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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 THE SALE SHARES IN WUXI HUIYUAN

Reference is made to the announcement of Huajun International Group Limited (the “**Company**”) dated 31 July 2020 (the “**Announcement**”) in relation to the discloseable transaction of the Company in relation to the disposal of 100% equity interests in Wuxi Huiyuan Real Estate Co., Ltd.

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 valuation of Wuai Renjia represented 8,333.91 square meter of 138 residentials, 1,061.26 square meter of 6 commercial units and 473 car parking spaces as at 31 December 2019 (the “**Valuation**”) amounted to approximately RMB215.5 million was prepared by an independent valuer, namely LCH (Asia-Pacific) Surveyors Limited (the “**Independent Valuer**”), using market approach (except for car parking spaces) by reference to the sales, listing or offering of similar or substitute properties and related market data to establish a value estimate by processes involving comparison as well as investment method (for car parking spaces) to capitalize future rental income.

With reference to the price range of adopted residential comparables (RMB18,200 to RMB21,500 per square meter) and commercial comparables (RMB20,600 to RMB26,200) of the Valuation, the Board adopted a unit rate of RMB21,000 per square meter for residential units, RMB26,000 per square meter for commercial unit, and same rate of RMB60,000 as the Valuation for car parking spaces in assessing the value of the property owned by Wuxi Huiyuan (“**Target Property**”). The calculated valuation for the Target Property with total gross floor area of 5,006.34 square meter and 473 car parking spaces is approximately RMB137.5 million as at 31 July 2020. The difference between RMB215.5 million and RMB137.5 million represented 65 residential units and 2 commercial units sold/delivered to Independent Third Parties (other than the Purchaser) during the period from 1 January 2020 to 30 July 2020.

Further, the Board has assessed the valuation methodology and key assumptions adopted by the Independent Valuer in the Valuation. The Board understand that Market Approach is the most reliable approach in valuation when there is reliable market transactions and commonly adopted by valuation professionals in valuing similar properties as the Target Property. The Board also of the view that key assumptions adopted by the Independent Valuer is fair and reasonable as the comparables adopted in the Valuation are meaningful comparables to the Target Property as they were selected based on the most similar locations, property type and sizes to the Target Property. The Board considers that the valuation methodology and key assumptions of the Valuation are comparable to the market practice and therefore fair and reasonable.

Wuai Renjia was a residential project consisted of both residential units and commercial units that had been completed and available for sale. The Consideration represented a discount of approximately 7.64% of the calculated valuation amount of the Target Property. The Board considers the Consideration is fair and reasonable and in the interests of the Company and its shareholders as a whole after taking into account (i) the difficulties in looking for buyer for one-off purchase of the Target Property; and (ii) the risk of downside trend of local property market due to the outbreak of COVID-19 since January 2020 while the Valuation was made as at 31 December 2019.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the ultimate beneficial owners of the Purchaser have no relationship with the purchaser of the Company's disposal of Huajun Intelligent Energy Company Limited as disclosed in the Company's announcement dated 29 July 2020.

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

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

Hong Kong, 26 August 2020

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 purpose only*