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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)**

### **INSIDE INFORMATION UPDATE ON LEGAL PROCEEDINGS ON BREACH OF LOAN AGREEMENT**

This announcement is made by China Huajun 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.

Reference is made to the previous inside information announcement of the Company dated 31 December 2020 (the “**Announcement**”) in relation to the legal proceedings (the “**Legal Proceedings**”) initiated by the Shanghai branch of China Great Wall Asset Management Co., Ltd.\* (中國長城資產管理有限公司上海分公司) (the “**Lender**”, which is an independent third party of the Company) against Baohua Real Estate (Dalian) Co., Ltd.\* (保華地產(大連)有限公司) (the “**Subsidiary**”, an indirect wholly-owned subsidiary of the Company). Unless otherwise defined in this announcement, all capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to update the Shareholders and the potential investors of the Company in respect of the progress of the Legal Proceedings in this announcement.

The Shanghai Finance Court (上海金融法院) issued a notice of execution (執行通知書) dated 5 February 2021 to Huajun Holdings Group Co., Ltd\* (華君控股集團有限公司), which is a private company wholly owned by Mr. Meng Guang Bao (“**Mr. Meng**”) (executive director and chairman of the Company) and his spouse, which was received on 18 February 2021. The Company was notified about the receipt of such notice through Mr. Meng.

As the Group has not received any documents in relation to the Legal Proceedings, the Group has recently arranged its PRC lawyer to obtain directly from the Shanghai Financial Court the (i) Notice of Execution\* (執行通知書) dated 5 February 2021 issued by The Shanghai Financial Court (上海金融法院) against Baohua Real Estate Development (Shanghai) Co., Ltd\* (保華房地產開發(上海)有限公司) (“**Baohua Shanghai**”), a subsidiary of the Company who is the borrower of the Loan, pursuant to which Baohua Shanghai is ordered to pay the outstanding balance of the Loan plus interests to the Lender; (ii) Asset Report Order\* (報告財產令) dated 5 February 2021 issued by The Shanghai Financial Court (上海金融法院) against the Subsidiary, Baohua Shanghai, the Company and Huajun Holdings Group Co., Ltd\* (華君控股集團有限公司), who are collectively guarantors of the Loan secured by the Subsidiary (the “**Guarantors**”), pursuant to which the Guarantors are required to report their assets and relevant financial information to the court; and (iii) Execution Certificate\* (執行證書) dated 11 January 2021 issued by the Shanghai Huangpu Notary Public Office\* (中華人民共和國上海市黃浦公証處), pursuant to which the Lender can use the Execution Certificate for application to the relevant courts of the People’s Republic of China for enforcement.

The guarantor, Huajun Holdings Group Co., Ltd. has submitted an application for non-enforcement to the Shanghai Financial Court in accordance with the law, and is waiting for the court to decide whether to terminate the enforcement. The Company is currently seeking legal advice, and will 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  
**China Huajun Group Limited**  
**Meng Guang Bao**  
*Chairman and Executive Director*

Hong Kong, 5 March 2020

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