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HUAJUN HOLDINGS LIMITED

華君控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 377)

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF SUCCESS CREST

THE DISPOSAL

The Board is pleased to announce that on 26 March 2015 (after trading hours of the Stock Exchange), the Company as the vendor, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Share at the Consideration of RMB90,000,000 (equivalent to approximately HK\$112,500,000) in cash.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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* *For identification purposes only*

SALE AND PURCHASE AGREEMENT

Date : 26 March 2015

Parties : (i) Hung Jia Holdings Limited being the Purchaser
(ii) The Company being the vendor

As advised by the Purchaser, as at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save and except Zhang Yuanqing* and Bao Ning*, the shareholders of the Purchaser, who are holding in aggregate not more than eight per cent (8%) of the issued share capital of the Company, the Purchaser and its ultimate beneficial owner(s) were Independent Third Parties. As advised by the Purchaser, the Purchaser is principally engaged in investment holding.

Assets to be disposed of

The Sale Share represents the 100% equity interest of Success Crest. Success Crest is an investment holding company incorporated under the laws of the British Virgin Islands with limited liability. As at the date of this announcement, Success Crest is a directly wholly-owned subsidiary of the Company. The Subsidiaries and Yingkou and Fangcheng (being the wholly-owned subsidiary of Yingkou) in turn are directly/indirectly owned subsidiaries of Success Crest.

Pursuant to the Sale and Purchase Agreement, Success Crest and the Subsidiaries are the subject matter to be disposed of by the Company to Purchaser. Pursuant to the Sale and Purchase Agreement, the Company will arrange for the shares of Yingkou to be transferred to another wholly-owned subsidiary of the Company and the Purchaser shall assist the Company to complete the transfer of shares of Yingkou. Thereafter, Yingkou and Fangcheng will cease to be subsidiaries of Success Crest. Please refer to the definition for the details of the Subsidiaries.

Consideration

Pursuant to the Sale and Purchase Agreement, the Consideration of RMB90,000,000 (equivalent to approximately HK\$112,500,000) shall be paid by the Purchaser to the Company in one lump sum within 10 Business Days from the date of signing of the Sale and Purchase Agreement. The Consideration was determined by the Company and Purchaser after arm's length negotiations after taking into account of the market value of the assets of Success Crest and the Subsidiaries and the reasons and benefit of the Disposal as described under the paragraph headed "REASONS AND BENEFITS OF THE DISPOSAL" below.

Having considered the above, the Directors are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Registration and Completion

Pursuant to the Sale and Purchase Agreement immediately after the receipt of the Consideration from the Purchaser, the Company shall (i) procure to conduct and complete any necessary registration (the “**Registration**”) in respect of the changes of shareholding of the Sale Share and the change of director of Success Crest at the request of the Purchaser and (ii) provide any relevant certificates and documents of Success Crest to the Purchaser. Completion of the Disposal shall take place immediately following the completion of the Registration.

Upon Completion, the Company will cease to have any interest in Success Crest and the Subsidiaries, and hence Success Crest and the Subsidiaries will cease to be indirect owned subsidiaries of the Company and Yingkou (including Fangcheng) will continue to be indirectly subsidiaries of the Company. The financial results of each of Success Crest and the Subsidiaries will no longer be consolidated in the Group’s consolidated financial statements.

Information of the Company

The principal business activity of the Company is investment holding. The Group is principally engaged in (i) the sale and manufacture of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products; (ii) provision of finance; (iii) securities investments; (iv) property investments; and (v) financial leasing.

Information of the Purchaser

As informed by the Purchaser, the Purchaser, a company incorporated in British Virgin Islands with limited liability, is principally engaged in investment holding. Save and except Zhang Yuanqing* and Bao Ning*, who are the shareholders of the Purchaser, holding in aggregate not more than eight per cent (8%) of the issued share capital of the Company, the Purchaser and its ultimate beneficial owner(s) were Independent Third Parties.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

Information of Success Crest and the Subsidiaries

The principal business of Success Crest is investment holding. As at the date of this announcement, Success Crest is a directly wholly-owned subsidiary of the Company and an intermediate holding company of the Subsidiaries. Details of the interests of the Subsidiaries by Success Crest, please refer to the definition of the Subsidiaries.

Set out below is a summary of the unaudited financial information of Success Crest and the Subsidiaries for the years ended 31 December 2013 and 31 December 2014 (for illustration purposes only):

| | For the year ended 31 December 2013 | For the year ended 31 December 2014 |
|----------------------|--|--|
| | <i>(RMB'000)</i> | <i>(RMB'000)</i> |
| | (unaudited) | (unaudited) |
| Loss before taxation | NA (<i>see Note</i>) | 3,065 |
| Loss after taxation | NA (<i>see Note</i>) | 3,068 |
| Net assets | NA (<i>see Note</i>) | 25,780 |

Note:

1. Success Crest was established in the British Virgin Islands on 28 July 2014.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors consider that, subject to Completion, the Disposal offers an opportunity for the Group to shorten the investment return period, to streamline the Company's business and to realize its investments in Disposal Group concurrently with certainty notwithstanding the market conditions. In addition, upon Completion and full payment of the Consideration, the Group will be able to have the liquidity to finance any new suitable investment opportunity to promote a sustainable growth of the Company in future.

In view of the above, the Directors consider that the terms of the Disposal are on normal commercial terms and are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders of the Company as a whole.

FINANCIAL IMPACT AND USE OF PROCEEDS FROM THE DISPOSAL

As a result of the Disposal, it is anticipated that upon Completion, the Company would realize a net gain of approximately RMB26,700,000 (approximately HK\$33,375,000), which represents the difference between the Consideration and the cost of acquiring the Disposal Group. The proceeds received from the Disposal will be used as general working capital. The actual gain or loss on the Disposal is subject to the audited carrying value of the net assets of the Disposal Group as at the date of Completion.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

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

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| “Board” | the board of Directors |
| “Business Days” | a day (other than a Saturday) on which licensed banks in Hong Kong are open for general banking business |
| “Company” | Huajun Holdings Limited (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 |
| “Completion” | the completion of the Disposal pursuant to the terms and conditions of the Sale and Purchase Agreement |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Consideration” | the consideration payable by the Purchaser to the Company for the Sale Share, being RMB90,000,000 (equivalent to approximately HK\$112,500,000) |
| “Director(s)” | the director(s) of the Company |
| “Disposal” | the disposal of Sale Share of Success Crest by the Purchaser pursuant to the Sale and Purchase Agreement |
| “Disposal Group” | Success Crest and the Subsidiaries |
| “Fangcheng” | Yingkou Fangcheng Properties Development Co., Ltd* (營口方成房地產開發有限公司), a limited liability company established in the PRC. As at the date of this announcement, Fangcheng is a directly 100% owned subsidiary of Yingkou. Fangcheng is principally engaged in, among other things, property investment and development |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |

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| “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 |
| “PRC” | the People’s Republic of China |
| “Purchaser” | Hung Jia Holdings Limited (紅佳控股有限公司), a company incorporated in the British Virgin Islands with limited liability, the issued share capital of which is US\$3 divided into 3* shares, to which 33.3*% and 33.3*% owned by Zhang Yuanqing (張元清)* and Bao Ning*(鮑寧) respectively |
| “Sale Share” | one issued share, being the 100% equity interest of Success Crest |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Share and Purchase Agreement” | the sale and purchase agreement dated 26 March 2015 entered into between the Company and the Purchaser in relation to the Disposal |
| “Shareholders” | the holders of Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subsidiaries” | collectively Subsidiary A, Subsidiary B, Subsidiary C, Subsidiary D, Subsidiary E, Subsidiary F, Subsidiary G and Subsidiary H |
| “Subsidiary A” | B & H Properties Group Limited (保華地產集團有限公司), a company incorporated in Hong Kong with limited liability. As at the date of this announcement, Subsidiary A is an indirectly wholly-owned subsidiary of the Company. Subsidiary A is principally engaged in investment |
| “Subsidiary B” | 保華置業管理(中國)有限公司, a company incorporated in PRC with limited liability. As at the date of this announcement, Subsidiary B is an indirectly wholly-owned subsidiary of the Company. Subsidiary B is principally engaged in Real Estate associated business |

- “Subsidiary C” 深圳市保興投資有限公司, a company incorporated in PRC with limited liability. As at the date of this announcement, Subsidiary C is an indirectly wholly-owned subsidiary of the Company. Subsidiary C is principally engaged in investment
- “Subsidiary D” 深圳市保發源投資有限公司, a company incorporated in PRC with limited liability. As at the date of this announcement, Subsidiary D is an indirectly wholly-owned subsidiary of the Company. Subsidiary D is principally engaged in investment
- “Subsidiary E” 深圳市寶元亨投資有限公司, a company incorporated in PRC with limited liability. As at the date of this announcement, Subsidiary E is an indirectly wholly-owned subsidiary of the Company. Subsidiary E is principally engaged in investment
- “Subsidiary F” 瀋陽市保通達物業管理有限公司, a company incorporated in PRC with limited liability. As at the date of this announcement, Subsidiary F is an indirectly wholly-owned subsidiary of the Company. Subsidiary F is principally engaged in property management
- “Subsidiary G” 瀋陽市花卉研究所有限公司, a company incorporated in PRC with limited liability. As at the date of this announcement, Subsidiary G is 100% jointly owned by Subsidiary D and Subsidiary E, both of which are indirectly wholly-owned subsidiaries of the Company. Subsidiary G is principally engaged in floriculture
- “Subsidiary H” 瀋陽頤陽幹細胞有限技術公司, a company incorporated in PRC with limited liability. As at the date of this announcement, Subsidiary H is an indirectly 70% owned subsidiary of the Company. Subsidiary H is principally engaged in stem cell research
- “Success Crest” Success Crest Investment Limited, a company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, Success Crest is a directly wholly-owned subsidiary of the Company
- “Yingkou” Yingkou Wanhe Industrial Co. Ltd* (營口萬合實業有限公司), a limited liability company established in the PRC. As at the date of this announcement, Yingkou is an indirectly 80% owned subsidiary of the Company. Yingkou is principally engaged in, among other things, securities investment, project investment, industrial investment, investment consultation

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| “%” | per cent |
| “HK\$” | Hong Kong Dollar, the lawful currency of Hong Kong |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “US\$” | United States Dollar, the lawful currency of the United States of America |

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If there is any inconsistency in this announcement between the Chinese and English versions, then English version shall prevail.

For the purposes of illustration only, any amount denominated in RMB in this announcement was translated into HK\$ at the rate of RMB1 = HK\$1.25. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

By Order of the Board
Meng Guang Bao
Chairman and Executive Director

Hong Kong, 26 March 2015

As at the date of this announcement, the Board comprises Mr. Meng Guang Bao (Chairman), Mr. Wu Jiwei (Chief Executive Officer) and Mr. Guo Song (Deputy Chief Executive Officer) as executive Directors; and Mr. Zheng Bailin, Mr. Shen Ruolei and Mr. Pun Chi Ping as independent non-executive Directors.