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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)**

### **MEMORANDUM OF UNDERSTANDING IN RESPECT OF POTENTIAL TRANSACTIONS**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

#### **THE MOU**

The Board is pleased to announce that on 14 February 2020 (after trading hours of the Stock Exchange), the Company entered into a non-legally binding MOU with the Vendors in relation to the Potential Transactions.

The MOU is non-legally binding and is subject to, among others, the execution of the formal agreement. The terms of the formal agreement for the Potential Transactions have not yet been determined.

#### **GENERAL MATTERS**

The Potential Transactions, if materialized, may constitute a notifiable transaction and connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules and further announcement will be made by the Company when appropriate in accordance with the Listing Rules. No binding agreement in relation to the Potential Transactions has been entered into between the Company and the Vendors as at the date of this announcement.

**As the Potential Transactions may or may not materialize, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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## **PRINCIPLE TERMS OF THE MOU**

Date: : 14 February 2020

Parties : Purchaser : Huajun International Group Limited

Vendor A : Huajun Holdings Group Limited\* (華君控股集團有限公司)

Vendor B : Chinese Meng Group Co., Limited (中國孟集團股份有限公司)

Vendor C : Huajun Group Co., Ltd\* (華君集團有限公司)

As advised by the Vendors, as of the date of this announcement, Mr. Meng Guang Bao (the controlling shareholder, chairman and executive director of the Company) (“**Mr. Meng**”) holds more than 30% of the shares of each of the Vendors and each of the Vendors are therefore associates of a connected person of the Company under the Listing Rules. The Potential Transactions, if materialized, may constitute connected transaction of the Company under Chapter 14A of the Listing Rules.

### **Assets to be acquired**

Pursuant to the MOU, the Company intends to purchase and the Vendors intends to sell the entire equity interest in the Target Companies.

As at the date of this announcement and as advised by the Vendors:

- a. the principal activities of Target Company A and its subsidiaries include catering services;
- b. the principal activities of Target Company B and its subsidiaries include hotel management and related services;
- c. the principal activities of Target Company C and its subsidiaries include wholesale and retail of daily commodities;
- d. the principal activities of Target Company D and its subsidiaries include research and production of solar and photovoltaic modules; and
- e. the principal activities of Target Company E and its subsidiaries include manufacturing of hydraulic machinery and accessories.

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**As the Potential Acquisition may or may not materialize, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings given to them as below:

|                          |   |
|--------------------------|---|
| “associate(s)”           | has the meaning ascribed to it under the Listing Rules  |
| “Board”                  | the board of Directors  |
| “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 |
| “connected person”       | has the meaning ascribed to it under the Listing Rules  |
| “Director(s)”            | the director(s) of the Company  |
| “Hong Kong”              | the Hong Kong Special Administrative Region of the PRC  |
| “Listing Rules”          | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “MOU”                    | the memorandum of understanding dated 14 February 2020 entered into between the Company and the Vendors   |
| “Potential Transactions” | the intended sale and purchase of the entire equity interest in the Target Companies  |
| “PRC”                    | the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan  |
| “SFO”                    | Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)  |
| “Share(s)”               | ordinary share(s) of HK\$1.00 each in the share capital of the Company  |
| “Shareholders”           | holder(s) of the Share(s)   |

|                    |   |
|--------------------|---|
| “Stock Exchange”   | The Stock Exchange of Hong Kong Limited   |
| “Target Companies” | collectively, Target Company A, Target Company B, Target Company C, Target Company D and Target Company E   |
| “Target Company A” | Dalian Mingzhe Chaozhou City Catering Management Co., Ltd.* (大連明哲潮州城餐飲管理有限公司), a limited liability company established in the PRC, which is indirectly wholly-owned by Vendor A                                 |
| “Target Company B” | Huajun Hotel (Shenyang) Co., Ltd.* (華君酒店(瀋陽)有限公司), a limited liability company established in the PRC, which is indirectly wholly-owned by Vendor A   |
| “Target Company C” | Henglifeng Mall (Dalian) Co., Ltd.* (恒利豐商城(大連)有限公司), a limited liability company established in the PRC, which is indirectly wholly-owned by Vendor B   |
| “Target Company D” | Jurong Zhongyou Photovoltaic Technology Co., Ltd.* (句容中友光伏科技有限公司), a limited liability company established in the PRC, which is a subsidiary of Vendor C and ultimately wholly-owned by Mr. Meng and his spouse |
| “Target Company E” | Huajun Equipment Co., Ltd.* (華君裝備有限公司), a limited liability company established in the PRC, which is indirectly wholly-owned by Vendor A  |
| “Vendor A”         | Huajun Holdings Group Limited* (華君控股集團有限公司), a limited liability company established in the PRC, which is ultimately wholly-owned by Mr. Meng and his spouse  |

|            |   |
|------------|---|
| “Vendor B” | Chinese Meng Group Co., Limited (中國孟集團股份有限公司), a limited liability company established in Hong Kong, which is ultimately wholly-owned by Mr. Meng |
| “Vendor C” | Huajun Group Co., Ltd* (華君集團有限公司), a limited liability company established in the PRC, which is ultimately wholly-owned by Mr. Meng               |
| “Vendors”  | collectively, Vendor A, Vendor B and Vendor C   |
| “%”        | per cent.   |

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

Hong Kong, 14 February 2020

*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 purpose only*