

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **HUAJUN INTERNATIONAL GROUP LIMITED**

**華君國際集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 377)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORTS FOR THE YEAR ENDED 31 MARCH 2018 AND 31 MARCH 2017**

Reference is made to (i) annual report for the year ended 31 March 2017 published on 25 July 2017 (the “**2017 Annual Report**”); (ii) the annual report for the year ended 31 March 2018 published on 30 July 2018 (the “**2017/18 Annual Report**”); and (iii) the annual report for the nine months ended 31 December 2018 published on 27 May 2019 (the “**2018 Annual Report**”) (collectively, the “**Annual Reports**”). Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings as those defined in the Annual Reports.

The Company would like to provide the following supplemental information in relation to the Annual Reports.

#### **Change in use of proceeds from the Placing and the First Convertible Bond**

As disclosed on page 43 of the 2017 Annual Report, approximately HK\$20 million of the proceeds from placing of new shares as announced by the Company on 8 and 28 July 2016 (the “**Placing**”) originally intended to be used for a potential acquisition of a company which is a licensed corporation had not yet been utilized as at 31 March 2017. As there was a delay

in timing of completion for acquisition of a licensed corporation since longer approval time is required by the relevant regulatory authority when compared to the original expectation, such proceeds had been then utilized as general working capital of the Company's head office in Hong Kong during the year ended 31 March 2018. The Company has utilized the net proceeds from the First Convertible Bond for the acquisition of the licensed corporation which was completed in November 2017.

### **Change in use of proceeds from the Third Convertible Bond**

The Company originally intended to use the proceeds from the Third Convertible Bond of HK\$217.7 million for settlement of progress payment for the Group's property development project in respect of the Bao Hua Financial Centre\* (保華金融中心), a property wholly-owned by the Group and situated in Dalian City, the PRC. The reason for the change in use of proceeds of the Third Convertible Bond is because there was a delay in settlement of the progress payment due to contractual disputes with the contractor, which have now been resolved. The Company has subsequently utilized the general working capital of the Group to settle the said progress payment. Therefore, certain proceeds had been used for alternative uses as (i) repayment of borrowings of the Group; (ii) working capital of a licensed corporation of the Group; and (iii) other operating expenses of the Group, which has been disclosed on page 47 of the 2017/18 Annual Report.

## Change in use of proceeds from the 2018 Convertible Bonds

As disclosed on page 48 of the 2018 Annual Report, the net proceeds from the issue of convertible bonds announced by the Company on 26 October 2018 (the “**2018 Convertible Bonds**”) had not yet been utilized as at 31 December 2018. The issue of the 2018 Convertible Bonds was completed on 27 June 2019. The details of the use of proceeds from the 2018 Convertible Bonds during the year ended 31 December 2018 and their reallocation are set out as follows:

	Intended use of proceeds from the 2018 Convertible Bonds	Proceeds utilized during the year ended 31 December 2018	Unutilized proceeds as at 31 December 2018
Repayment of borrowings ( <i>Notes 1</i> )	HK\$502,140,000	–	HK\$502,140,000
Payment payable or to be payable for construction costs of existing property projects of the Group ( <i>Note 2</i> )	HK\$198,240,000	–	HK\$198,240,000
The Group’s investment in and acquisition of assets in the property development and investments and printing sectors that are complementary to the Company’s existing principal activities ( <i>Notes 3 and 4</i> )	HK\$299,020,000	–	HK\$299,020,000
<b>Total</b>	HK\$999,400,000	–	HK\$999,400,000

### Notes:

- Up to the date of this announcement, HK\$353.6 million had been used as intended for repayment of borrowings, HK\$20 million had been reallocated to be used as working capital of the Company’s head office from the original intended use for repayment of borrowings because there was a need for the working capital of the Company’s head office. The remaining HK\$128.5 million is expected to be utilized on or before 30 September 2019 for repayment of borrowings.
- Up to the date of this announcement, the entire sum had been utilized as intended for construction costs of existing property projects of the Group.

3. As disclosed by the Company in its announcement dated 8 May 2019, there was a change in the use of proceeds from the 2018 Convertible Bonds. The original use was for settlement of partial considerations for the acquisition of the entire equity interest 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). However, as announced by the Company on 1 April 2019, the abovementioned acquisition has lapsed, therefore the Company's intended use of proceeds has changed and the Company now intends to apply the proceeds from the 2018 Convertible Bonds for the Group's investment in and acquisition of assets in the property development and investments and printing sectors that are complementary to the Company's existing principal activities which is the property development for setting up of high-end printing and packaging production base ("**Production Base**").
4. Up to the date of this announcement, HK\$68.4 million will be applied for the acquisition of assets in the Production Base in Liuhe Economic Development Zone, Nanjing City, Jiangsu Province, the PRC, as announced by the Company in its announcements dated 15 May 2019, 6 June 2019 and 3 July 2019. Out of the HK\$68.4 million, HK\$11.4 million had been utilized by the date of this announcement, and the remaining HK\$57 million is expected to be utilized before the end of August 2019. Approximately HK\$30.8 million will be applied for bidding of the land for the Production Base which is expected to be utilized before 30 September 2019. Approximately HK\$175.8 million will be applied for the acquisition of 30% equity interest in and debts due by Wuxi Huize Real Estate Co., Ltd., as announced by the Company in its announcements dated 24 May 2019 and 25 June 2019. Out of the HK\$175.8 million, HK\$52.4 million had been utilized and the remaining HK\$123.4 million is expected to be utilised on or before 30 September 2019. The remaining HK\$24 million will be reallocated to be used as general working capital of the Group from the original intended use for the Group's investment in and acquisition of assets in the property development and investments and printing sectors that are complementary to the Company's existing principal activities because the consideration to be paid for the acquisitions are less than the estimated amount and therefore the remaining proceeds of HK\$24 million are to be used as general working capital, which is expected to be utilized on or before 30 September 2019.

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

Hong Kong, 2 August 2019

*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