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HUAJUN HOLDINGS LIMITED

華君控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 377)

INSIDE INFORMATION LETTER OF INTENT IN RELATION TO THE POTENTIAL ACQUISITION

LETTER OF INTENT IN RELATION TO THE POTENTIAL ACQUISITION

The Board is pleased to announce that on 25 March 2017, B&H Properties (an indirect wholly-owned subsidiary of the Company) entered into a non-legally binding Letter of Intent with Liaoning Yingkou in respect of the Potential Acquisition.

GENERAL

Should the Company enter into the Formal Agreement or decide to terminate the Letter of Intent or if there are any material developments with respect to the Potential Acquisition, the Company will make further announcement(s) and dispatch the relevant circular to its shareholders (if so required) in accordance with the Listing Rules as and when appropriate.

The Company wishes to emphasise that the Potential Acquisition is subject to, among other things, the execution of the Formal Agreement. Shareholders and potential investors of the Company should note that the Potential Acquisition may or may not materialise and the final structure and terms of the Potential Acquisition, which will be subject to further negotiations between the parties, are yet to be finalised. The Shareholders and potential investors of the Company should exercise caution when dealing in the Shares and other securities of the Company.

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This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

The Board is pleased to announce that on 25 March 2017, B&H Properties entered into the Letter of Intent with Liaoning Yingkou in respect of the Potential Acquisition.

THE LETTER OF INTENT

The Potential Acquisition is subject to further negotiation between the parties and the execution of the Formal Agreement.

Assets to be acquired

Subject to the Formal Agreement being entered into, the Group shall purchase the Projects from their respective owners or the entire equity interests in the Target Company from its owner(s) (as the case may be).

Consideration

The Consideration will be determined with reference to the valuation to be performed by an independent valuer on the Projects or the Target Company (as the case maybe), and will be satisfied by the issue of Shares by the Company.

Conditions precedent

The Proposed Acquisition will be conditional upon further negotiation between the parties, the execution of the Formal Agreement, and compliance with relevant PRC regulations in respect of transfer of state-owned properties.

Legal effect

The Letter of Intent is not legally binding.

INFORMATION OF THE VENDOR

Liaoning Yingkou is a governmental organisation of the PRC. Each of Yingkou Coastal and Yingkou Hehai is a subordinate of Liaoning Yingkou.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of Liaoning Yingkou, Yingkou Coastal and Yingkou Hehai and their ultimate beneficial owners is an Independent Third Party.

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DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“B&H Properties”	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 established in the PRC with limited liability and is principally engaged in real estate associated business;
“Board”	the board of Directors;
“Company”	Huajun Holdings Limited (華君控股有限公司) (stock code: 377), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange;
“Consideration”	the consideration of the Potential Acquisition to be paid by the Group;
“Director(s)”	director(s) of the Company;

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“Formal Agreement”	the formal sale and purchase agreement which will be entered into in relation to the Potential Acquisition;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	third party independent of and not connected with the Company and any of its connected persons (as defined in the Listing Rules) or their respective associates (as defined in the Listing Rules);
“Letter of Intent”	the letter of intent dated 25 March 2017 and entered into by B&H Properties and Liaoning Yingkou in relation to the Potential Acquisition;
“Liaoning Yingkou”	Liaoning (Yingkou) Coastal Industrial Base Management Committee* (遼寧(營口)沿海產業基地管理委員會);
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Potential Acquisition”	the potential acquisition of the Projects or the entire equity interests in the Target Company (as the case may be) by the Group;
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan;
“Project A”	Coastal Industry Base Olympic Sports Centre* (沿海產業基地奧體中心);
“Project B”	Shui An Xin Du Residential Project* (水岸新都住宅項目);
“Project C”	Li Hu Ming Ju Residential Project* (麗湖明居住宅項目);
“Project D”	Shi Bo Garden Residential Project* (世博花園住宅項目);

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“Project E”	Tian Xiu Bo Xin Wan Residential Project* (天秀泊心灣住宅項目);
“Project F”	Eastern Industries Ancillary Area* (東部產業生活配套區);
“Projects”	Project A, Project B, Project C, Project D, Project E and Project F;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	a company to be established in the PRC with limited liability which shall acquire the Projects from their respective owners prior to the completion of the Formal Agreement;
“Yingkou Coastal”	Yingkou Coastal Development Construction Company Limited* (營口沿海開發建設有限公司), a company established in the PRC with limited liability and the owner of Project A; and
“Yingkou Hehai”	Yingkou Hehai New Town Real Estate Development Company Limited* (營口河海新城房地產開發有限公司), a company established in the PRC with limited liability and the owner of each of Project B, Project C, Project D, Project E and Project F.

By Order of the Board

Wu Jiwei

Chief Executive Officer and Executive Director

Hong Kong, 27 March 2017

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, the English version shall prevail.

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