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HUAJUN HOLDINGS LIMITED

華君控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 377)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF POTENTIAL TRANSACTIONS

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

THE MOU

The Board is pleased to announce that on 3 May 2018 (after trading hour of the Stock Exchange), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into a non-legally binding MOU with the Purchaser, an indirect non-wholly owned subsidiary of the Company, in relation to the Potential Transactions.

The MOU is non-legally binding and is subject to, among others, the execution of the formal agreement. The terms of the formal agreement for the Potential Transactions have yet determined.

The Potential Transactions, if materialize, may constitute notifiable transactions for the Company under Chapter 14 of the Listing Rules and further announcement will be made by the Company in regard when appropriate in accordance with the Listing Rules. No binding agreement in relation to the Potential Transactions has been entered into as at the date of this announcement. As the Potential Transactions may or may not materialize, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

* *For identification purposes only*

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THE MOU

Date : 3 May 2018

Parties : Vendor : Huajun Electricity (China) Co., Ltd*
(華君電力(中國)有限公司)

Purchaser : Nanjing Baoheng Real Estate Development Co.,
Ltd*(南京保恒房地產開發有限公司)

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser is an indirectly non-wholly owned subsidiary of the Company. The Company indirectly holds 51% equity interest in the Purchaser. The remaining 49% interest of the Purchaser is held by another shareholder, who is, other than a substantial shareholder of the Purchaser, an Independent Third Party. Accordingly, the Purchaser is not a connected subsidiary under the Listing Rules.

Assets to be acquired

Pursuant to the MOU, the Vendor intends to sell and the Purchaser intends to purchase the entire equity interest in the Target Company. As at the date of this announcement, the Target Company also directly holds the entire equity interest in each of Ruixin and Zhongxiang.

Due diligence

Within seven business days after signing of the MOU, the Purchaser shall have the right to conduct due diligence review of the Target Company and the land parcels owned by Ruixin and Zhongxiang. The Purchaser shall base on the results of the due diligence review to determine on whether to carry on the negotiation for formal agreement within five business days from the completion of due diligence review.

General

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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:

“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
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	the independent third party(ies) who is/are, 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) (as defined in the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 3 May 2018 entered into between the Purchaser and the Vendor
“Potential Transactions”	collectively (i) the potential disposal of the entire equity interest of the Target Company by the Vendor, which is a wholly-owned subsidiary of the Company; and (ii) the potential acquisition of the entire equity interest of the Target Company by the Purchaser, which is a 51%-owned subsidiary of the Company

“PRC”	the People’s Republic of China
“Purchaser”	Nanjing Baoheng Real Estate Development Co., Ltd* (南京保恒房地產開發有限公司), a limited liability company established in the PRC, which is indirectly non-wholly owned by the Company as to 51%
“Ruixin”	Changzhou City Jintan Ruixin Optoelectronic Co., Ltd.* (常州市金壇瑞欣光電有限公司), a limited liability company established in the PRC, which is directly wholly-owned by the Target Company as at the date of this announcement
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shareholders”	the holders of shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Huajun Electricity (China) Co., Ltd* (華君電力(中國)有限公司), a limited liability company established in the PRC, which is indirectly wholly-owned by the Company as at the date of this announcement
“Zhongxiang”	Jiangsu Zhongxiang Energy Co., Ltd* (江蘇中翔能源有限公司), a limited liability company established in the PRC, which is directly wholly-owned by the Target Company as at the date of this announcement
“%”	per cent.

* *The English translation in this announcement is for reference only. The official names are in Chinese.*

By Order of the Board
Huajun Holdings Limited
CHAN Wing Hang
Company Secretary

Hong Kong, 3 May 2018

As at the date of this announcement, the Board comprises Mr. Meng Guang Bao, Ms. Zhang Ye, Mr. Guo Song and Mr. He Shufen 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.