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## **HUAJUN INTERNATIONAL GROUP LIMITED**

**華君國際集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 377)**

### **DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF THE ENTIRE EQUITY INTERESTS IN AND DEBT DUE BY YINGKOU CONTEMPORARY GROUP HOLDINGS LIMITED\* INVOLVING ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE**

#### **THE ACQUISITION**

The Board is pleased to announce that on 19 February 2019 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Target Equity Interest and the Debt at the Consideration of RMB128,000,000 (equivalent to approximately HK\$147,200,000) comprising of RMB88,000,000 (equivalent to approximately HK\$101,200,000) being the consideration for the Target Equity Interest and RMB40,000,000 (equivalent to approximately HK\$46,000,000) being the consideration for the Debt.

The Consideration Shares represent approximately 17.84% of the existing issued share capital of the Company as of the date of this announcement and approximately 15.14% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion Date, save as the issue of the Consideration Shares).

The Consideration Shares will be allotted and issued pursuant to the General Mandate. Accordingly, the issue of the Consideration Shares will not be subject to the approval of the Shareholders.

Upon Completion, the Target Group will become the indirect wholly-owned subsidiaries of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Group.

### **IMPLICATIONS UNDER LISTING RULES**

As one or more applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but fall below 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting and announcement requirements.

As at the date of this announcement, as shareholders of the Target Equity Interest and the Debt, the Shareholder B and Shareholder C are executive Directors of the Company and connected persons of the Company under the Listing Rules. Although Shareholder B and Shareholder C are not signing parties to the Agreement, to be prudent the Company has considered in essence the respective acquisition of interests originally owned by the Shareholder B and Shareholder C will be connected transaction of the Company. Accordingly, the acquisitions of 0.06% of Target Equity Interest owned by the Shareholder B and Shareholder C standalone constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As the relevant percentage ratios (other than the profits ratio) (as defined under the Listing Rules) for the acquisitions of 0.06% of Target Equity Interest owned by the Shareholder B and Shareholder C are less than 0.1%, the acquisitions of 0.06% of Target Equity Interest owned by the Shareholder B and Shareholder C are fully exempt from reporting, announcement, the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**Completion is subject to the fulfillment and/or waiver (as the case may be) of the Conditions set out in the Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## THE ACQUISITION

The Board is pleased to announce that on 19 February 2019 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Target Equity Interest and the Debt at the Consideration of RMB128,000,000 (equivalent to approximately HK\$147,200,000), comprising of RMB88,000,000 (equivalent to approximately HK\$101,200,000) being the consideration for the Target Equity Interest and RMB40,000,000 (equivalent to approximately HK\$46,000,000) being the consideration for the Debt.

## AGREEMENT

Principal terms of the Agreement are set out as follows:

**Date:** 19 February 2019

**Parties:** Vendor : Ms. Yu Jing (于晶)

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

Purchaser: B&H Properties Management (China) Limited\* (保華置業管理(中國)有限公司), a company established in the PRC with limited liability, and the indirect wholly-owned subsidiary of the Company.

## ASSET TO BE ACQUIRED

Pursuant to the Agreement, the Vendor has conditionally agreed to sell and to procure all other shareholders of the Target Company to sell, and the Purchaser has conditionally agreed to purchase, in aggregate the Target Equity Interest, representing the entire equity interest of the Target Company, and the Debt at the Consideration.

The shareholders of the Target Equity Interest include Shareholder B and Shareholder C. The shareholders of the Target Company are as follows:

<b>Name of shareholders of the Target Company</b>	<b>Round-off approximate percentage of shareholding of the Target Equity Interest</b>	<b>Relationship with the Group</b>
Vendor	97.58%	An employee of the Group, businesswoman and citizen in the PRC
Shareholder B	0.03%	An executive Director and a connected person of the Company
Shareholder C	0.03%	An executive Director and a connected person of the Company
Other shareholders	2.36%	Either employees of the Group, the Target Company or companies controlled by Mr. Meng, the chairman and executive director of the Company, and are businessmen and citizens in the PRC
<hr/> <b>100%</b> <hr/>		

As at the date of this announcement, Target Company directly holds the Interest, being the 4.8% equity interest in the Bank and the entire equity interest in the PRC Subsidiary A, PRC Subsidiary B and PRC Subsidiary C.

For details, please refer to the diagram under the section headed “INFORMATION ON THE TARGET GROUP” of this announcement below.

Upon Completion, the Target Group will become the indirect wholly-owned subsidiaries of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Group.

As advised by the Vendor, the Target Company currently owns the Target Land, which is situate at Xinfa 15 Bayuquan District Yingkou Liaoning Province, the PRC, with a total site area of approximately 19,948.50 square meters. As advised by the Vendor, the Target Land is for industrial use. As advised by the Vendor, currently there are 4 buildings situated at the Target Land which was occupied as industrial manufacture workshops, warehouses, offices and subject to mortgage which will be released on or before the Completion.

Before the Completion, the Vendor will reorganize the debts of the Target Company so that after the reorganization of the said debts, save and except the Debt, the Target Company does not owe any debts due to any other third parties. The Vendor shall produce all the legally valid documents and/or payment receipts in respect of the said reorganization of the said debts to the Purchaser.

## **Consideration**

The Consideration, for the Target Equity Interest and the Debt shall be in aggregate of RMB128,000,000 (equivalent to approximately HK\$147,200,000) comprising of RMB88,000,000 (equivalent to approximately HK\$101,200,000) being the consideration for the Target Equity Interest and RMB40,000,000 (equivalent to approximately HK\$46,000,000) being the consideration for the Debt.

As advised by the Shareholder B, the original acquisition cost incurred by it for the acquisition of 0.03% of the Target Equity Interest was approximately RMB50,000 (equivalent to approximately HK\$57,500).

As advised by the Shareholder C, the original acquisition cost incurred by it for the acquisition of 0.03% of the Target Equity Interest was approximately RMB50,000 (equivalent to approximately HK\$57,500).

Pursuant to the Agreement, within 10 Business Days after the Completion Date, the Purchaser shall pay the Consideration to the Vendor by issue of the Consideration Shares to the Vendor and/or its nominee.

Pursuant to the Agreement, the Vendor and the Purchaser have agreed the exchange rate to be at the rate of RMB1 = HK\$1.15. Accordingly, a total of 10,823,529 new Shares will be allotted and issued by the Company to the Vendor at the Issue Price for settling the Consideration, subject to the Completion within 10 Business Days after the Completion Date.

The Vendor waived receipt of any balance of the Consideration arising from the issue of the Consideration Shares.

The Consideration was determined by the Purchaser and the Vendor after arm's length negotiations with reference to (i) the preliminary valuation of the Target Land of approximately RMB19.8 million as at 30 September 2018 prepared by the independent valuer; (ii) the unaudited net assets value of approximately RMB149.5 million of the Target Group as at 31 December 2018; (iii) the paid up capital of the Target Company of RMB170,000,000 as at 31 December 2018; (iv) the unaudited net assets value of the Bank of approximately RMB6,902.7 million as at 31 December 2018; and (v) the current nominal amount of the Debt in the sum of not less than RMB40 million at Completion, to be assigned pursuant to the Agreement.

## **Consideration Shares**

The Consideration Shares represent approximately 17.84% of the existing issued share capital of the Company as of the date of this announcement and approximately 15.14% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion Date, save as the issue of the Consideration Shares).

The Consideration Shares will be allotted and issued at the Issue Price, which represents:

- (a) a premium of approximately 17.85% over the closing price of HK\$11.54 per Share as quoted on the Stock Exchange on Last Trading Date;
- (b) a premium of approximately 15.92% over the average closing price of HK\$11.732 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Agreement; and
- (c) a premium of approximately 17.61% over the average closing price of HK\$11.564 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Date.

The Issue Price was determined after arm's length negotiation between the Purchaser and the Vendor, with reference to the prevailing market price of the Shares. The Directors (including the independent non-executive Directors and excluding Mr. Guo Song and Mr. He Shufen, who had abstained from voting on the relevant resolutions at the board meeting) consider that the Issue Price and the Consideration are fair and reasonable, on normal commercial terms and in the interests of the Group and the Shareholders as a whole.

### *General Mandate*

The Consideration Shares will be allotted and issued pursuant to the General Mandate. The Directors were authorised to allot and issue up to 12,133,840 new Shares pursuant to the General Mandate. Up to the date of this announcement, the Company has not issued any Share under the General Mandate. Accordingly, the issue of the Consideration Shares is within the limit of the General Mandate and the issue of the Consideration Shares will not be subject to the approval of the Shareholders.

## **Application of Listing**

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

## **Conditions Precedent**

Completion is subject to the fulfillment of the following Conditions on or before the Conditions Fulfillment Date:

- (1) the Listing Committee of the Stock Exchange has granted the listing of, and permission to deal in, the Consideration Shares;
- (2) the Vendor is the legal and beneficial owner of the Target Equity Interest, the Debt and relevant interest free from any encumbrance or third party's rights and the Target Company is the legal and beneficial owner of all its assets, including but not limited to the Target Land, relevant interest free from any encumbrance or third party's rights; the Vendor guarantee that the Target Equity Interest, the Target Land, relevant interest and all the assets of the Target Company will not be impounded, frozen, or mortgaged by the court or other regulatory authorities prior to Completion;
- (3) the completion of the transfer of Target Equity Interest and Debt have been complied with the relevant PRC laws simultaneously to the satisfaction of the Purchaser;
- (4) the management of the Target Company has not done any act which may result material adverse change on the business, assets, properties, financial condition, operation and prospect of Target Company and/or relevant interest before and at the Completion Date; and the representations, warranties and undertakings given by the Vendor are true and accurate on the Completion Date;

- (5) the Vendor has obtained all necessary agreements, approval, authorizations, exemptions, permissions and certifications from third parties in respect of the Acquisition and relevant matters; and
- (6) the representations, warranties and undertakings given by the Vendor have remained true, accurate and not misleading in all material respects and no breach of any of such representations, warranties and undertakings in any respect has been made by the Vendor.

If any of the Conditions has not been fulfilled by the Conditions Fulfillment Date, the Agreement shall lapse. The Vendor shall forthwith refund all amount paid by the Purchaser, if any, with interest. None of the parties shall claim against the other party, upon the said amount has been fully refunded to the Purchaser.

### **Completion**

Within 5 days from the date of the Agreement, the Vendor shall, among other things, (a) change the registration of ownership of the Target Equity Interest from the Vendor to the Purchaser or its designated third party; (b) complete changing the legal representative, director, supervisor, business license, account opening permit; (c) complete the handover matters in connection with the Agreement; and (d) complete changes matters in connection with changing the Target Equity Interest and legal representative.

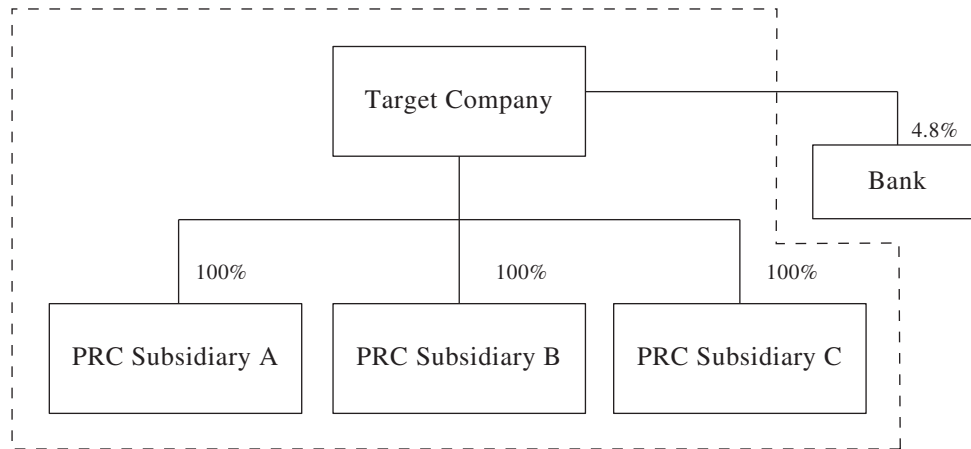
The Completion shall take place upon within 5 Business Days after all Conditions having been fulfilled or such other date agreed by the parties in writing.

### **INFORMATION OF THE PURCHASER**

As at the date of this announcement, the Purchaser is a company established in the PRC and an indirect wholly-owned subsidiary of the Company. The principal activity of the Purchaser is property investment and investment holding.

## INFORMATION ON THE TARGET GROUP

The shareholding structure of the Target Group as of the date of this announcement is shown as in the simplified chart below:



*Note:*

Target Group

As advised by the Vendor:

- (i) the Target Company is a company established in the PRC with limited liability in 10 June 1996 and its principal business is, among other things, investment holding and sales, trading and processing of construction materials. The Target Company directly holds the Interest and all issued share capital of the PRC Subsidiary A, the PRC Subsidiary B and the PRC Subsidiary C;
- (ii) the PRC Subsidiary A is a company established in the PRC with limited liability on 9 October 2008 and its principal business is, among other things, design and media production;
- (iii) the PRC Subsidiary B is a company established in the PRC with limited liability on 12 July 2016 and its principal business is, among other things, market development and business information consultancy; and
- (iv) the PRC Subsidiary C is a company established in the PRC with limited liability on 7 December 2015 and its principal business is, among other things, domestic waterway freight forwarding agent and cargo storage.

Upon Completion, the Target Group will become the indirectly wholly-owned subsidiaries of the Company and their financial results will be consolidated into the financial results of the Group.

### **Financial Information of The Target Group**

Set out below are the unaudited combined financial information of the Target Group for each of the two financial years ended 31 December 2017 and 31 December 2018, as extracted from its unaudited combined management accounts of the Target Group provided by the Vendor (for illustration purposes only):

	<b>For the year ended 31 December 2017 <i>(RMB'000)</i> (unaudited)</b>	<b>For the year ended 31 December 2018 <i>(RMB'000)</i> (unaudited)</b>
Net loss for the year before taxation	11,546	5,983
Net loss for the year after taxation	11,546	5,983

Based on the unaudited combined management accounts of the Target Group provided by the Vendor, the unaudited net asset value and total asset value of the Target Group as at 31 December 2018 were approximately RMB149,541,000 and approximately RMB634,337,000, respectively.

## EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 60,669,200 Shares in issue. Assuming there are no other changes to the issued share capital of the Company, set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon the allotment and issue of the Consideration Shares; and (iii) immediately following the Completion and assuming all existing convertible bonds issued by the Company having been converted into new shares of the Company:

	(i) As at the date of this announcement		(ii) Immediately upon the allotment and issue of the Consideration Shares assuming there is no change in the issued share capital of the Company and all existing convertible bonds issued by the Company remain outstanding		(iii) Immediately following the Completion and assuming all existing convertible bonds issued by the Company having been converted into new shares of the Company	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
<b>Substantial Shareholder</b>						
China Huajun Group Limited	44,450,619	73.27%	44,450,619	62.18%	44,450,619	56.42%
Mr. Meng (Note 1)	769,640	1.27%	769,640	1.08%	769,940	0.98%
<b>Sub-total</b>	<b>45,220,259</b>	<b>74.54%</b>	<b>45,220,259</b>	<b>63.25%</b>	<b>45,220,259</b>	<b>57.40%</b>
Vendor	-	-	10,823,529	15.14%	10,823,529	13.73%
Holder of existing convertible bonds (Note 2)	-	-	-	-	7,294,116	9.26%
Other public shareholders	15,448,941	25.46%	15,448,941	21.61%	15,448,941	19.61%
	<b>60,669,200</b>	<b>100.00%</b>	<b>71,492,729</b>	<b>100.00%</b>	<b>78,786,845</b>	<b>100.00%</b>

### Notes:

1. Apart from 769,640 Shares held by Mr. Meng directly, Mr. Meng also personally holding 387,351 share options. For further details of the said share options granted, please refer to the announcements of the Company dated 7 February 2017 and 5 December 2017.
2. As at the date of this announcement, the conversion rights attaching to the existing convertible bonds issued by the Company had yet been exercised and the existing convertible bonds have not yet been converted in new Shares.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Company is an investment holding company. The principal activities of the Group are: (i) sale and manufacturing of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products; (ii) trading and logistics; (iii) provision of financial services; (iv) property development and investments; and (v) manufacturing and sales of photovoltaic products.

As disclosed by the Company in its Interim Report 2018, trading and logistics and provision of financial services are two of the core business segments of the Group. The Board considers that the Acquisition will enhance the Group's provision of trading and logistics business and generate investment income from financial services by acquisition of relevant assets and Interest in the Bank. In addition, the Acquisition would also bring synergy effect for the supply of construction materials for the Group's property development and investment business.

As the Consideration will be fully satisfied by the issue of the Consideration Shares, the Company will not face any immediate cash outflow for the Consideration, and hence can utilise its existing fund on the general working capital of the Group or other investment opportunities, if appropriate. Furthermore, the Company will broaden its Shareholder base.

Accordingly, the Board (including the independent non-executive Directors and excluding Mr. Guo Song and Mr. He Shufen, who had abstained from voting on the relevant resolutions at the board meeting) is of the view that the Issue Price, the Consideration, terms of the Agreement including the term for issue of the Consideration Shares, are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

During the past 12 months immediately preceding the date of this announcement, the Company has conducted the following equity fund raising activities:

Date of announcement	Event	Net Proceeds (approximately)	Intended use of proceed	Actual use of proceeds
26 October 2018	Issue of convertible bonds under specific mandate	Approximately HK\$999,400,000	(i) HK\$502,140,000 for repayment of borrowings  (ii) HK\$198,240,000 for payment payable or to be payable for construction costs of existing property projects of the Group  (iii) HK\$299,020,000 for partial considerations for the acquisition of the entire equity interests in and debts owed by Jurong Simaite Intelligent Science and Technology Co., Ltd.* (句容思麥特智能科技有限公司) and Jiangsu Xietong Solar Technology Co., Ltd. (江蘇協通光伏科技有限公司) (For details, please refer to the announcement published by the Company on 5 December 2018)	Not yet utilized as the issue of convertible bonds under specific mandate is subject to approval of independent Shareholders

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but fall below 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting and announcement requirements.

As at the date of this announcement, as Shareholders of the Target Equity Interest and the Debt, the Shareholder B and Shareholder C are executive Directors of the Company and connected persons of the Company under the Listing Rules. Although Shareholder B and Shareholder C are not signing parties to the Agreement, to be prudent the Company has considered in essence the respective acquisition of interests originally owned by the Shareholder B and Shareholder C will be connected transaction of the Company. Accordingly, the acquisitions of 0.06% of Target Equity Interest owned by the Shareholder B and Shareholder C standalone constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As the relevant percentage ratios (other than the profits ratio) (as defined under the Listing Rules) for the acquisition of 0.06% of Target Equity Interest owned by the Shareholder B and Shareholder C are less than 0.1%, the acquisitions of 0.06% of Target Equity Interest owned by the Shareholder B and Shareholder C are fully exempt from reporting, announcement, the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**Completion is subject to the fulfillment of the Conditions set out in the Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“Acquisition”	the acquisition of the Target Equity Interest and the Debt contemplated under the Agreement
“Agreement”	the agreement dated 19 February 2019 entered into by the Vendor and the Purchaser in respect of the Acquisition
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Bank”	Yingkou Coastal Bank Company Limited (營口沿海銀行股份有限公司), a bank established in the PRC with limited liability
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday or Sunday) and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted or a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. on which licensed banks in Hong Kong and the PRC are generally open for business
“Company”	Huajun International Group Limited (華君國際集團有限公司) (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”	completion of the Acquisition pursuant to the terms and conditions of the Agreement
“Completion Date”	the date on which Completion take place in accordance with the Agreement, which is within five Business Days after the date of fulfilment (or waiver, as the case may be) of the last of the Conditions (or such other date as the Purchaser and the Vendor shall agree in writing)

“Conditions”	the conditions precedent of the Agreement as set out in the section headed “Conditions Precedent” in this announcement
“Conditions Fulfillment Date”	30 June 2019 or such later date as agreed between the parties
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB128,000,000 (equivalent to approximately HK\$147,200,000), the total consideration for the Target Equity Interest and the Debt under the Agreement
“Consideration Shares”	10,823,529 new Shares to be allotted and issued by the Company to the Vendor at the Issue Price for settling the Consideration pursuant to the Agreement
“Debt”	all amounts (whether principal, interest or otherwise) of the amounts owing by the Target Group to the Vendor at Completion, which will not be less than RMB40,000,000 (equivalent to approximately HK\$46,000,000)
“Director(s)”	director(s) of the Company
“General Mandate”	the authority granted by the Shareholders to the Board to issue Shares of not more than 20% of the then issued share capital of the Company at the annual general meeting of the Company held on 30 August 2018
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Parties”	persons or companies which are independent of and not connected with any of the directors, chief executive and substantial shareholders (as defined under the Listing Rules) of the Company or any of its subsidiaries and their respective associates (as defined under the Listing Rules), and the term “Independent Third Party” shall be construed accordingly
“Interest”	4.8% of the entire shareholding of the Bank owned by the Target Company as at the date of this announcement
“Issue Price”	HK\$13.6, being the issue price per Consideration Share
“Last Trading Date”	18 February 2019, being the last trading day immediately before the entering into the Agreement
“Listing Committee”	has the meaning ascribed to it in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Meng”	Mr. Meng Guang Bao (孟廣寶), the chairman, an executive Director and a substantial shareholder (as defined under the Listing Rules) of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“PRC Subsidiary A”	Yingkou Contemporary Industrial Group Advertising Media Company Limited* (營口當代實業集團廣告傳媒有限公司), a company established in the PRC with limited liability, which is a wholly-owned subsidiary of the Target Company
“PRC Subsidiary B”	Yingkou Contemporary Industrial Group Home World Business Management Chain Company Limited* (營口當代實業集團家世界商貿管理連鎖有限公司), a company established in the PRC with limited liability, which is a wholly-owned subsidiary of the Target Company

“PRC Subsidiary C”	Contemporary Industrial Group Logistics (Yingkou) Company Limited* (當代實業集團物流(營口)有限公司), a company established in the PRC with limited liability, which is a wholly-owned subsidiary of the Target Company
“Purchaser”	B&H Properties Management (China) Limited* (保華置業管理(中國)有限公司), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder B”	Mr. Guo Song (郭頌), an executive Director and a connected person of the Company
“Shareholder C”	Mr. He Shufen (何樹芬), an executive Director and a connected person of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Yingkou Contemporary Group Company Limited* (營口當代集團股份有限公司), a company established in the PRC with limited liability, which, as advised by the Vendor, is owned by the Vendor as at the date of this announcement
“Target Equity Interest”	the entire equity interest in the Target Company
“Target Group”	collectively, the Target Company, PRC Subsidiary A, PRC Subsidiary B and PRC Subsidiary C
“Target Land”	the land parcel situated at Xinfa 15 Bayuquan District Yingkou Liaoning Province, the PRC, with a total site area of approximately 19,948.50 square meters

“Vendor” Ms. Yu Jing (于晶), an employee of the Group, businesswoman and citizen in the PRC

“%” per cent.

By order of the Board  
**Huajun International Group Limited**  
**Meng Guang Bao**  
*Chairman and Executive Director*

Hong Kong, 19 February 2019

*For the purposes of illustration only, any amount denominated in RMB in this announcement was translated into HK\$ at the rate of RMB1 = HK\$1.15. 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, Ms. Zhang Ye, Mr. Guo Song, Mr. He Shufen and Mr. Zeng Hongbo 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.*

\* *For identification purposes only*