

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



HUAJUN INTERNATIONAL GROUP LIMITED

華君國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 377)

(1) CHANGE OF COMPANY LOGO AND (2) MAJOR TRANSACTION IN RELATION TO ACQUISITION OF ASSETS

(1) CHANGE OF COMPANY LOGO

The Board is pleased to announce that with effect from the date of this announcement, the Company has adopted a new logo, as shown on the top of this announcement.

(2) MAJOR TRANSACTION IN RELATION TO ACQUISITION OF ASSETS

Acquisition A

The Board is pleased to announce that on 15 October 2018 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Asset Transfer Agreement A with the Vendor A for the acquisition of Assets A at the Consideration A of RMB125.30 million (subject to downward adjustment, if applicable).

Acquisition B

The Board is also pleased to announce that on 15 October 2018 (after trading hours), the Purchaser entered into the Asset Transfer Agreement B with the Vendor B for the acquisition of Assets B at the Consideration B of RMB465.89 million (subject to downward adjustment, if applicable).

IMPLICATIONS UNDER LISTING RULES

As one or more of the applicable percentage ratios in relation to the Acquisition A and the Acquisition B, on the aggregate basis, is more than 25% but less than 100%, the Acquisitions as contemplated under the Asset Transfer Agreements constitute a major transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting, announcement and shareholders' approval requirements.

As (i) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisitions; and (ii) written shareholder's approval has been obtained from China Huajun Group Limited, which holds more than 50% of the voting rights at the general meeting of the Company to approve the Acquisitions, a written shareholder's approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules. Accordingly, no general meeting is required to be convened for the approval of the Acquisitions pursuant to Rule 14.44 of the Listing Rules.

In accordance with the requirements of the Listing Rules, a circular of the Company containing further details of the Acquisitions will be despatched to the Shareholders on or before 6 November 2018.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

(1) CHANGE OF COMPANY LOGO

With effect from the date of this announcement, the Company has adopted a new logo, as shown on the top of this announcement, which will be printed on the relevant corporate documents of the Company, including but not limited to interim and annual reports, announcements, circulars, share certificates, press releases and for use in its website.

(2) MAJOR TRANSACTION IN RELATION TO ACQUISITION OF ASSETS

Acquisition A

The Board is pleased to announce that on 15 October 2018 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Asset Transfer Agreement A with the Vendor A for the acquisition of the Assets A at the Consideration A of RMB125.30 million, subject to downward adjustment, if applicable.

Principal terms of the Asset Transfer Agreement A are set out as follows:

Date: 15 October 2018 (after trading hours)

Parties: Vendor A: Jurong Simaite Intelligent Science and Technology Co., Ltd.* (句容思麥特智慧科技有限公司); and

Purchaser: Huajun Power Technology (Jiangsu) Co., Ltd.* (華君電力科技(江蘇)有限公司)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor A and its ultimate beneficial owners are the Independent Third Parties.

Assets A

Pursuant to the Asset Transfer Agreement A, the Vendor A has agreed to sell, and the Purchaser has agreed to purchase the Assets A at the Consideration A of RMB125.30 million. The Assets A comprises of the Target Land A and various equipment relating to the production and manufacturing of photovoltaic related products, such as scribing machine, automatic string welding machine, battery string automatic laying tandem machine and etc..

As advised by the Vendor A, the Target Land A is situate at Guozhuang Town Airport Industrial Concentration Zone, Jurong City, Jiangsu Province, the PRC for industrial use with the total land area of approximately 65,700 sq.m. and the total building area of approximately 41,800 sq.m.. As advised by the Vendor A, currently there is a manufacturing plant situate at the Target Land A which was used for production of photovoltaic related products.

Consideration A

Pursuant to the Asset Transfer Agreement A, immediately after the signing of the Asset Transfer Agreement A, the Purchaser will appoint a valuer to prepare a valuation report (the "**Valuation Report A**") in respect of the total value of the Assets A. The Consideration A shall be RMB125.30 million or the said valued amount of the Assets A, whichever is lower. The Consideration A shall be payable by the Purchaser in cash to the Vendor A on the Completion Date.

The initial amount of Consideration A of RMB125.30 million was determined by the Vendor A and the Purchaser on arm's length negotiations with reference to the original acquisition cost of the assets of the Vendor A and then adjusted with reference to the estimated fair value of the Target Land A initially negotiated between the Vendor A and the Purchaser. The final amount of the Consideration will take into account of the valued amount of the Target Assets A stated in the Valuation Report A. As disclosed above, the final amount of the Consideration A will be RMB125.30 million or the said valued amount of the Assets A, whichever is lower. As such, the Board considers that the Consideration A is fair and reasonable and on normal commercial terms and in the interests of the Group and the Shareholders as a whole.

The Consideration A will be funded by the internal resources and/or external borrowing of the Group.

Conditions precedent

Completion A is subject to the fulfillment of the following conditions on or before the Conditions Fulfillment Date:

- (a) the Company having obtained the relevant Shareholders' approval, if required, in relation to the Asset Transfer Agreement A and the transactions contemplated thereunder;
- (b) the Company having issued the circular in relation to the Asset Transfer Agreement A and the transactions contemplated thereunder in accordance with the Listing Rules;
- (c) the Valuation Report A having been completed (to the satisfaction of the Purchaser);
- (d) the Vendor having provided the documents (to its satisfaction) required by the Purchaser proving that the Assets A (including the interest of the Target Land A) have been duly transferred to the Purchaser or its nominee free from any encumbrances and third parties' rights; and
- (e) the Vendor A having obtained and provided to the Purchaser all invoices in compliance with the tax authority in the PRC in respect of the Assets A; and if any of the invoices has not yet issued on the date of the Asset Transfer Agreement A, the Vendor A is responsible for obtaining the relevant invoices and the relevant tax amount shall be fully borne by the Vendor A.

If any of the above conditions has not been fulfilled by the Conditions Fulfillment Date, the Asset Transfer Agreement A shall lapse. The Vendor A shall forthwith refund all amount paid by the Purchaser with interest and penalty. None of the parties shall claim against the other party, upon the said amount has been fully refunded to the Purchaser, save as the antecedent breach made by the parties of the Asset Transfer Agreement A.

Completion A

The Completion A shall take place within 30 business days from the date that all of the above conditions having been fulfilled.

Acquisition B

The Board is pleased to announce that on 15 October 2018 (after trading hours), the Purchaser also entered into the Asset Transfer Agreement B with the Vendor B for the acquisition of Assets B at the Consideration B of RMB465.89 million (subject to downward adjustment, if applicable).

Principal terms of the Asset Transfer Agreement B are set out as follows:

Date: 15 October 2018 (after trading hours)

Parties: Vendor B: Jiangsu Xietong Solar Technology Co., Ltd. (江蘇協通光伏科技有限公司); and

Purchaser: Huajun Power Technology (Jiangsu) Co., Ltd.* (華君電力科技(江蘇)有限公司)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor B and its ultimate beneficial owners are the Independent Third Parties.

Assets B

Pursuant to the Asset Transfer Agreement B, the Vendor B has agreed to sell, and the Purchaser has agreed to purchase the Assets B at the Consideration B of RMB465.89 million (subject to downward adjustment, if applicable). The Assets B comprises of the Target Land B and various equipment relating to the production and manufacturing of photovoltaic related products, such as automatic washing machine (全自動清洗機), automatic degumming machine (全自動脫膠機), diamond wire cutting machine (金剛線截斷機) and etc..

As advised by the Vendor B, the Target Land B is the part of the land parcel situate at Guozhuang Town, Jurong City, Jiangsu Province, the PRC for industrial use with the total land area of approximately 107,000 sq.m.. Pursuant to the Asset Transfer Agreement B, 49 mu* (畝) (equivalent to approximately 32,600 sq.m.) of the said land parcel will not form part of the Assets B. As such, the total land area of the Target Land B is approximately 74,400 sq.m. and the total building area of approximately 43,000 sq.m..

As advised by the Vendor B, currently there is a manufacturing plant situate at the Target Land B, which was used for production of photovoltaic related products.

Consideration B

Pursuant to the Asset Transfer Agreement B immediately after the signing of the Asset Transfer Agreement B, the Purchaser will appoint a valuer to prepare a valuation report (the “**Valuation Report B**”) in respect of the total value of the Assets B. The Consideration B shall be RMB465.89 million or the said valued amount of the Assets B, whichever is lower. The Consideration B shall be payable by the Purchaser in cash to the Vendor B on the Completion Date.

The initial amount of Consideration B of RMB465.89 million was determined by the Vendor B and the Purchaser on arm’s length negotiations with reference to the original acquisition cost of the assets of the Vendor B and then adjusted with reference to the estimated fair value of the Target Land B initially negotiated between the Vendor B and the Purchaser. The final amount of the Consideration B will take into account of the valued amount of the Target Assets B stated in the Valuation Report B. As disclosed above, the final amount of the Consideration B will be RMB465.89 million or the said valued amount of the Assets B, whichever is lower. As such, the Board considers that the Consideration B is fair and reasonable and on normal commercial terms and in the interests of the Group and the Shareholders as a whole.

The Consideration B will be funded by the internal resources and/or external borrowing of the Group.

Conditions precedent

The conditions precedent for the Completion B are substantially the same as the conditions precedent set out in the paragraph headed “THE ACQUISITION A – Conditions precedent”.

Completion B

The Completion B shall take place within 30 business days from the date that all of the relevant conditions for the Completion B having been fulfilled.

INFORMATION OF THE VENDORS

As informed by the Vendor A, the Vendor A is a company established in the PRC with limited liability in May 2016, which is principally engaged in, among other things, development, production, processing and sales of industrial automation control equipment, smart card equipment, industrial robots and photovoltaic solar cells and components.

As informed by the Vendor B, the Vendor B is a company established in the PRC with limited liability in December 2016, which is principally engaged in, among other things, development, production, processing and sales of development, production and processing of silicon raw materials (矽原料), monocrystalline silicon wafers (單晶矽片), polycrystalline silicon wafers (多晶矽片) and etc..

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendors and their respective ultimate beneficial owners is the Independent Third Party.

INFORMATION OF THE PURCHASER

As at the date of this announcement, the Purchaser, a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, is principally engaged in production and sale of photovoltaics products monocrystalline silicon, solar stent and related products.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

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.

In recent years, solar photovoltaic industry in China has been gradually transformed from a typical world processing base into a global solar photovoltaic development and innovation manufacturing base. The photovoltaic technology and quality are expected to be continuously improving.

After the implementation of the Renewable Energy Law* (可再生能源法), the government in the PRC has formulated a series of policies and measures to promote the development of the solar photovoltaic industry. With European Union's lifting of anti-dumping and anti-subsidy restrictions on China's photovoltaics products and the gradual development of overseas emerging markets countries along the Belt and Road routes, the global photovoltaic demands is expected to be promising.

The equipment held by the Vendor A have high degree of automation in terms of module manufacturing and the equipment held by the Vendor B, including production lines of diamond wire slice, are also highly automated for centralized operation. This offer an advantage to the users or owners of the Assets A and Assets B in terms of production costs and production management.

With the enhancement of photovoltaic industrialization, the degree of professionalization has improved, and OEM with more sophisticated production management has dominated the trend in development of the industry. Scale of operation and automation by acquiring the Assets A and the Assets B will strengthen the Group's ability to further develop its solar photovoltaic segment and adapt to the industry development trend.

In view of the above, the Company believes that the Acquisitions will provide the opportunity to the Company to further expand its business in manufacturing and sales of photovoltaic products with the view to generate more revenue to the Group.

On the basis of the above reasons and benefits, the Directors believe that the terms of the Asset Transfer Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in relation to the Acquisition A and the Acquisition B, on the aggregate basis, is more than 25% but less than 100%, the Acquisitions as contemplated under the Asset Transfer Agreements constitute a major transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting, announcement and shareholders' approval requirements.

As (i) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisitions; and (ii) written shareholder's approval has been obtained from China Huajun Group Limited, which holds more than 50% of the voting rights at the general meeting of the Company to approve the Acquisitions, a written shareholder's approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules. Accordingly, no general meeting is required to be convened for the approval of the Acquisitions pursuant to Rule 14.44 of the Listing Rules.

In accordance with the requirements of the Listing Rules, a circular of the Company containing further details of the Acquisitions will be despatched to the Shareholders on or before 6 November 2018.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition A”	the acquisition of the Assets A contemplated under the Asset Transfer Agreement A
“Acquisition B”	the acquisition of the Assets B contemplated under the Asset Transfer Agreement B
“Acquisitions”	collectively, the Acquisition A and the Acquisition B
“Assets A”	the Target Land A and various equipment relating to the production and manufacturing of photovoltaic related products as listed in the Asset Transfer Agreement A

“Assets B”	the Target Land B and various equipment relating to the production and manufacturing of photovoltaic related products as listed in the Asset Transfer Agreement B
“Asset Transfer Agreements”	collectively, the Asset Transfer Agreement A and the Asset Transfer Agreement B
“Asset Transfer Agreement A”	the transfer agreement dated 15 October 2018 entered into between the Purchaser and the Vendor A in respect of the Acquisition A
“Asset Transfer Agreement B”	the transfer agreement dated 15 October 2018 entered into between the Purchaser and the Vendor B in respect of the Acquisition B
“Board”	the board of Directors
“Company”	Huajun International Group Limited (華君國際集團有限公司) (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
“Completion A”	the completion of the Acquisition A pursuant to the terms and conditions of the Asset Transfer Agreement A
“Completion B”	the completion of the Acquisition B pursuant to the terms and conditions of the Asset Transfer Agreement B
“Completion Date”	a day within 30 business days from the date that all of the relevant conditions for the Completion A or the Completion B (as the case may be)
“Conditions Fulfillment Date”	31 March 2019 or such later date as the parties to the Asset Transfer Agreement A or Asset Transfer Agreement B (as the case may be) may agree in writing
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration A”	the consideration of RMB125.30 million (subject to downward adjustment, if applicable) for the Assets A

“Consideration B”	the consideration of RMB465.89 million (subject to downward adjustment, if applicable) for the Assets B
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	persons or companies which are independent of and not connected with any of the directors, chief executive and substantial shareholders (as defined under the Listing Rules) of the Company or any of its subsidiaries and their respective associates (as defined under the Listing Rules), and the term “Independent Third Party” shall be construed accordingly
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Huajun Power Technology (Jiangsu) Co., Ltd.* (華君電力科技(江蘇)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Land A”	the land parcel situate at Guozhuang Town Airport Industrial Concentration Zone, Jurong City, Jiangsu Province, the PRC of industrial use with the total land area of approximately 65,700 sq.m. and the total building area of approximately 41,800 sq.m.
“Target Land B”	the land parcel situate at Guozhuang Town, Jurong City, Jiangsu Province, the PRC of industrial use with the total land area of approximately 74,400 sq.m. and building area of approximately 43,000 sq.m.
“Vendor A”	Jurong Simaite Intelligent Science and Technology Co., Ltd.* (句容思麥特智慧科技有限公司), a company established in the PRC with limited liability
“Vendor B”	Jiangsu Xietong Solar Technology Co., Ltd. (江蘇協通光伏科技有限公司), a company established in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 15 October 2018

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.

* For identification purposes only