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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)

INSIDE INFORMATION

LEGAL PROCEEDINGS ON BREACH OF LOAN AGREEMENT

This announcement is made by Huajun International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.19 of the Listing Rules.

On 20 January 2020, Shanghai Yiyi (Greenland) Investment Partnership (Limited Partnership)* (上海廩溢(綠地)投資合夥企業(有限合夥)) issued and filed a statement of claim against Baohua Real Estate (Jiangsu) Company Limited* (保華地產(江蘇)有限公司), a subsidiary of the Company (“**Baohua Real Estate Jiangsu**”), under the Shanghai Financial Court* (上海金融法院) for an alleged breach of loan agreement (the “**Loan**”) due to default in repayment of the remaining principal amount of approximately RMB169.5 million (original loan principal amount of RMB450 million of which RMB280.5 million was partially repaid). The Loan was guaranteed by (i) Mr. Meng Guang Bao, an executive director and chairman of the board of directors the Company (the “**Board**”); and (ii) the Company.

Given that the above-mentioned legal proceedings are at an early stage, the Board considers that it is not practical to assess its potential impact on the Company at the moment. The Company's repayment plan and arrangement of the above RMB169.5 million loan balance was delayed due to the impact of the sudden outbreak of a new coronavirus. The resumption, construction, and sales of real estate projects held by Baohua Real Estate Jiangsu were to a certain extent affected by the epidemic. However, the Company believes with concerted effort of the whole community, the epidemic situation will be overcome. The Company will actively handle the legal proceedings. In any event, the Board believes the legal proceedings do not affect the normal operation of the Group. As at the date of this announcement, the Company is seeking legal advice in respect of the legal proceedings.

The Company will actively respond to the action and make further announcement(s) to keep its shareholders and investors informed of any significant development of the abovementioned legal proceedings as and when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in securities of the Company.

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

Hong Kong, 28 February 2020

As at the date of this announcement, the Board comprises Mr. Meng Guang Bao, Ms. Zhang Ye, Ms. Huang Xiumei 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*