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HUAJUN HOLDINGS LIMITED

華君控股有限公司*

(Incorporated in the Bermuda with limited liability)

(Stock Code: 377)

GRANT OF SHARE OPTIONS UNDER SHARE OPTIONS SCHEME

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(i) Granted Options

The Board announces that on 7 February 2017, the Company has resolved to grant the Granted Options to certain employees including certain Directors. Subject to the acceptance by the eligible grantees, the Granted Options shall entitle them to subscribe for a total of 352,528,301 Shares at the Exercise Price.

(ii) Director Option

On 7 February 2017, the Board has also resolved to grant the Director Option to Mr. Meng, the chairman, an executive Director and a substantial shareholder of the Company. Subject to and conditional upon the approval of the grant of the Director Option by the Independent Shareholders at the SGM and the acceptance by Mr. Meng, the Director Option shall entitle Mr. Meng to subscribe for 38,735,070 Shares at the Exercise Price.

* *For identification purposes only*

(iii) Convening of SGM

The SGM will be convened for passing of the ordinary resolutions of the Company by the Independent Shareholders to approve the grant of the Director Option.

A circular containing, amongst other things, details of the proposed grant of the Director Option, together with notice of the SGM, will be despatched to the Shareholders as soon as practicable.

(i) Grant of Granted Options

The Board announces that on 7 February 2017, the Company has resolved to grant the Granted Options to certain employees of the Group, including certain Directors. Subject to the acceptance by the eligible grantees, the Granted Options shall entitle them to subscribe for a total of 352,528,301 Shares at the Exercise Price.

The following are the details of the Granted Options granted under the Share Option Scheme:

Date of grant	:	7 February 2017
Exercise price of Granted Options	:	HK\$0.78 per Share
Total number of Shares which may be issued upon full exercise of the Granted Options	:	352,528,301 Shares
Exercise period of the Granted Options	:	The Granted Options are exercisable during the period from 7 February 2017 to 6 February 2027 (both dates inclusive); however, notwithstanding of any provision in the Share Option Scheme, as adopted by the Company, the Granted Options shall lapse automatically and not exercisable (to the extent not already exercised) from the date on which such grantee (i) cease to be a full-time or part-time employee or director (as the case may be) of the Group; or (ii) submit a resignation letter to resign from his/her position in the Group, whichever is the earlier, by any reason.

Among the Granted Options, options to subscribe for a total of 77,760,667 Shares were granted to certain Directors with details as follows:

Name	Position	Number of Shares which may be issued upon full exercise of the respective Options granted and the approximate percentage in the issued share capital of the Company as at the date of this announcement
Mr. Wu Jiwei	Chief Executive Officer and Executive Director	38,735,070 (0.638%)
Mr. Guo Song	Deputy Chief Executive Officer and Executive Director	27,405,097 (0.452%)
Mr. Zheng Bailin	Independent Non-executive Director	3,873,500 (0.064%)
Mr. Shen Ruolei	Independent Non-executive Director	3,873,500 (0.064%)
Mr. Pun Chi Ping	Independent Non-executive Director	3,873,500 (0.064%)

The grant of the Granted Options to the above Directors has been approved by all the independent non-executive Directors.

(ii) Proposed Grant of Director Option

On 7 February 2017, the Board has also resolved to grant the Director Option to Mr. Meng, the chairman, an executive Director and a substantial shareholder of the Company. Subject to and conditional upon the approval of the grant of the Director Option by the Independent Shareholders at the SGM and the acceptance by Mr. Meng, the Director Option entitles Mr. Meng to subscribe for 38,735,070 Shares at the Exercise Price.

The following are the details of the Director Option conditionally granted to Mr. Meng under the Share Option Scheme:

Date of conditional grant	:	7 February 2017
Exercise price of Director Option	:	HK\$0.78 per Share
Total number of Shares which may be issued upon full exercise of the Director Option and the approximate percentage in the issued share capital of the Company as at the date of this announcement	:	38,735,070 Shares (0.638%)
Exercise period of the Director Option	:	The Director Option is exercisable during the period from 7 February 2017 to 6 February 2027 (both dates inclusive); however, notwithstanding of any provision in the Share Option Scheme, as adopted by the Company, the Director Option shall lapse automatically and not exercisable (to the extent not already exercised) from the date on which such grantee (i) cease to be a full-time or part-time employee or director (as the case may be) of the Group; or (ii) submit a resignation letter to resign from his/her position in the Group, whichever is the earlier, by any reason.

The Closing Price of the Shares on 7 February 2017, being the date of the grant of the Granted Options and the conditional grant of the Director Option, was HK\$0.66 per Share.

Under Rule 17.04(1) of the Listing Rules and the rules of the Share Option Scheme, each grant of options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors.

In addition, where any grant of options to a substantial shareholder or its associates would result in the Shares issued or to be issued upon exercise of all options already granted or to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the relevant class of securities in issue; and
- (b) having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million,

such further grant must be approved by the Independent Shareholders and all connected persons (as defined under the Listing Rules) of the Company must abstain from voting in favour of such grant at the SGM. No option had been granted to Mr. Meng within the 12-month period prior to the conditional grant of the Director Option. However, as the Shares subject to the Director Option will exceed the limit of 0.1% of the number of existing issued Shares, the grant of Director Option will be subject to the approval by the Independent Shareholders.

The independent non-executive Directors have approved the grant of the Director Option, subject to the approval of the grant of the Director Option by the Independent Shareholders.

Save as disclosed above, none of the grantees is a director, chief executive or substantial shareholder of the Company, nor an associate of any of them.

(iii) Convening of SGM

The SGM will be convened for passing of the ordinary resolutions of the Company by the Independent Shareholders to approve the grant of the Director Option.

A circular containing, amongst other things, details of the grant of the Director Option, together with notice of the SGM, will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Closing Price”	closing price per Share for any trading day as published by the Stock Exchange
“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
“connected persons”	has the meaning as defined in the Listing Rules
“Director(s)”	director(s) of the Company
“Director Option”	option conditionally granted to Mr. Meng under the Share Option Scheme to subscribe for 38,735,070 Shares at the Exercise Price
“Exercise Price”	HK\$0.78 per Share
“Granted Option(s)”	option(s) granted to certain employees of the Group, including certain Directors, under the Share Option Scheme to subscribe for a total of 352,528,301 Shares at the Exercise Price
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholders other than Mr. Meng and his associates and any other Shareholders who are interested or involved in the Director Option

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Meng”	Mr. Meng Guang Bao (孟廣寶), the chairman, an executive Director and a substantial shareholder of the Company
“SGM”	a special general meeting of the Company to be convened for approving the grant of the Director Option
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 28 September 2007 and refreshed on 3 November 2015
“Shareholder(s)”	holder(s) of Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

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

Wu Jiwei

Chief Executive Officer and Executive Director

Hong Kong, 7 February 2017

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.

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