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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 NEW ISLAND PROPERTY

THE DISPOSAL

The Board is pleased to announce that on 26 March 2015 (after trading hours of the Stock Exchange), the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Share at the Consideration of HK\$142,800,000.

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 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) Folli Follie Group Holding Co., Ltd, being the Purchaser
(ii) New Island Holdings (B.V.I.) Limited, 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, the Purchaser and its ultimate beneficial owner(s) were Independent Third Parties. The Purchaser is principally engaged in investment holding.

Assets to be disposed of

The Sale Share represents the 100% equity interest of New Island Property. New Island Property is an investment holding company incorporated under the laws of the British Virgin Islands with limited liability. As at the date of this announcement, New Island Property is an indirectly wholly-owned subsidiary of the Company and directly holds 100% equity interest in NI Property HK, RF Development and Huajun Management.

Pursuant to the Sale and Purchase Agreement, New Island Property, NI Property HK and RF Development are the subject matters to be disposed of by the Vendor to Purchaser. Pursuant to the Sale and Purchase Agreement, the Vendor will arrange for the shares of Huajun Management to be transferred to another indirect wholly-owned subsidiary of the Company within 15 Business Days from the date of signing of the Sale and Purchase Agreement. Thereafter, Huajun Management will cease to be a subsidiary of New Island Property.

Upon Completion, the Company will cease to have any interest in the Disposal Group.

Consideration

Pursuant to the Sale and Purchase Agreement, the Consideration of HK\$142,800,000 shall be paid by the Purchaser to the Vendor 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 Vendor and Purchaser after arm's length negotiations after taking into account of the market value of the assets of New Island Property 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 due receipt of the Consideration from the Purchaser, the Vendor shall (i) procure to conduct and complete any necessary registration (the “**Registration**”) in respect of the change of shareholding of the Sale Share and (ii) provide any relevant certificates and documents to the Purchaser. Completion of the Disposal shall take place immediately following the completion of the Registration.

Upon Completion, New Island Property, NI Property HK and RF Development will cease to be indirect wholly-owned subsidiaries of the Company and the financial results of New Island Property, NI Property HK and RF Development will not be consolidated into the Company’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 Marshall Islands with limited liability, is principally engaged in investment holding.

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 on the Disposal Group

The principal business of New Island Property is investment holding. As at the date of this announcement, New Island Property is an indirectly wholly-owned subsidiary of the Company.

As at the date of this announcement, New Island Property directly holds 100% equity interest respectively in NI Property and RF Development which are principally engaged in property holding. Save and except for the property investment through NI Property HK, RF Development and Huajun Management, New Island Property does not have any material assets or principal activities that generate material revenue.

FINANCIAL INFORMATION ON THE DISPOSAL GROUP

Set out below is a summary of the unaudited consolidated financial information of the Disposal Group for the years ended 31 March 2013 and 31 March 2014 prepared in accordance with the Hong Kong Financial Reporting Standards (for illustration purposes only):

	For the year ended 31 March 2014 (HK\$'000) (unaudited)	For the year ended 31 March 2013 (HK\$'000) (unaudited)
Loss before taxation	3,240	7
Loss after taxation	3,278	7
Net liabilities	5,080	1,837

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 and to realize its investments in the 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 the identified, 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

Immediately upon Completion, the Disposal Group will cease to be indirect wholly-owned subsidiaries of the Company and hence the assets, liabilities and results of New Island Property and its two subsidiaries, namely NI Property HK and RF Development will no longer be consolidated into the financial statements of the Group.

As a result of the Disposal, it is anticipated that upon Completion, the Group would realize a net gain of approximately HK\$34.3 million, which represents the difference between the Consideration and the carrying value of the unaudited net book value of the properties of the Disposal Group as at the end of February 2015. The proceeds received from the Disposal will be used as repayment of indebtedness. 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:

“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 Vendor for the Sale Share, being HK\$142,800,000
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of Sale Share of New Island Property pursuant to the Sale and Purchase Agreement
“Disposal Group”	New Island Property and its two subsidiaries, namely NI Property HK and RF Development
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huajun Management”	Huajun Management Limited (華君管理有限公司), a company incorporated in Hong Kong with limited liability. As at the date of this announcement, Huajun Management is a direct wholly-owned subsidiary of New Island Property and an indirect wholly-owned subsidiary of the Company, which does not form a part of the Disposal Group

“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”	Folli Follie Group Holding Co., Ltd, a company incorporated in the Marshall Islands with limited liability, whose shares are owned by Xie Aimin
“Share and Purchase Agreement”	the sale and purchase agreement dated 26 March 2015 entered into between the Vendor and the Purchaser in relation to the Disposal
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	the holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“New Island Property”	New Island Property (B.V.I.) Limited, a company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, New Island Property is an indirect wholly-owned subsidiary of the Company
“NI Property HK”	New Island Property Limited (新洲置業有限公司), a company incorporated in Hong Kong with limited liability. As at the date of this announcement, NI Property HK is an indirect wholly-owned subsidiary of the Company
“RF Development”	Royal Fortune Development Limited (皇福發展有限公司), a company incorporated in Hong Kong with limited liability. As at the date of this announcement, RF Development is an indirect wholly-owned subsidiary of the Company
“Sale Share”	one issued share, being the 100% equity interest of New Island Property

“Vendor” New Island Holdings (B.V.I.) Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company

“%” per cent

“HK\$” Hong Kong Dollar, the lawful currency of Hong Kong

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

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.