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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 GUANGXUAN INTEREST
AND GUANGXUAN SHAREHOLDER'S LOAN**

THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 10 September 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 Vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Guangxuan Interest and Guangxuan Shareholder's Loan at a total consideration of RMB212,900,000 (equivalent to approximately HK\$259,738,000) 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.

Pursuant to the Listing Rules, Shareholders' approval is required for a major transaction. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, as at the date of this announcement, no Shareholder has a material interest in the Acquisition and therefore none of them would be required to abstain from voting on the resolutions if an SGM would be convened for approving the Acquisition.

The Company will request written shareholders' approval 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, to approve the Acquisition pursuant to Rule 14.44 of the Listing Rules. If the Company receives such written shareholders' approval, no shareholders' meeting will be held to approve the Acquisition pursuant to Rule 14.44 of the Listing Rules.

In accordance with the requirements of the Listing Rules, a circular of the Company containing further details of the Acquisition will be despatched to the Shareholders on or before 5 October 2015.

INTRODUCTION

The Board is pleased to announce that on 10 September 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 Vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Guangxuan Interest and Guangxuan 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 : 10 September 2015

Parties : Continuously Water Affairs (China) Limited* (源源水務(中國)有限公司), as the Purchaser

Yu Jun* (于俊), as the Vendor

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, the Vendor is an Independent Third Party.

Assets to be acquired

The Guangxuan Interest, being the entire equity interest of the Target Company, which is currently owned by the Vendor as at the date of this announcement.

The Guangxuan Shareholder's Loan, which amounted to not less than approximately RMB142,900,000 (equivalent to approximately HK\$174,338,000) immediately upon the completion of the Debt Restructuring, due by the Target Company to the Vendor.

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

Consideration

The Consideration of the Acquisition is RMB212,900,000 (equivalent to approximately HK\$259,738,000) in cash, which is consisted of:

- (i) RMB70,000,000 (equivalent to approximately HK\$85,400,000) being the consideration for the acquisition of the Guangxuan Interest; and

- (ii) RMB142,900,000 (equivalent to approximately HK\$174,338,000) being the consideration for the assignment of the Guangxuan Shareholder's Loan.

The Consideration shall be paid by the Purchaser to the Vendor, 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 Guangxuan 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 RMB292,900,000 (equivalent to approximately HK\$357,338,000) (tax included).

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

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor taking into account the paid up registered capital of the Target Company and acquisition cost of the Target Company paid by the Vendor.

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 Completion, the Vendor shall restructure the liabilities of the Target Company and all liabilities of the Target Company, save and except the liabilities under the bank loan(s), shall be assigned to the Vendor, and form part of the Guangxuan 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 Vendor is the legal and beneficial owner of the Guangxuan Interest; and save as disclosed, the Target Company is not subject to any encumbrances and third parties' rights;
- (c) the management of the 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; and
- (e) the representations, warranties and undertakings given by the Vendor (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 Vendor.

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 Vendor shall conduct and complete the registration in respect of the change of ownership of the Guangxuan 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 VENDOR AND THE TARGET COMPANY

As advised by the Vendor, the Vendor, Yu Jun* (于俊), is a businessman and citizen in the PRC.

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

The Target Company is a limited company established in the PRC on 24 May 2011 with a registered share capital of RMB70,000,000 (equivalent to approximately HK\$85,400,000).

As informed by the Vendor, the Target Company is principally engaged in, among other things, product development, manufacturing of equipment and import and export of solar cells and battery components.

FINANCIAL INFORMATION OF THE TARGET COMPANY

As informed by the Vendor, the unaudited financial information of the Target Company for the two years ended 31 December 2013 and 2014 and for the seven months ended 31 July 2015, 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 31 July 2015 (RMB'000) (unaudited)
Net loss before taxation	680	1,458	7,043
Net loss after taxation	680	1,458	7,043
Net assets	67,693	68,542	61,499

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.

Pursuant to the Listing Rules, Shareholders' approval is required for a major transaction. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, as at the date of this announcement, no Shareholder has a material interest in the Acquisition and therefore none of them would be required to abstain from voting on the resolutions if an SGM would be convened for approving the Acquisition.

The Company will request written shareholders' approval 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, to approve the Acquisition pursuant to Rule 14.44 of the Listing Rules. If the Company receives such written shareholders' approval, no shareholders' meeting will be held to approve the Acquisition pursuant to Rule 14.44 of the Listing Rules.

In accordance with the requirements of the Listing Rules, a circular of the Company containing further details of the Acquisition will be despatched to the Shareholders on or before 5 October 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 Guangxuan Interest and the Guangxuan 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 Vendor for the Guangxuan Interest and the Guangxuan Shareholder’s Loan, being RMB212,900,000 (equivalent to approximately HK\$259,738,000)
“Debt Restructuring”	the restructuring of the current debts and liabilities, save and except the liabilities under the bank loan(s), of the Target Company, to be all due by the Target Company to the Vendor 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
“Guangxuan Interest”	the entire equity interest in the Target Company with paid up capital of RMB70,000,000 (equivalent to approximately HK\$85,400,000)
“Guangxuan Shareholder’s Loan”	the shareholder’s loan, which amounted to not less than approximately RMB142,900,000 (equivalent to approximately HK\$174,338,000), due by the Target Company to the Vendor upon the completion of Debt Restructuring
“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 10 September 2015, including its amendments or replacement, entered into between the Vendor and the Purchaser in relation to the Acquisition
“SGM”	the special general meeting of the Company, to be convened (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”	Jurong Guangxuan Optoelectronic Technology Co., Ltd.* (句容光軒光電科技有限公司), a limited liability company established in the PRC
“Vendor”	Yu Jun* (于俊), 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

* *For identification purposes only*

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

Hong Kong, 10 September 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.