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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)

CLARIFICATION ANNOUNCEMENT IN RELATION TO ACQUISITION OF 30% EQUITY INTERESTS IN AND DEBT DUE BY WUXI HUIZE REAL ESTATE CO., LTD.* (無錫惠澤置業有限公司)

Reference is made to the announcement of the Company dated 23 May 2019 (the “**Announcement**”) in relation to the acquisition of the 30% equity interests in and the Debt due by the Target Company. Unless otherwise defined in this announcement, all capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board would like to inform the Shareholders that, based on size test calculation, the applicable percentage ratios of the Acquisition exceeds 25% but are below 100%, therefore on a standalone basis, the Acquisition shall be classified as a major transaction of the Company pursuant to the Listing Rules. Pursuant to Chapter 14 of the Listing Rules, the Acquisition is subject to the reporting, announcement and Shareholders’ approval requirements under the Listing Rules.

As disclosed by the Company in its circular dated 24 September 2018, the Company previously entered into four agreements in 2018 to purchase (i) the entire equity interests in Baohua Real Estates (Wuxi) Co., Ltd.* (保華地產(無錫)有限公司); (ii) the entire equity interests in Wuxi Huiyuan Real Estate Co., Ltd.* (無錫市惠遠置業有限公司); (iii) 55% equity interest of the Target Company; and (iv) 15% equity interest of the Target Company (collectively, the

“**Transactions**”). The Transactions were aggregated and constituted a major transaction of the Company under Chapter 14 of the Listing Rules. The Transactions have been completed and the Company has complied with the relevant requirements under Chapter 14 of the Listing Rules in relation to this major transaction. As disclosed in the Announcement, the Company entered into an agreement on 23 May 2019 to acquire the remaining 30% equity interest in the Target Company. The Acquisition, along with (iii) and (iv) above, if aggregated, is still classified as a major transaction.

As (i) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition; and (ii) written shareholder’s approval has been obtained from China Huajun Group Limited who holds more than 50% of the voting rights at the general meeting of the Company to approve the Acquisition, subject to Rule 14.86 of the Listing Rules, a written shareholder’s approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules. Accordingly, no general meeting is required to be convened for the approval of the Acquisitions pursuant to Rule 14.44 of the Listing Rules.

In accordance with the requirements of the Listing Rules, a circular of the Company containing further details of the Acquisitions will be despatched to the Shareholders on or before 17 July 2019.

CONNECTED TRANSACTION AT SUBSIDIARY LEVEL

As the Vendor is the registered owner of 30% of the Target Company, hence a substantial shareholder of the Target Company, which is a 70% indirectly owned subsidiary of the Company, the Vendor is a connected person of the Company at the subsidiary level under the Listing Rules. As such, the Acquisition also constitutes as a connected transaction under Chapter 14A of the Listing Rules.

Since (i) the Vendor is a connected person of the Company at subsidiary level under the Listing Rules; (ii) the Directors (including the independent non-executive Directors) have approved the terms of the Acquisition Agreement and the Acquisition; and (iii) the independent non-executive Directors of the Company have confirmed that the terms of the Acquisition Agreement and the Acquisition are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Acquisition Agreement and the Acquisition constituted as a connected transaction which is only subject to the reporting and announcement requirements, but exempted from the circular, independent financial advice and shareholders’ approval requirements pursuant to Rule 14A.101 of the Listing Rules.

None of the Directors have any material interest in the Acquisition Agreement and the transactions contemplated thereunder, and none of the Directors have abstained from voting on the board resolution approving the Acquisition Agreement and the transactions contemplated thereunder.

By order of the Board
Huajun International Group Limited
Tam Ka Lung
Company Secretary

Hong Kong, 25 June 2019

* *For identification purposes only*

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.