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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 ANNOUNCEMENT – DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF 100% EQUITY INTERESTS IN AND DEBT DUE BY HUAJUN INTELLIGENT ENERGY COMPANY LIMITED

Reference is made to the announcement of Huajun International Group Limited (the “**Company**”) dated 29 July 2020 (the “**Announcement**”) in relation to the discloseable transaction of the Company in relation to the disposal of 100% equity interests and debt due by Huajun Intelligent Energy Company Limited.

Unless otherwise defined in this announcement, all capitalized terms used herein shall have the same meanings as those defined in the Announcement. This announcement is made to provide supplemental information to the Shareholders in respect of the Disposal.

The Company has engaged an independent valuer, namely Liaoning Huayi Real Estate Land Appraisal Co., Ltd.* (遼寧華益房地產土地評估有限公司) (the “**Independent Valuer**”), to prepare a valuation of the Target Property as at 27 December 2019 (the “**Valuation**”) and the preliminary valuation amount of the Target Property was approximately RMB 140 million. The Independent valuer has adopted cost-based approach for the Target Property and adopted a mix of cost-based approach and market approach for the land on which the Target Property is erected with the assumptions that the Target Property can be freely disposed of and transferred free of all encumbrances and there is an open and competitive market with voluntary purchasers.

As disclosed in the Announcement, certain liabilities of the Target Company shall be borne by the Vendor prior to the Completion (the “**Other liabilities**”). The Company expects the Other liabilities, including but not limited to accrued salaries, tax and other sundry payables, shall not be more than RMB 1 million.

In the view of the outbreak of COVID-19 in 2020 and the risk of downside trend of local property market, the Board considers that Disposal can avoid further development cost on the Target Property and provide faster return to supplement the general working capital of the Company. The Board considers the Consideration of RMB120 million is fair and reasonable, taking into account the fair value of the Target Property and the Other Liabilities.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, the Purchaser is ultimately held as to 95% by Zhou Wangchun* (周網春) through his direct wholly owned company Jiangsu Gutai Auto Parts Co., Ltd.* (江蘇固泰汽車配件有限公司) and 5% by Zhou Jun* (周君), being the ultimate beneficial owners of the Purchaser and PRC businessmen, and each of them are Independent Third Parties.

Save as supplemented above, the contents in the Announcement remain unchanged.

By order of the Board
Huajun International Group Limited
Tam Ka Lung
Company Secretary

Hong Kong, 7 August 2020

For the purposes of illustration only, any amount denominated in RMB in this announcement was translated into HK\$ at the rate of RMB1 = HK\$1.09. 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.

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