM”	the special general meeting of the Company, to be held if necessary, to approve the Acquisition
“Shareholders”	the holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Jintan City Ruixin Optoelectronic Co., Ltd.*(金壇市瑞欣光電有限公司), a limited liability company established in the PRC

“Vendors”	Zhang Ying* (張英) and Zhang Hao* (張浩), who are PRC citizens
“%”	per cent
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

* *For identification purposes only*

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

Hong Kong, 25 August 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\$1.22. 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.