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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)

MAJOR TRANSACTION IN RELATION TO ACQUISITION OF LAND USE RIGHTS IN DALIAN CITY, THE PRC

ACQUISITION OF LAND USE RIGHTS

The Board is pleased to announce that on 29 March 2019, Huajun Technology, an indirect wholly owned subsidiary of the Company, successfully won a bidding for the land use rights to the Target Land in Dalian City, Liaoning Province, the PRC through the Listing-for-Sale* (掛牌出讓) organized and held by the Dalian City Natural Resources Bureau* (大連市自然資源局) at the Land Grant Price.

IMPLICATIONS UNDER LISTING RULES

As one or more of the applicable percentage ratios in relation to the Acquisition is more than 25% but less than 100%, the Acquisition constitute a major transaction of the Company under Chapter 14 of the Listing Rules.

The Acquisition is also regarded as a “Qualified Property Acquisition” under Rule 14.04(10C) of the Listing Rules as the Acquisition involves an acquisition of governmental land in the PRC from a PRC Governmental Body (as defined under the Listing Rules) through a listing-for-sale governed by the PRC law (as defined under Rule 19A.04 of the Listing Rules). The Acquisition is undertaken on a sole basis by the Group in its ordinary and usual course of business. The Acquisition is subject to reporting, announcement and circular requirements but is exempt from Shareholders’ approval requirement pursuant to Rule 14.33A 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 24 April 2019.

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PRINCIPAL TERMS OF THE LAND USE RIGHTS IN RELATION TO THE TARGET LAND

A summary of the principal terms of the Acquisition is set out below:

Date: 29 March 2019

Parties: (1) Dalian City Natural Resources Bureau* (大連市自然資源局), a governmental body in the PRC responsible for, among other things, administrating the use of natural resources including land, mine and forest; and
(2) Huajun Technology

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Dalian City Natural Resources Bureau* (大連市自然資源局) is an Independent Third Party.

Surety paid in order to become a qualified bidder (“**Surety**”): A sum of RMB319.27 million was deposited with the Dalian City Natural Resources Bureau* (大連市自然資源局) as surety for participating in the Listing-for-Sale for the Target Land

Land Grant Price:	RMB319.27 million
	The said security will be applied to satisfy the full consideration for the Target Land.
Land for transfer:	the Target Land
Term of grant:	40 years
Total site area of the Target Land:	Approximately 87,511.4 sq. m.
Permitted gross floor area:	Approximately 125,350 sq. m. (excluding the gross floor area of basement and semi-underground car park)
Use of the Target Land:	For commercial and warehouse use
Other principal terms:	Pursuant to the notice of Listing-for-Sale and the Transaction Confirmation Letter* (成交確認書) dated 29 March 2019 issued by the Dalian City Natural Resources Bureau* (大連市自然資源局), Huajun Technology shall further enter into a Sale and Purchase Agreement for National Construction Land Use Right* (國有建設用地使用權出讓合同) with the Dalian City Natural Resources Bureau* (大連市自然資源局) as stipulated by regulations required by relevant authorities within ten business days from the date of the Transaction Confirmation Letter.

LAND GRANT PRICE

The Land Grant Price of RMB319.27 million was the bid price made by Huajun Technology, which is equal to the reserve price set by the Dalian City Natural Resources Bureau* (大連市自然資源局) (i.e the Surety) in the Listing-for-Sale* (掛牌出讓). Huajun Technology set the said bid price after taking into account of (i) the current property market conditions of Dalian City, Liaoning Province, the PRC and (ii) the development potential of the Target Land. The Land Grant Price was satisfied by internal resources of the Group and other borrowing facilities.

Having considered the above, the Directors consider that the Land Grant Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION OF HUAJUN TECHNOLOGY

As at the date of this announcement, Huajun Technology, a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, is engaged in, among other things, provision of usual warehouse services.

REASONS AND BENEFITS OF THE ACQUISITIONS

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. The Group always looks for suitable investment opportunities to strengthen its existing segment in property development and investments and business establishment in the PRC.

Through the Acquisition, the Group will acquire the land use right of the Target Land. The Acquisition will enrich the asset portfolio of the Group and provide an investment opportunity for the Group to enjoy the asset appreciation while generating stable revenue, which will potentially bring a greater return for its Shareholders in a long run. The Group always looks for suitable investment opportunities to strengthen its existing segment in property development and investments and business establishment in the PRC. Furthermore the Company considers that the Acquisition is a strategic move to increase its land reserve. The Target Land is intended to be developed into commercial, warehouse and car park spaces for lease, sale and investment.

Accordingly, the Company believes the Acquisition is in line with the Company's strategy and will complement the Group's property development and investment business.

Based on the above reasons and benefits, the Directors are of the view that (i) the Acquisition is undertaken by the Company on a sole basis in the ordinary and usual course of business of the Group, (ii) the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

IMPLICATIONS UNDER LISTING RULES

As one or more of the applicable percentage ratios in relation to the Acquisition is more than 25% but less than 100%, the Acquisition constitute a major transaction of the Company under Chapter 14 of the Listing Rules.

The Acquisition is also regarded as a “Qualified Property Acquisition” under Rule 14.04(10C) of the Listing Rules as the Acquisition involves an acquisition of governmental land in the PRC from a PRC Governmental Body (as defined under the Listing Rules) through a listing-for-sale governed by the PRC law (as defined under Rule 19A.04 of the Listing Rules). The Acquisition is undertaken on a sole basis by the Group in its ordinary and usual course of business. The Acquisition is subject to reporting, announcement and circular requirements but is exempt from Shareholders’ approval requirement pursuant to Rule 14.33A 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 24 April 2019.

DEFINITIONS

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

“Acquisition”	the acquisition of the land use right of the Target Land through the Listing-for-Sale* (掛牌出讓)
“Board”	the board of Directors
“CHG”	China Huajun Group Limited, a company incorporated in the British Virgin Islands and a controlling Shareholder (as defined under the Listing Rules) of the Company, which is ultimately wholly-owned by Mr. Meng
“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
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Huajun Technology”	Huajun Technology (Dalian) Company Limited* (華君技術(大連)有限公司) a company established in the PRC with limited liability and (an indirect wholly owned subsidiary of the Company)
“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
“Land Grant Price”	RMB319.27 million, being the price for the acquisition of land use rights of the Target Land
“Listing-for-Sale”	the listing-for-sale bidding process(掛牌出讓) held by the Dalian City Natural Resources Affairs Services Centre* (大連市自然資源事務服務中心), which was commissioned by the Dalian City Natural Resources Bureau* (大連市自然資源局) through the Internet and at the Dalian City Public Administration Centre
“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
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Land”	the land parcel situated at Ha Da High Speed Hou Yan Shou Fei Station West, Ying Jin Road (Guo Dao 202) and Gui Bai Road Junction East * (哈大高速後鹽收費站西側，迎金路(國道202)與檜柏路交匯處東側), numbered Da Cheng No.4 Zong De* (大城(2019) – 4 號棕地)
“Transaction Confirmation Letter”	Transaction Confirmation Letter* (成交確認書) dated 29 March 2019 entered into between the Dalian City Natural Resources Bureau* (大連市自然資源局) and Huajun Technology
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq. m.”	square meter
“%”	per cent.

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

Hong Kong, 29 March 2019

Translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purpose only and should not be regarded as the official English translation of the Chinese names.

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