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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)

SUPPLEMENTAL AGREEMENT TO THE ASSETS TRANSFER AGREEMENT REGARDING DISCLOSEABLE TRANSACTION IN RELATION OF SETTING UP OF HIGH-END PRINTING AND PACKAGING PRODUCTION BASE IN LIUHE ECONOMIC DEVELOPMENT ZONE, NANJING CITY, JIANGSU PROVINCE, THE PRC

SUPPLEMENTAL AGREEMENT TO THE ASSETS TRANSFER AGREEMENT

The Board announces that on 6 June 2019 (after trading hours), the Project Company, an indirect wholly-owned subsidiary of the Company, entered into the Supplemental Agreement with the Vendors, pursuant to which the parties agreed to amend certain terms of the Assets Transfer Agreement.

Completion is subject to the fulfillment of the conditions set out in the Assets Transfer Agreement, and therefore the Assets Transfer Agreement may or may not proceed. There is no guarantee and/or assurance that New Island and/or the Project Company will eventually win the bid for the Target Land under the Listing-for-Sale and therefore the Investment Agreement may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

INTRODUCTION

Reference is made to the announcement (the “**Announcement**”) of Huajun International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 15 May 2019 in relation of setting up of high-end printing and packaging production base in Liuhe Economic Development Zone, Nanjing City, Jiangsu Province, the PRC. Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

As announced by the Company in the Announcement, New Island, an indirect wholly-owned subsidiary of the Company, has entered into the Investment Agreement and the Assets Transfer Agreement with various parties. Pursuant to the Assets Transfer Agreement, the Vendors have conditionally agreed to sell, and the Project Company has conditionally agreed to purchase, the Target Assets at the Assets Consideration of RMB87,000,000.

SUPPLEMENTAL AGREEMENT TO THE ASSETS TRANSFER AGREEMENT

The Board announces that on 6 June 2019 (after trading hours), the Project Company, an indirect wholly-owned subsidiary of the Company, entered into the supplemental assets transfer agreement with the Vendors (the “**Supplemental Agreement**”) for the purpose of supplementing and amending the Assets Transfer Agreement. Pursuant to Supplemental Agreement the parties agreed, among other things, to reduce the Assets Consideration.

Principal terms of the Supplemental Agreement are set out as follows:

1. The Assets Consideration shall be reduced from RMB87,000,000 to RMB60,010,000 (the “**Revised Assets Consideration**”).
2. The Revised Assets Consideration shall be payable by the Project Company to the Vendors in the following manner:
 - (i) RMB10,000,000 to be paid within 5 days from the date of signing of the Supplemental Agreement;

- (ii) RMB48,010,000 to be paid within 30 days from the date of signing of the Supplemental Agreement, upon receipt of which the Vendors shall complete the completion process for accomplishment of the relevant registration of the title certificates and producing valid invoices within 3 days from the date of receipt of this sum; and
- (iii) RMB2,000,000, being the remaining balance of the Assets Consideration to be paid within 15 days after the Project Company has obtained the title certificate and valid invoices.

All other terms and conditions of the Assets Transfer Agreement remain the same.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Company is an investment holding company. The principal activities of the Group are: (i) sale and manufacturing of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products; (ii) trading and logistics; (iii) provision of financial services; (iv) property development and investments; and (v) manufacturing and sales of photovoltaic products. The Group always looks for suitable investment opportunities to strengthen its existing segment in property development and investments and business establishment in the PRC.

As the Vendors cannot produce sufficient valid VAT invoices to substantiate the amount of RMB87,000,000 (the original Assets Consideration) of the Target Assets, the Project Company has requested the Vendors to reduce the Assets Consideration. The Revised Assets Consideration was determined by the Project Company and the Vendors after arm's length negotiations with reference to the estimated fair value of the Target Assets, evidence produced by the Vendors after the execution of the Assets Transfer Agreement and the amount of the Returned Sum, as referred in the Announcement, which will no longer be returned to the Project Company by the Liuhe Development Committee. As such, having considered the above, the Board is of the view that the Revised Assets Consideration, and accordingly the terms of the Supplemental Agreement, are fair and reasonable and on normal commercial terms and in the interests of the Group and the Shareholders as a whole.

Completion is subject to the fulfillment of the conditions set out in the Assets Transfer Agreement, and therefore the Assets Transfer Agreement may or may not proceed. There is no guarantee and/or assurance that New Island and/or the Project Company will eventually win the bid for the Target Land under the Listing-for-Sale and therefore the Investment Agreement may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 6 June 2019

As at the date of this announcement, the Board comprises Mr. Meng Guang Bao, Ms. Zhang Ye, Mr. Guo Song, Mr. He Shufen 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.