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If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Huajun Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**HUAJUN HOLDINGS LIMITED**

**華君控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 377)**

**(1) PROPOSED ADOPTION OF SHARE OPTION SCHEME; AND  
(2) NOTICE OF SPECIAL GENERAL MEETING**

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Capitalised terms used herein shall have the meanings set out in the section headed "Definitions" in this circular.

A notice convening a special general meeting (the "SGM") of Huajun Holdings Limited to be held at Conference Room, 36/F, Champion Tower, 3 Garden Road, Central, Hong Kong at 3:00 p.m. on Wednesday, 25 October 2017 is set out on pages 18 to 19 of this circular. A form of proxy for use at the SGM is enclosed.

Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

\* For identification purposes only

9 October 2017

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Adoption Date”	the date on which the Share Option Scheme is adopted by the Shareholders at the SGM
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks are generally open in Hong Kong for general banking business throughout their normal business hours
“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 person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 28 September 2007
“grant”	has the meaning ascribed under the Listing Rules
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

## DEFINITIONS

“inside information”	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Latest Practicable Date”	3 October 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Offer”	the offer of the grant of an Option made in accordance with the Share Option Scheme
“Offer Date”	the date on which an Offer is made to the Participant
“Option”	a right to be granted to the Participant to subscribe for Shares pursuant to the terms of the Share Option Scheme
“Participant”	any executive or non-executive Directors including independent non-executive Directors or any employees (whether full-time or part-time) of each member of the Group, provided that the Board may have absolute discretion to determine whether or not one falls within the above definition
“Scheme Mandate Limit”	the initial limit imposed under the rules of the Share Option Scheme on the total number of Shares which may be issued upon the exercise of all Options, being 10% of the Company’s issued share capital as at the Adoption Date, which may be renewed or refreshed pursuant to the rules of the Existing Share Option Scheme
“SGM”	the special general meeting of the Company to be held on 25 October 2017 to consider and, if thought fit, approve the Share Option Scheme and the transactions contemplated thereunder
“Share Option Scheme”	the share option scheme proposed to be adopted at the SGM, a summary of the principal terms of which is set out in Appendix I to this circular

## DEFINITIONS

“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Shareholder(s)”	holder(s) of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent

\* *For identification purposes only*



**HUAJUN HOLDINGS LIMITED**

**華君控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 377)**

*Executive Directors:*

Mr. Meng Guang Bao (*Chairman*)

Mr. Wu Jiwei (*Chief Executive Officer*)

Mr. Guo Song (*Deputy Chief Executive Officer*)

*Independent Non-Executive Directors:*

Mr. Zheng Bailin

Mr. Shen Ruolei

Mr. Pun Chi Ping

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal place  
of business in Hong Kong:*

36/F., Champion Tower

3 Garden Road

Central

Hong Kong

9 October 2017

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF SHARE OPTION SCHEME; AND  
(2) NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to inform you of the SGM which will be held at Conference Room, 36/F, Champion Tower, 3 Garden Road, Central, Hong Kong at 3:00 p.m. on Wednesday, 25 October 2017, provide you with information in respect of the Share Option Scheme and seek your approval of the ordinary resolutions in relation thereto at the SGM.

**SHARE OPTION SCHEME**

**The Existing Share Option Scheme**

The Existing Share Option Scheme shall be valid and effective until 27 September 2017, being 10 years after the adoption date of the Existing Share Option Scheme. Other than the Existing Share Option Scheme, the Company currently does not maintain any other share option schemes.

\* *For identification purposes only*

## LETTER FROM THE BOARD

The initial total number of Shares in respect of which options may be granted under the Existing Share Option Scheme was 266,529,000 Shares (representing 10% of the Shares in issue at the date of adoption of the Existing Share Option Scheme). The limit on the total number of Shares which may be granted under the Existing Share Option Scheme was refreshed to 391,263,371 Shares (representing 10% of the Shares in issue at the date of approval of refreshment) by way of ordinary resolution passed in the special general meeting of the Company held on 3 November 2015. As at the Latest Practicable Date, the total number of Shares in respect of which options have been granted and remained outstanding under the Existing Share Option Scheme was 408,901,675 Shares.

Upon expiry of the Existing Share Option Scheme on 28 September 2017, no further options will be granted thereunder, but in all other respects, subject to the provisions under Chapter 17 of the Listing Rules, the Existing Share Option Scheme shall remain in full force and effect, and the options granted thereunder may continue to be exercisable in accordance with the terms of issue thereof. Accordingly, the Board proposes the adoption of the Share Option Scheme for approval by the Shareholders.

### **The Share Option Scheme**

The rules of the Share Option Scheme have been updated to (i) reflect the change of the Company's name; (ii) reflect the provisions of the Listing Rules; and (iii) improve the presentation of the rules.

Save as disclosed in the preceding paragraph, there is no material difference between the terms of the Existing Share Option Scheme and the Share Option Scheme.

On the basis of 6,066,920,085 Shares in issue as at the Latest Practicable Date, the 30% scheme limit under Rule 17.03(3) of the Listing Rules allows there to be outstanding options granted and yet to be exercised under the Existing Share Option Scheme and any other share option schemes of the Company relating to 1,820,076,025 Shares. Accordingly, assuming that none of the outstanding options under the Existing Share Option Scheme to subscribe for 408,901,675 Shares (representing approximately 6.74% of the total issued Shares as at the Latest Practicable Date) is exercised, even if the Scheme Mandate Limit is to be utilised in full in granting the Options, the total number of Shares that will be subject to all such options will be well within the 30% scheme limit.

As at the Latest Practicable Date, the Company has no immediate plan to grant Options upon the approval of the adoption of the Share Option Scheme.

## LETTER FROM THE BOARD

### **Principal terms of the Share Option Scheme**

A summary of the rules of the Share Option Scheme is set out in Appendix I to this circular. A copy of the rules of the Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at 36th Floor, Champion Tower, 3 Garden Road, Central, Hong Kong for a 14-day period immediately preceding the SGM. There are no trustees with respect to the Share Option Scheme.

The Board confirms that all terms under the Share Option Scheme comply with Chapter 17 of the Listing Rules.

### **Reasons for adopting the Share Option Scheme**

The reasons for adopting the Share Option Scheme are:

- (a) to update the rules of the Share Option Scheme to reflect the Company's name;
- (b) to update the rules of the Share Option Scheme to reflect the provisions of the Listing Rules;
- (c) to improve the presentation of the rules of the Share Option Scheme to make it more coherent and apprehensible.

Under the Existing Share Option Scheme, the Directors may grant Options without any initial payment (other than a nominal sum of HK\$1.00) to any Participant whose service to the Group may contribute to the business and operation of the Group. The Directors may also specify the minimum period, if any, for which an option must be held or the performance targets, if any, that must be achieved before the option can be exercised. The Existing Share Option Scheme enables the Group to offer valuable incentive to attract and retain quality personnel and other persons to work for the Group so as to increase the value of the Shares. Accordingly, the Directors consider that the adoption of the Share Option Scheme, which is materially the same as the Existing Share Option Scheme, can facilitate long-term development of the Group and is in the interests of the Company and its Shareholders as a whole.

### **Conditions of the Share Option Scheme**

The adoption of the Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution at the SGM approving the adoption of the Share Option Scheme and authorising the Directors to grant Options to subscribe for Shares and to allot, issue and deal with Shares pursuant to the exercise of any Option; and

## LETTER FROM THE BOARD

- (b) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the new Shares which may be issued and allotted pursuant to the exercise of Options.

### **Scheme mandate limit**

As at the Latest Practicable Date, there were 6,066,920,085 Shares in issue. Assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Adoption Date, the initial maximum number of Shares that may be allotted and issued upon exercise of all Options and options to be granted under any other share option schemes of the Company will be 606,692,008 Shares, representing 10% of the Shares in issue as at the Adoption Date. The maximum number of Shares that may be allotted and issued upon exercise of all Options and options to be granted under any other share option schemes of the Company may be refreshed as detailed in paragraph 6 of Appendix I to this circular.

### **Value of the Options**

The Directors consider it inappropriate to value all the Options that can be granted under the Share Option Scheme on the assumption that they were granted on the Latest Practicable Date as a number of factors crucial for the valuation cannot be determined. Such factors include the exercise period and the conditions, such as performance targets, if any, that an Option to which is subject. Accordingly, any valuation of the Options based on a large number of speculative assumptions would not be meaningful but would be misleading to the Shareholders.

### **Application for listing**

An application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options.

### **SGM**

A notice convening the SGM to be held at Conference Room, 36/F, Champion Tower, 3 Garden Road, Central, Hong Kong at 3:00 p.m. on Wednesday, 25 October 2017 to consider and, if thought fit, approve the adoption of the Share Option Scheme is set out on pages 18 to 19 of this circular.

A form of proxy for use at the SGM is enclosed. Whether or not you intend to attend the SGM, please complete the form of proxy in accordance with the instruction printed thereon and deposit it to the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours

## LETTER FROM THE BOARD

before the time fixed for holding of the SGM or adjourned meeting. The lodging of the proxy form will not preclude you from attending and voting in person at the SGM or any adjourned meeting if you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the Company will procure the chairman of the SGM to demand for voting on poll in respect of the ordinary resolution to be proposed at the SGM in accordance with the memorandum of association and the bye-laws of the Company and Union Registrars Limited, the branch share registrar of the Company in Hong Kong, will serve as the scrutineer for the vote-taking.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, no Shareholder is required to abstain from voting at the SGM.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there is no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATIONS

The Directors consider that the adoption of the Share Option Scheme as set out in this circular and the notice of SGM is in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the resolution set out in the notice of SGM.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information in respect of the principal terms of the Share Option Scheme set out in Appendix I to this circular.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,  
By order of the Board  
**Huajun Holdings Limited**  
**Meng Guang Bao**  
*Chairman and Executive Director*

## APPENDIX I SUMMARY OF PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

*Set out below is a summary of the principal terms of the Share Option Scheme proposed to be adopted at the SGM.*

### **1. Purpose of the Share Option Scheme**

The purpose of the Share Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants and for such other purposes as the Board may approve from time to time.

### **2. Scope of Participants and eligibility of Participants**

The Board may, at its absolute discretion, invite any Participants to take up Options to subscribe for Shares at a price calculated in accordance with paragraph (5) below.

In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.

### **3. Grant of Options**

No Offer shall be made after inside information has come to the Company's knowledge, until such inside information has been published pursuant to the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

- (a) the date of the meeting of the Board (as such date is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the relevant results announcement, including any period of delay in publishing the relevant results announcement, no Options may be granted.

An Offer shall be made to a Participant by letter in such form as the Board may from time to time determine (the "**Offer Letter**") requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme and shall remain open for acceptance by the Participant concerned for a period of 28 days from the Offer Date, provided that no such Offer shall be open for acceptance after the 10th anniversary of the Adoption Date or after the Share Option Scheme has been terminated in accordance with the provisions hereof, whichever is earlier.

**4. Payment on acceptance of Offer**

HK\$1.00 is payable by the Participant to the Company on acceptance of the Options within the period as stipulated in paragraph (3) above as consideration for the grant. The Options to which the Offer relates shall be deemed to have been granted on the Offer Date.

**5. Subscription price**

Subject to any adjustments made pursuant to paragraph (12) below and pursuant to Rule 17.03(9) of the Listing Rules, the subscription price in respect of each Share issued pursuant to the exercise of the Options will be a price solely determined by the Board and notified to a Participant and shall be at least the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day;
- (b) a price being the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date; and
- (c) the nominal value of a Share.

**6. Maximum number of Shares available for subscription and maximum entitlement of Shares of each Participant**

- (a) The total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the date of adoption of the Share Option Scheme, unless the Company obtains an approval from the Shareholders pursuant to sub-paragraph (b) below. Options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (b) The Company may seek approval of the Shareholders in general meeting for refreshing the Scheme Mandate Limit. The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval to refresh such limit (the "**Refreshed Limit**"). Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme and any other share option schemes or exercised Options) will not be counted for the purpose of calculating the Refreshed Limit. In such a case, the Company shall send a circular to the Shareholders containing the information required under the Listing Rules.

## APPENDIX I SUMMARY OF PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

- (c) The Company may seek approval by the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit or Refreshed Limit provided the Options in excess of such limit are granted only to Participants specifically identified by the Company before such approval is sought. In such a case, the Company shall send a circular to the Shareholders containing the information required under the Listing Rules.
- (d) If the Company conducts a share consolidation or subdivision after the 10% limit has been approved by its shareholders in general meeting, the maximum number of Shares that may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company under the 10% limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.
- (e) Notwithstanding this paragraph (6)(a)-(d) and subject to paragraph (12) below, the limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time. No Options may be granted under the Share Option Scheme and any other share option schemes of the Company if this will result in the aforesaid 30% limit being exceeded.
- (f) Subject to paragraph (6)(g) below, the total number of Shares issued and to be issued upon exercise of the options granted pursuant to the Share Option Scheme and any other share option schemes of the Company to each Participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.
- (g) Notwithstanding paragraph (6)(f) above, any further grant of Options to a Participant which would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such Participant under the Share Option Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding options) in the 12-month period up to and including the Offer Date of such further grant representing in aggregate over 1% of the total number of Shares in issue shall be subject to the Shareholders' approval in general meeting with such Participant and his associates abstaining from voting. The number and the terms of the Options (including the subscription price) to be granted to such Participants shall be fixed before the Shareholders' approval and the date of the meeting of the Board for proposing such further grant should be taken as the Offer Date for the purpose of calculating the subscription price. In such a case, the Company shall send a circular to the Shareholders containing the information required under the Listing Rules.

**7. Requirements on granting Options to connected persons**

Any grant of Options to a Participant who is a director, chief executive or substantial Shareholder or any of their respective associates must be approved by the independent non-executive Directors (excluding an independent non-executive Director who is the grantee). Where the Board proposes to grant any Options to a Participant who is a substantial Shareholder or an independent non-executive Director or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted pursuant to the Share Option Scheme and other share option schemes of the Company (including options exercised, cancelled and outstanding) to such Participant in the 12-month period up to and including the Offer Date:

- (a) representing in aggregate more than 0.1% of the total number of Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at Offer Date of each grant, in excess of HK\$5,000,000, such proposed further grant of Options must be approved by the Shareholders in general meeting. In such a case, the Company shall send a circular to the Shareholders containing all those terms as required under the Listing Rules. All connected persons of the Company must abstain from voting at such general meeting. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll. Shareholders' approval as required under this paragraph (7) is also required for any changes in the terms of Options granted.

**8. Time of exercise of Option**

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period of not more than 10 years to be notified by the Board to each grantee, which period shall deem to commence on the Offer Date and expire on the last day of such period as determined by the Board. Unless otherwise determined by the Board and specified in the Offer Letter to be given to the Participant at the time of the Offer, there is neither any performance targets that need to be achieved by the grantee before an Option can be exercised nor any minimum period for which an Option must be held before it can be exercised.

**9. Rights are personal to grantee**

An Option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests (legal or beneficial) in favour of any third parties over or in relation to any Options. Any breaches of the foregoing by a grantee shall render all outstanding Options of such grantee be automatically cancelled in accordance with paragraph (17)(g) below.

**10. Rights on ceasing employment or engagement**

If the grantee of an option ceases to be a Participant for any reason other than on his death or termination of his employment, directorship, office or appointment on one or more of the grounds specified in paragraph (17)(e) below, the grantee may exercise the Option up to the grantee's entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of 3 months (or such longer period as the Board may determine) following the date of such cessation. Such date of cessation shall be the last actual Business Day with the relevant company whether salary is paid in lieu of notice or not, or the last date of office or appointment as director of, as consultant, professional or other advisers to the relevant company, as the case may be, in the event of which, the date of cessation as determined by a resolution of the Board or governing body of the relevant company shall be conclusive.

**11. Rights on death**

If the grantee of an Option, if an individual, dies before exercising the Option in full and none of the events which would be a ground for termination of his employment, directorship, office or appointment under paragraph (17)(e) below arises, his personal representative(s) of the grantee shall be entitled within a period of 6 months, or such longer period as the Board may determine, from the date of death, to exercise the Option up to the entitlement of such grantee as at the date of death (to the extent that the Option has become exercisable and not already exercised).

**12. Reorganisation of capital structure**

In the event of any alteration in the capital structure of the Company whilst any Options remains exercisable, whether by way of capitalisation issue, right issue, sub-division or consolidation of Shares or reduction of capital of the Company or otherwise howsoever in accordance with legal requirements and requirements of the Stock Exchange excluding any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in respect of a transaction to which the Company is a party, such corresponding adjustments (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the Option so far as unexercised;
- (ii) the subscription price as set out in paragraph (5) above; and/or
- (iii) the method of exercise of the Option (if applicable).

Any such adjustments, including adjustments required under Rule 17.03(13) of the Listing Rules, must give a Participant the same proportion of the equity capital as that to which that person was previously entitled, but no such adjustments may be made to the extent that a share would be issued at less than its nominal share value (if any). The issue of Shares as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or the Company's auditors must confirm to the Directors in writing that the adjustments satisfy the requirements set out in the Note to Rule 17.03(13) of the Listing Rules.

**13. Rights on take-over**

If a general offer by way of take-over (other than by way of scheme of arrangement pursuant to paragraph (14) below) is made to all the Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and if such offer becomes or is declared unconditional prior to the expiry of the relevant period of which an Option may be exercised, the grantee (or his personal representative(s)) may by notice in writing to the Company within 21 days of the notice of the offeror exercise the Option (to the extent that the Option has become exercisable on the date of the notice of the offeror and not already exercised) to its full extent or to the extent specified in such notice.

**14. Rights on scheme of arrangement**

If a general offer by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, the grantee (or his personal representative(s)) may thereafter (but only until such time as shall be notified by the Company, after which it shall lapse) exercise the Option (to the extent the Option has become exercisable and not already exercised) to its full extent or to the extent specified in such notice.

**15. Rights on a compromise or arrangement**

If a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, other than a general offer by way of scheme of arrangement contemplated in paragraph (14) above, the Company shall give notice thereof to the grantee on the same date as it despatches the notice to each Shareholder or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his personal representative(s)) may forthwith and until the expiry of the period commencing on such date and ending on the earlier of 2 months thereafter and the date on which such compromise or arrangement is sanctioned by the court, exercise any of his Options (to the extent the Option has become exercisable and not already exercised) whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the Share Option Scheme. The

Company may thereafter require the grantee (or his personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

**16. Voluntary winding-up**

If a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice give notice thereof to all grantees. Each grantee (or his legal personal representative(s)) may by notice in writing to the Company (such notice to be received by the Company not later than 2 Business Days prior to the date of the proposed general meeting) exercise the Option (to the extent the Option has become exercisable and not already exercised) in accordance with the Share Option Scheme whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting allot the relevant Shares to the grantee credited as fully paid. If such resolution is duly passed, all Options shall, to the extent they have not been exercised, thereupon cease and determine.

**17. Lapse of Options**

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the option period;
- (b) the expiry of the periods referred to in paragraph (10), (11) or (13) above respectively;
- (c) subject to the scheme of arrangement referred to in paragraph (14) becoming effective, the expiry of the period referred to in paragraph (14) above;
- (d) subject to the compromise or arrangement referred to in paragraph (15) becoming effective, the expiry of the period referred to in paragraph (15) above;
- (e) the date on which the grantee ceases to be a full-time or part-time employee or director of the relevant company (as the case may be) by reason of the termination of his employment, directorship, office or appointment on the grounds that he has been guilty of misconduct, or appears either to be unable to pay or have no reasonable prospect of being able to pay debts, or has become insolvent, or has made any arrangements or compositions with his creditors generally, or has been convicted of any criminal offences involving his integrity or honesty, in the event of which a resolution of the Board or

governing body of the relevant company (as the case may be) to the effect that the employment, directorship, office or appointment of the grantee has been terminated on one or more of the grounds specified in this paragraph (17)(e) shall be conclusive;

- (f) subject to paragraph (16) above, the date of commencement of the winding-up of the Company;
- (g) the date on which the grantee commits a breach of paragraph (9) above; or
- (h) the date on which the Option is cancelled by the Board as set forth in paragraph (19) below.

The Company shall owe no liability to any grantee for the lapse of any Options under this paragraph (17).

#### **18. Ranking of Shares**

The Shares to be allotted upon the exercise of an Option will be subject to the memorandum of association of the Company and the bye-laws of the Company and will rank *pari passu* in all respects with the fully-paid Shares in issue on the date of their allotment and issue, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment and issue.

#### **19. Cancellation of Options granted**

The Board may at any time at its absolute discretion cancel any Option granted but not exercised. Where the Company cancels Options and makes an offer of grant of new Options to the same Option holder, the Offer of such new Options may only be made under the Share Option Scheme with available Options (to the extent not yet granted and excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in paragraph (6) above.

#### **20. Duration of the Share Option Scheme**

The Share Option Scheme will remain valid for a period of 10 years commencing on the Adoption Date, after which period no further Options will be issued but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect and Options which are granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

**21. Alteration to provisions of the Share Option Scheme**

The provisions of the Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions relating to the definitions of grantee, option period and participant, the provisions of, inter alia, paragraphs (3), (5), (6), (8), (9), (12), (17), (20) and this paragraph (21) and matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Participants except with the prior approval of a resolution of the Shareholders in general meeting (with Participants and their associates abstaining from voting). No such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the affected grantees as would be required of the Shareholders under the bye-laws of the Company for a variation of the rights attached to the Shares. Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of the Options granted shall be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme. Any changes to the authority of the Board or scheme administrators in relation to any alterations to the terms of the Share Option Scheme must be approved by the Shareholders in general meeting. The terms of the Share Option Scheme, as it may from time to time be amended, must comply with the relevant requirements of Chapter 17 of the Listing Rules and the applicable laws in force from time to time.

**22. Termination**

The Company may by ordinary resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further Offers will be made but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect.

Upon such termination, details of the Options granted, including Options exercised or outstanding, under the Share Option Scheme must be disclosed in the circular to the Shareholders seeking approval of the first new share option scheme to be established after such termination of the Share Option Scheme.

**23. Conditions of the Share Option Scheme**

The Share Option Scheme will take effect subject to the passing of the ordinary resolution to approve the adoption of the Share Option Scheme and authorising the Directors to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the Share Options Scheme and is conditional upon the Listing Committee of the Stock Exchange granting listing of and permission to deal in the new Shares which may be issued and allotted pursuant to the exercise of Options.

\* *For identification purposes only*



**HUAJUN HOLDINGS LIMITED**

**華君控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 377)**

**NOTICE IS HEREBY GIVEN THAT** a special general meeting (“**SGM**”) of Huajun Holdings Limited (“**Company**”) will be held at Conference Room, 36/F, Champion Tower, 3 Garden Road, Central, Hong Kong at 3:00 p.m. on Wednesday, 25 October 2017 for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution:

**ORDINARY RESOLUTION**

“**THAT** conditional on the Listing Committee of The Stock Exchange of Hong Kong Limited approving the share option scheme (a copy of which is produced to this meeting marked “**A**” and signed by the chairman of this meeting for the purpose of identification) (“**Share Option Scheme**”) and granting listing of, and permission to deal in, the shares in the capital of the Company (“**Shares**”) which may fall to be issued pursuant to the Share Option Scheme, the Share Option Scheme be and is hereby approved and adopted by the Company, with effect from the date of the Share Option Scheme becoming unconditional, and the directors of the Company (“**Directors**”) be and are hereby authorised to implement and administer the Share Option Scheme to the extent permissible under the memorandum of association and bye-laws of the Company, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the rules of the Share Option Scheme and to vote in respect of any resolution(s) under or affecting the Share Option Scheme (including the granting of options thereunder and approving the allotment and issue of Shares upon exercise of options thereunder) notwithstanding any interest(s) of any Director(s).”

By order of the Board  
**Huajun Holdings Limited**  
**Meng Guang Bao**  
*Chairman and Executive Director*

Hong Kong, 9 October 2017

\* *For identification purposes only*

## NOTICE OF SGM

*Notes:*

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member of the Company who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her and vote on his/her behalf at a general meeting of the Company. A proxy need not be a member of the Company.
2. A form of proxy for use at the SGM is enclosed. Whether or not you intend to attend the SGM in person, you are requested to complete, sign and return the form of proxy in accordance with the instructions printed thereon. Completion and return of the accompanying form of proxy will not preclude members of the Company from attending and voting in person at the aforesaid meeting or any adjournment thereof should they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. To be valid, the form of proxy, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority must be deposited with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
5. In the case of joint holders of shares of the Company, any one of such holders may vote at the SGM, either in person or by proxy, in respect of such shares as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the SGM, whether in person or by proxy, that one of such joint holders whose name stands first on the register of members of the Company in respect of the relevant joint holding shall alone be entitled to vote in respect thereof.
6. The voting on the proposed resolution at the SGM will be conducted by way of poll.

*As at the date of this notice, 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.*