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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 TRANSACTION IN RELATION TO ACQUISITION OF LAND USE RIGHTS IN LIUHE ECONOMIC DEVELOPMENT ZONE

ACQUISITION OF LAND USE RIGHTS

The Board is pleased to announce that on 18 July 2019, the Project Company, an indirect wholly owned subsidiary of the Company, successfully won the bid for the land use rights to the Target Land in Economic Zone, Nanjing City, Jiangsu Province, the PRC through the Listing-for-Sale organized and held by the Nanjing Land and Resources Bureau Liuhe Branch at the Land Grant Price.

IMPLICATIONS UNDER LISTING RULES

As one or more of the applicable percentage ratios in relation to the Land Acquisition is more than 5% but less than 25%, the Land Acquisition constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements.

INTRODUCTION

References are made to the announcements of Huajun International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 15 May 2019 (the “**First Announcement**”), 6 June 2019 and 3 July 2019 in relation of setting up of high-end printing and packaging production base in Liuhe Economic Development Zone, Nanjing City, Jiangsu Province, the PRC. Capitalized terms used herein shall have the same meanings as defined in the First Announcement unless the context requires otherwise.

As disclosed in the First Announcement, in order for the Project Company to accomplish the setting up of the production base in the Economic Zone, New Island and/or the Project Company has to, among other things, successfully bid for the land use rights to the Target Land through the Listing-for-Sale organized and held by the relevant authority.

As disclosed in the First Announcement, the Company anticipated the estimated bidding price for the Target Land will not be more than the Estimated Bid, which was RMB26,790,000.

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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 Land Acquisition is set out below:

Date: 18 July 2019

Parties:

- (1) Nanjing Land and Resources Bureau Liuhe Branch, a governmental body in the PRC responsible for, among other things, administrating the use of natural resources including land and minerals; and
- (2) the Project Company

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Nanjing Land and Resources Bureau Liuhe Branch is an Independent Third Party.

Surety paid in order to become a qualified bidder (“**Surety**”): A sum of RMB5,230,000 was deposited with Nanjing Land and Resources Bureau Liuhe Branch as surety for participating in the Listing-for-Sale for the Target Land

Land Grant Price: RMB26,150,000

The Surety will be applied to satisfy part of the Land Grant Price for the Target Land.

Land for transfer: the Target Land, situated at east of Newport Bay Road* (新港灣路), west of Time Avenue* (時代大道) and north of Long Yang Road* (龍揚路) of the Economic Zone

Term of grant: 50 years from the date of delivery

Total site area of the Target Land: Approximately 66,180.67 sq. m.

Use of the Target Land: For industrial use

LAND GRANT PRICE

The Land Grant Price of RMB26,150,000 was the bid price made by the Project Company in the Listing-for-Sale. 20% of the Land Grant Price will be settled by setting off with the Surety of RMB5,230,000 deposited and another 30% of the Land Grant Price of RMB7,845,000 will be settled on or before 2 August 2019. The remaining balance of the Land Grant Price of RMB13,075,000 will be paid by the Project Company on or before 16 October 2019. The Project Company set the said bid price after taking into account of (i) the current property market conditions of Economic Zone, Nanjing City, Jiangsu Province, the PRC; (ii) that was the starting asking price of the Target Land offered by the Nanjing Land and Resources Bureau Liuhe Branch through the Listing-for-Sale; and (iii) that was lower than the Estimated Bid. The Land Grant Price will be satisfied by part of the proceeds generated from issue of convertible bonds to CHG by the Company.

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

INFORMATION OF THE GROUP

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.

REASONS AND BENEFITS OF THE LAND ACQUISITION

Printing is one of the core business segments of the Group. This segment is principally engaged in the distribution and sales of high quality packaging and paper products. As disclosed in the First Announcement, the Land Acquisition formed part of the Acquisitions which will strengthen the Company's position in the printing segment in Hong Kong and the PRC, enhance the Group's printing business by expansion of the production capacities of the Group in the PRC, and support the Group's development plans and presence in the PRC. The acquisition of the Target Land together with the Target Assets located on the Target Land will enhance the production capacity of the printing business of the Company. Accordingly, the Company believes the Land Acquisition is in line with the Company's strategy and will complement the Group's printing business.

Based on the above reasons and benefits, the Directors are of the view that the terms of the Land 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 Land Acquisition is more than 5% but less than 25%, the Land Acquisition constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements.

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

Hong Kong, 18 July 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 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*