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## **CHINA HUAJUN GROUP LIMITED**

**中國華君集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 377)**

### **MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POTENTIAL TRANSACTION**

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 21 October 2020 (after trading hours), the Company entered into a non-legally binding MOU with the Vendors, in relation to the Potential Transaction.

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 Transaction have not yet been determined.

#### **GENERAL MATTERS**

The Potential Transaction, 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 Transaction has been entered into by the Company and the Vendors as at the date of this announcement.

**As the Potential Transaction 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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## **PRINCIPAL TERMS OF THE MOU**

Date:	21 October 2020
Parties:	Purchaser: China Huajun Group Limited (中國華君集團有限公司)
	Vendor A: Huajun Group Limited (華君集團有限公司)
	Vendor B: Mr. Li De Zhi* (李德智先生)
	Vendor C: Mr. Guo Xi Bin* (郭錫斌先生)
	Vendor D: Ms. Meng Ling Xin* (孟凌新女士)

As advised by the Vendor A, as of the date of this announcement, Vendor A is a controlling shareholder of the Company and Mr. Meng Guang Bao (the controlling shareholder and director of the Company) (“**Mr. Meng**”) holds more than 30% of the shares of the Vendor A and the Vendor A is therefore an associate of a connected person of the Company under the Listing Rules.

As at the date of this announcement, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Vendor B, Vendor C and Vendor D are Independent Third Parties.

## **Assets to be acquired**

Pursuant to the MOU, the Company intends to purchase and the Vendors intend to sell the entire equity interest in the Target Company and related interests in its subsidiaries. As of the date of this announcement, as notified by the Vendors, Vendor A, Vendor B, Vendor C and Vendor D hold approximately 99.9978%, 0.0010%, 0.0008% and 0.0004% equity interest in the Target Company respectively. The principal businesses of the Target Company and its subsidiaries include healthcare, agriculture and retail service.

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**As the Potential Transaction 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”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company” or “Purchaser”	China Huajun Group Limited (中國華君集團有限公司) (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

“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 21 October 2020 entered into between the Company and the Vendors
“Potential Transaction”	the intended sale and purchase of the entire equity interest in the Target Company and related interests in its subsidiaries
“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 Company”	Huajun Health Management Co., Ltd.* (華君健康管理有限公司), a limited liability company established in the PRC with 99.9978%, 0.0010%, 0.0008% and 0.0004% equity held by Vendor A, Vendor B, Vendor C and Vendor D, respectively
“Vendors”	collectively, the Vendor A, the Vendor B, the Vendor C and the Vendor D

“Vendor A”	Huajun Group Limited (華君集團有限公司) a limited liability company established in Hong Kong, which is a controlling shareholder of the Company and ultimately wholly-owned by Mr. Meng Guang Bao
“Vendor B”	Mr. Li De Zhi (李德智先生), an Independent Third Party and a PRC businessman
“Vendor C”	Mr. Guo Xi Bin (郭錫斌先生), an Independent Third Party and a PRC businessman
“Vendor D”	Ms. Meng Ling Xin (孟凌新女士), an Independent Third Party and a PRC businessman
“%”	per cent.

By Order of the Board  
**China Huajun Group Limited**  
**Tam Ka Lung**  
*Company Secretary*

Hong Kong, 21 October 2020

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