

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of 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 (the "Company"), you should at once hand this circular, together with the accompanying form of proxy 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)**

**PROPOSED SHARE CONSOLIDATION  
AND  
PROPOSED CHANGE IN BOARD LOT SIZE  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

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A notice convening a special general meeting (the "SGM") of the Company to be held at Conference Room, 36/F, Champion Tower, 3 Garden Road, Central, Hong Kong on Friday, 2 March 2018 at 11:00 a.m. is set out on pages 15 to 16 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Such form of proxy is also published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the office of the branch share registrar and transfer office of the Company in Hong Kong, 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 the holding of the SGM or any adjournment thereof. Completion and delivery of the accompanying form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Expected Timetable</b> .....	4
<b>Letter from the Board</b> .....	6
Introduction .....	6
Proposed Share Consolidation .....	7
Proposed Change in Board Lot Size .....	10
Reasons for the Share Consolidation and the Change in Board Lot Size .....	11
Equity fund raising plan of the Company .....	12
The SGM .....	13
Closure of Register of Members .....	13
Statement of Responsibility .....	13
Recommendation .....	13
General .....	14
Miscellaneous .....	14
<b>Notice of Special General Meeting</b> .....	15

## DEFINITIONS

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

“Board”	board of the Directors
“Business Day”	a day (other than a Saturday and Sunday) on which licensed banks are generally open for business more than five hours in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by the HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Company’s securities for trading on the Stock Exchange from 4,000 Existing Shares to 80 Consolidated Shares
“Company”	Huajun Holdings Limited (Stock Code: 377), a company incorporated in Bermuda with limited liability whose Shares are listed and traded on the Main Board
“Consolidated Share(s)”	ordinary share(s) of par value of HK\$1.00 each in the share capital of the Company upon completion of the Share Consolidation
“Convertible Bonds”	the convertible bonds issued by the Company, maturing on (i) 7 June 2018 in the outstanding principal amount of HK\$200,000,000; (ii) 7 May 2018 in the outstanding principal amount of HK\$100,000,000; (iii) 25 October 2018 in the outstanding principal amount of HK\$350,000,000, and (iv) the New Convertible Bonds as at the Latest Practicable Date
“Director(s)”	directors of the Company
“Existing Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation, whether issued or unissued
“Existing Share Certificates(s)”	the form of certificate(s) of the Existing Shares
“Group”	the Company and its subsidiaries

## DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	7 February 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information herein
“Listing Committee”	The Listing Committee of the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“New Convertible Bonds”	the convertible bonds in the principal amount of HK\$30,000,000 and HK\$218,000,000, respectively, issued on 24 January 2018
“New Share Certificates(s)”	the form of certificate(s) of the Consolidated Shares
“Options”	the options granted under the previous share option scheme of the Company adopted on 28 September 2007 and refreshed on 3 November 2015 to subscribe for the Shares in accordance with the terms thereof
“Potential Acquisition”	the potential acquisition of property development businesses by the Company, in respect of which the Company is currently negotiating and has not entered into any agreement
“Potential Investors”	a listed issuer, the shares of which are listed on the Main Board, of market capitalisation of approximately HK\$368,710,000,000 and principally engaged in property development business and a listed issuer, the shares of which are listed on the Main Board, of market capitalisation of approximately HK\$481,940,000 and principally engaged in casual footwear business
“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 to be granted under the Share Option Scheme, being 10% of the Company’s issued share capital as at the adoption date of the Share Option Scheme

## DEFINITIONS

“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation which is expected to be held at Conference Room, 36/F, Champion Tower, 3 Garden Road, Central, Hong Kong on Friday, 2 March 2018 at 11:00 a.m. and any adjournment thereof
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every one hundred (100) issued and unissued Existing Shares into one (1) Consolidated Share
“Share Option Scheme”	the existing share option scheme of the Company adopted on 25 October 2017 in place of the previous share option scheme which had been adopted on 28 September 2007 and refreshed on 3 November 2015
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America

## EXPECTED TIMETABLE

### EXPECTED TIMETABLE

The expected timetable relating to the Share Consolidation and the Change in Board Lot Size and the associated trading arrangement are as follows:

Latest time to lodge transfer documents . . . . . 4:00 p.m. on Friday,  
23 February 2018

Close of register of members . . . . . Monday, 26 February 2018 to Friday,  
2 March 2018 (both dates inclusive)

Latest time for lodging proxy  
form for the SGM (not less than  
48 hours prior to time of the SGM) . . . . . 11:00 a.m. on Wednesday,  
28 February 2018

Expected date and time of the SGM . . . . . 11:00 a.m. on Friday,  
2 March 2018

Announcement of poll results of the SGM . . . . . Friday, 2 March 2018

**The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation, which are included in this circular.**

Effective date of the Share Consolidation . . . . . Monday, 5 March 2018

Free exchange of Existing Share Certificates  
in pink for New Share Certificates in light blue for  
the Consolidated Shares commences . . . . . Monday, 5 March 2018

Dealing in the Consolidated Shares commences . . . . . 9:00 a.m. on Monday,  
5 March 2018

Original counter for trading in the Existing Shares  
(in board lots of 4,000 Existing Shares  
in the form of Existing Share Certificates in pink)  
temporarily closes . . . . . 9:00 a.m. on Monday,  
5 March 2018

Temporary counter for trading in the Consolidated Shares  
in board lots of 40 Consolidated Shares  
(in the form of Existing Share Certificates in pink) opens . . . . . 9:00 a.m. on Monday,  
5 March 2018

Original counter for trading in the Consolidated Shares  
in board lots of 80 Consolidated Shares  
(in the form of New Share Certificates in light blue) re-opens . . . 9:00 a.m. on Monday,  
19 March 2018

## EXPECTED TIMETABLE

Parallel trading in the Consolidated Shares  
(in form of Existing Share Certificates in pink  
and New Share Certificates in light blue) commences . . . . . 9:00 a.m. on Monday,  
19 March 2018

Designated broker starts to stand in the market  
to provide matching services for  
the odd lots of the Consolidated Shares . . . . . 9:00 a.m. on Monday,  
19 March 2018

Temporary counter for trading in the Consolidated Shares  
in board lots of 40 Consolidated Shares  
(in the form of Existing Share Certificates in pink) closes . . . 4:00 p.m. on Wednesday,  
11 April 2018

Parallel trading in the Consolidated Shares  
(in form of Existing Share Certificates in pink and  
New Share Certificates in light blue) ends . . . . . 4:00 p.m. on Wednesday,  
11 April 2018

Designated broker ceases to stand in the market  
for providing the matching services for  
the odd lots of the Consolidated Shares . . . . . 4:00 p.m. on Wednesday,  
11 April 2018

Free exchange of Existing Share Certificates in pink  
for New Share Certificates in light blue for  
the Consolidated Shares ends . . . . . 4:00 p.m. on Friday,  
13 April 2018

*All times and dates in this circular refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.*



**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  
Mr. Wu Jiwei  
Ms. Zhang Ye  
Mr. He Shufen  
Mr. Guo Song

*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

13 February 2018

*To the Shareholders,*

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION  
AND  
PROPOSED CHANGE IN BOARD LOT SIZE  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

On 5 December 2017, the Board announced the proposal to effect the Share Consolidation whereby every one hundred (100) Existing Shares will be consolidated into one (1) Consolidated Share.

The purpose of this circular is to provide you with further information regarding the Share Consolidation and the Change in Board Lot Size and to give you the notice of the SGM to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation.

\* *For identification purposes only*

## LETTER FROM THE BOARD

### **PROPOSED SHARE CONSOLIDATION**

The Board proposes to put forward a proposal to effect the Share Consolidation involving consolidation of every one hundred (100) Existing Shares into one (1) Consolidated Share.

The terms of the Share Consolidation were determined with reference to the Board's collective impression as to the investment portfolio of certain potential investors, including the Potential Investors. The Board considers the Share Consolidation is (a) fair and reasonable to all Shareholders, despite that fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled to such fractional Consolidated Shares, meaning that the investments by Shareholders holding less than 100 Existing Shares will not be entitled to any Consolidated Share, as the Share Consolidation applies equally to each of the Shares and the Board believes that (i) the aggregate trading price for 99 Existing Shares or less, calculated based on the closing price of the Shares as at the last trading day immediately prior to the date of announcement of the Share Consolidation, shall be immaterial to any Shareholder; and (ii) having a market price of the Shares of above US\$5.00 will not adversely affect the interest of the Company; and (b) is in the interest of the Company and the Shareholders as a whole as it is likely to attract institutional investors which, the Board believes, shall have a positive effect on the Share price.

### **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon (i) the passing of the ordinary resolution to approve the Share Consolidation by the Shareholders at the SGM; and (ii) the Listing Committee granting approval to the listing of and permission to deal in the Consolidated Shares.

Assuming all the conditions are fulfilled, the Share Consolidation will become effective on the Business Day following the passing of the ordinary resolution at the SGM, which will be held on Friday, 2 March 2018.

### **Listing Application**

An application has been made by the Company to the Listing Committee for the listing of and the permission to deal in the Consolidated Shares.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, upon the Share Consolidation being effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. The Shareholders should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

None of the Shares or debt securities of the Company are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

## LETTER FROM THE BOARD

### **Effect of the Share Consolidation**

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$400,000,000 divided into 40,000,000,000 Existing Shares, of which 6,066,920,085 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the SGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$400,000,000 divided into 400,000,000 Consolidated Shares, of which 60,669,200 Consolidated Shares will be in issue which are fully paid or credited as fully paid following the Share Consolidation becoming effective.

All Consolidated Shares will rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

The implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled and the necessary professional expenses for the implementation of the Share Consolidation.

Other than the relevant expenses, including but not limited to professional fees and printing charges incurred, the implementation of the Share Consolidation and the Change in Board Lot Size will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders. The Directors believe that the Share Consolidation and the Change in Board Lot Size will not have any material adverse effect on the financial position of the Group.

### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

## LETTER FROM THE BOARD

### **Free exchange of share certificates and trading arrangement**

Subject to the Share Consolidation becoming effective, which is expected to be on Monday, 5 March 2018, Shareholders may, during the period from Monday, 5 March 2018 to Friday, 13 April 2018 (both days inclusive) between 9:00 a.m. and 4:00 p.m. on any Business Day, submit the Existing Share Certificates to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, to exchange, at the expense of the Company, for the New Share Certificates of the Consolidated Shares. Thereafter, each Existing Share Certificate will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) per certificate issued and cancelled, whichever is higher, payable by the Shareholders. Nevertheless, the Existing Share Certificates will continue to be good evidence of legal title and may be exchanged for the New Share Certificates for the Consolidated Shares at any time after Friday, 13 April 2018 but are not accepted for trading, settlement and registration upon completion of the Share Consolidation.

The New Share Certificates will be issued in light blue to distinguish from the Existing Share Certificates which are in pink.

### **Adjustments in relation to the other securities of the Company**

#### *Share Options*

As at the Latest Practicable Date, assuming there are no other adjustment events under the Share Option Scheme, the Company has outstanding Options which in aggregate entitle holders thereof to subscribe for 408,901,675 Existing Shares. Upon the Share Consolidation becoming effective, there will be in aggregate outstanding Options entitling the holders thereof to subscribe for 4,089,016 Consolidated Shares. Under the Scheme Mandate Limit, the Company is allowed to grant further options entitling holders thereof to subscribe for 606,692,008 Existing Shares under the Share Option Scheme. Upon the Share Consolidation becoming effective, the Company will be allowed to grant further options entitling holders thereof to subscribe for 6,066,920 Consolidated Shares under the Share Option Scheme. As a result of the Share Consolidation, the exercise price of the Options and the number of Shares comprised therein will be adjusted in accordance with the respective terms and conditions of the share option schemes of the Company and the Listing Rules. The Company will instruct its auditors or an independent financial adviser to confirm the adjustments. The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

#### *Convertible Bonds*

As at the Latest Practicable Date, there are five outstanding classes of Convertible Bonds: (i) with a principal amount of HK\$200,000,000 which is convertible into 256,410,256 Existing Shares at the prevailing conversion price of HK\$0.78; (ii) with a principal amount of HK\$100,000,000 which is convertible into 128,205,128 Existing Shares at the prevailing conversion price of HK\$0.78; and (iii) with a principal amount of

## LETTER FROM THE BOARD

HK\$350,000,000 which is convertible into 411,764,705 Existing Shares at the prevailing conversion price of HK\$0.85; and (iv) the New Convertible Bonds. The Share Consolidation may lead to adjustment to the conversion price and the number of Existing Shares falling to be issued upon the exercise of the conversion right attaching to the Convertible Bonds in accordance with the terms and conditions of the Convertible Bonds. The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

Save as disclosed above, the Company does not have any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as at the Latest Practicable Date.

### **PROPOSED CHANGE IN BOARD LOT SIZE**

As at the Latest Practicable Date, the Shares are traded in board lots of 4,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 4,000 Existing Shares to 80 Consolidated Shares after and conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.50 per Share (equivalent to the theoretical closing price of HK\$50.00 per Consolidated Share) as at the Latest Practicable Date, (i) the value of each board lot of Existing Shares is HK\$2,000.00; (ii) the value of each board lot of 40 Consolidated Shares would be HK\$2,000.00 assuming the Share Consolidation becoming effective; and (iii) the estimated market value per board lot of 80 Consolidated Shares would be HK\$4,000.00 assuming that the Change in Board Lot Size had also been effective. The Change in Board Lot Size will not, by itself, affect any of the rights of the Shareholders.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed United Securities Limited to provide odd lot matching services during the period from 9:00 a.m. on Monday, 19 March 2018 to 4:00 p.m. on Wednesday, 11 April 2018 (both dates inclusive) to those Shareholders who wish to top up or sell their holding of odd lots of the Consolidated Shares.

Holders of the Shares in odd lots represented by the Existing Share Certificates who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may directly or through their brokers contact Yuen Ka Leung or Lau Ka Lung Ali of United Securities Limited at 36/F, Champion Tower, 3 Garden Road, Central, Hong Kong (telephone: (852) 3559 2230 and facsimile: (852) 2290 9296) during the above mentioned period.

Shareholders should note that matching of the sale and purchase of odd lots of the Shares is on a best effort basis and successful matching of the sale and purchase of such odd lots is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in doubt about the regarding facility.

## LETTER FROM THE BOARD

### REASONS FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE

The Board noted that, when the price of the Shares is below US\$1.00 per share, it is not conducive to building an institutional investor base for the Company as many institutional investors are not permitted by their respective investment mandates, internal policies or guidelines to deal in securities with a market price below US\$1.00. In fact, some potential investors, including the Potential Investors, have expressed to the Board that they are prohibited from considering the Company as part of their investment portfolio since the market price of a Share is below US\$5.00.

Given that (i) should the shares of the Company meet the criteria of being an acceptable investment alternative for potential institutional investors, it is likely that more financing opportunities will become available for the Company; and (ii) the shareholding position of long term investors', such as institutional investors, are relatively static and thus conducive to reducing the volatility and maintaining the stability of the price of the shares of the Company, the Board considers that building an institutional investor base is in the interest of the Company and its Shareholders as a whole.

Given that (i) the Company will have odd lots matching service in place to mitigate the potential negative impact to the existing Shareholders holding odd number of board lots as a result of the Share Consolidation and the Change in Board Lot Size; (ii) under the Share Consolidation, the theoretical price per board lot of 80 Consolidated Shares would be well over HK\$2,000 in compliance with the Guide on Trading Arrangements for Selected Types Of Corporate Actions issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 (Updated on 25 July 2016); and (iii) in the long-run, additional financing opportunities are likely to become available for the Company which would allow the Company to pursue additional profit-generating business and ventures, including the Potential Acquisition, and the results of which may be reflected by means of an increase in share price and is likely to outweigh the effect of potential negative impact from the creation of odd lots, the Board considers the Share Consolidation and Change in Board Lot Size is in the interest of the Company and its Shareholders as a whole despite the odd lots that will be created.

The Share Consolidation will increase the par value of the Existing Shares and it is expected that the Share Consolidation would lead to a corresponding upward adjustment in the trading price of the Consolidated Shares on the Main Board. The Board considers that upon the Share Consolidation becoming effective, the Consolidated Shares will become an acceptable investment alternative for institutional investors and would in turn broaden the Company's shareholder base and support the Company's on-going and long term development and business expansion. The Board considers that it is in the interest of the Company and the Shareholders as a whole to conduct the Share Consolidation so as to attract more institutional investors, including the Potential Investors, in addition to the existing institutional investors of the Company, such as the subscribers for the New Convertible Bonds given (i) the potential benefits from building an institutional investor base as set out above; and (ii) that the Board believes that the subscribers for the New Convertible Bonds might have made their decision to invest in the Company based on the anticipation that the Share Consolidation will be implemented as announced.

## LETTER FROM THE BOARD

Subject to the Share Consolidation becoming effective, the Board also proposes to change the board lot size for trading from 4,000 Existing Shares to 80 Consolidated Shares. The Board considers that such change in the board lot size would maintain the trading amount for each board lot at a reasonable level for the public to invest in the Consolidated Shares.

The aforementioned benefits may not be conferred to the Company if the Share Consolidation and Change in Board Lot Size are not approved by the Shareholders.

In view of the above, the Board considers that the Share Consolidation and the Change in Board Lot Size are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### EQUITY FUND RAISING PLAN OF THE COMPANY

As at the Latest Practicable Date, (i) the Company does not have any intention or plan (initial or concrete) or otherwise foresee to undertake in the next 12 months any corporate action or arrangement that may affect the trading in the Shares; and (ii) after taking into account the expected working capital requirements or funding needs of the Company in the next 12 months, the Company foresees that it will conduct certain debt or equity fund-raising activities in the next 12 months. The sizes of such debt or equity fund-raising activities have yet to be determined by the Company as the Board is also considering various forms of financing, including sale of assets of the Group.

Assuming the Group's existing operation, investment projects and financial obligations maintain the status quo, the Company's expected funding needs for the next 12 months based on the Board's latest estimates as at the Latest Practicable Date are as follows:-

Description of use	Amount (HK\$ Million)
Operating expenses of the Group	93.2
Repayment of principal and interest incidental to the convertible bonds completed on 8 June 2016 and 8 July 2017	325.1
Repayment of principal and interest incidental to the convertible bonds completed on 26 October 2017	392
Interest incidental to the corporate bonds for 2018	14.1
Interim payments to contractors for the Group's property development project in respect of Bao Hua Financial Centre in Dalian	250
Interim payments to contractors for the Group's property development project in Shanghai	200
Total:	<u>1,274.4</u>

The Board is of the opinion that, after taking into account the internal resources, the existing available banking and other facilities of the Group and the net proceeds from the issue of the New Convertible Bonds, the Group has sufficient working capital for its present requirements for at least 12 months from the Latest Practicable Date in the absence of any unforeseen circumstances.

## LETTER FROM THE BOARD

### THE SGM

Set out on pages 15 to 16 of this circular is a notice convening the SGM to be held at Conference Room, 36/F, Champion Tower, 3 Garden Road, Central, Hong Kong at 11:00 a.m. on Friday, 2 March 2018, whereat an ordinary resolution will be proposed to approve the Share Consolidation.

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 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. Therefore, the resolution put to the vote at the SGM will be taken by way of poll. After the conclusion of the SGM, the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Monday, 26 February 2018 to Friday, 2 March 2018, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the above meeting, unregistered Shareholders should ensure that all transfers of Shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of the Company's 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 for registration not later than 4:00 p.m. on Friday, 23 February 2018.

### STATEMENT OF RESPONSIBILITY

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 Company. 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 are no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Share Consolidation is in the best interest of the Company and the Shareholders as a whole and so recommend all Shareholders to vote in favour of the resolution to be proposed at the SGM.

## LETTER FROM THE BOARD

### GENERAL

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

### MISCELLANEOUS

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

Yours faithfully  
For and on behalf of the Board of  
**Huajun Holdings Limited**  
**Chan Wing Hang**  
*Company Secretary*

## NOTICE OF SPECIAL GENERAL MEETING



### HUAJUN HOLDINGS LIMITED

華君控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 377)

## NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the special general meeting (the “SGM”) of Huajun Holdings Limited (the “Company”) will be held at Conference Room, 36/F, Champion Tower, 3 Garden Road, Central, Hong Kong on Friday, 2 March 2018 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments:

### ORDINARY RESOLUTIONS

“THAT subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval for the listing of, and permission to deal in, the Consolidated Shares (as defined below) with effect from the business day immediately following the day on which this resolution is passed:

- (a) every one hundred (100) of the issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) ordinary share of HK\$1.00 each (the “Consolidated Share(s)”) in the share capital of the Company (the “Share Consolidation”);
- (b) all of the Consolidated Share(s) shall rank *pari passu* in all respects with each other and have the same rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the bye-laws of the Company;
- (c) fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company; and

\* For identification purposes only

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- (d) any one or more of the director of the Company be and are hereby authorised to do all such acts and things and execute all such documents, including under the seal of the Company, where applicable, as he/she/they may consider necessary, desirable or expedient to complete, implement and give effect to any and all of the foregoing arrangements for the Share Consolidation.”

By order of the Board  
**Huajun Holdings Limited**  
**Chan Wing Hang**  
*Company Secretary*

Hong Kong, 13 February 2018

*Notes:*

1. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Monday, 26 February 2018 to Friday, 2 March 2018, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of the Company's 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 for registration not later than 4:00 p.m. on Friday, 23 February 2018.
2. Any shareholder(s) of the Company (the "Shareholder(s)") entitled to attend and vote at the SGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a Shareholder.
3. The form of proxy shall be in writing under the hand of the appointer or of his 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.
4. Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the SGM and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint Shareholders any one of such joint Shareholders may vote, either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint Shareholders be present at the SGM the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholder, and for such purposes seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
6. The form of proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to 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 the holding of the SGM or any adjournment thereof at which the person named in the form of proxy proposes to vote or, in the case of a poll taken subsequently to the date of the SGM or any adjournment thereof, not less than 48 hours before the time appointed for the taking of the poll and in default the form of proxy shall not be treated as valid.

*As at the date of this notice, the Board comprises Mr. Meng Guang Bao, Mr. Wu Jiwei, Ms. Zhang Ye, Mr. He Shufen, and Mr. Guo Song as executive Directors; and Mr. Zheng Bailin, Mr. Shen Ruolei and Mr. Pun Chi Ping as independent non-executive Directors.*