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**HUAJIN INTERNATIONAL HOLDINGS LIMITED**

**華津國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2738)**

**LAPSE OF  
MEMORANDUM OF UNDERSTANDING  
RELATING TO POSSIBLE ACQUISITION**

This announcement is made by Huajin International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

References are made to the announcements of the Company dated 28 December 2016 (the “**Announcement**”), 24 August 2017, 31 October 2017 and 20 November 2017 in relation to, among others, the possible acquisition of the Land and Plant by the Purchaser for a consideration to be agreed between the Purchaser and the Vendor. Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

The Board wishes to announce that as no Formal Agreement has been entered into between the Purchaser and the Vendor during the exclusivity period of the MOU (as amended by the supplemental letters dated 26 June 2017, 31 October 2017 and 20 November 2017) nor there be an agreement reached in extending the date of entering into the Formal Agreement, the MOU has automatically lapsed and ceased to have any effect, except for the refund of the Deposit (without interest) in the amount of RMB11.6 million by the Vendor to the Purchaser within 10 business days from the date of lapse of the MOU and the confidentiality obligations under the MOU.

As disclosed in the announcement of the Company dated 27 December 2017 in relation to the acquisition of the 3 state-owned construction land parcels with a total site area of approximately 284,860 sq. m. located at Zhoulang Village, Gujing Town, Xinhui District, Jiangmen City, Guangdong Province, the PRC\* (中國廣東省江門市新會區古井鎮洲朗村) (the “**Acquisition**”) and as a result of the change in the Group’s development plan, the Board considered that the Acquisition is more beneficial to the Group’s business development than the Possible Acquisition for the reasons, amongst other things, that (a) the site area of the Acquisition is larger than that of the Possible Acquisition by approximately 10.45 times and provide sizeable area to cater for flexible planning of the Group’s production lines in reducing future production and operation costs in order to promote production efficiency and long term development; (b) the consideration per square meter of the Acquisition is lower than the proposed consideration per square meter of the Possible Acquisition that is based on the directors’ preliminary valuation by approximately 40%; and (c) the development and construction of the Greater Guanghai Bay Economic Zone\* (大廣海灣經濟區) is supported by the government and promoted at national strategic level.

The Purchaser and the Vendor have mutually agreed not to proceed with the Possible Acquisition and that the costs incurred for the initial development of the plant building on such land parcel as required by the Purchaser under the MOU are to be borne by the Vendor.

The Board is of the view that the lapse of the MOU does not have any material adverse impact on the existing business operations or financial position of the Group.

By order of the Board  
**Huajin International Holdings Limited**  
**Xu Songqing**  
Chairman

Hong Kong, 2 January 2018

*As at the date of this announcement, the Board is comprised of Mr. Xu Songqing (Chairman), Mr. Luo Canwen (Chief Executive Officer), Mr. Chen Chunniu and Mr. Xu Songman as executive Directors, Mr. Xu Jianhong as non-executive Director and Mr. Goh Choo Hwee, Mr. Tam Yuk Sang Sammy and Mr. Wu Chi Keung as independent non-executive Directors.*

\* *For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese name prevails.*