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HUAJUN HOLDINGS LIMITED

華君控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 377)

SUPPLEMENTAL ANNOUNCEMENT

MAJOR TRANSACTION

LAND ACQUISITION

Reference is made to the announcement of the Company dated 17 August 2016 in relation to the Shanghai Land Acquisition. The Board would like to clarify that 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.

* *for identification purposes only.*

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 bank borrowings and internal resources of the Group.

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

DESPATCH OF CIRCULAR

In accordance with the requirements of the Listing Rules, a circular of the Company containing further details of the Shanghai Land Acquisition will be despatched to the Shareholders on or before 9 September 2016.

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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, its plot ratio is approximately 3.12 times, and the gross floor area is approximately 124,450.74 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.

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.

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) shall be payable by Shanghai Baohua Wanlong within five working days of the date of the Land Use Rights Grant Contract. The remaining Consideration shall be settled by Shanghai Baohua Wanlong within 30 working days of the date of the Land Use Rights Grant Contract.

The Directors confirm that the Consideration will be settled by the bank borrowings and internal resources of the Group.

The Directors consider that the Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE 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.

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 where the development potential is exceptionally high. The Land is intended to be developed into office, commercial units and car park spaces for sale and investment.

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.

In consideration of the above, the Board considers that the Shanghai Land Acquisition is undertaken in the Group's ordinary and usual business and 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.

DESPATCH OF CIRCULAR

In accordance with the requirements of the Listing Rules, a circular of the Company containing further details of the Shanghai Land Acquisition will be despatched to the Shareholders on or before 9 September 2016.

DEFINITIONS

“Auction”	the auction held by Shanghai Minhang District Land Bureau
“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
“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 Minxing District, Shanghai, the PRC with a site area of 39,824.50 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

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong for the purpose of this announcement
“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”	上海市閔行區規劃和土地管理局 (Shanghai Minhang District Planning and Land Administration Bureau)
“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
“%”	per cent.

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

For the purpose of illustration only, any amount denominated in RMB in this announcement was translated into HK\$ at the rate of RMB1.00 = HK\$1.165. 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.

By order of the Board
Huajun Holdings Limited
Meng Guang Bao
Chairman and Executive Director

Hong Kong, 19 August 2016

As at the date of this announcement, the Board comprises Mr. Meng Guang Bao (Chairman), Mr. Wu Jiwei (Chief Executive Officer) and Mr. Guo Song (Deputy Chief Executive Officer) as executive Directors; and Mr. Zheng Bailin, Mr. Shen Ruolei and Mr. Pun Chi Ping as independent non-executive Directors.