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## **CHINA HUAJUN GROUP LIMITED**

**中國華君集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 377)**

### **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that on 23 June 2025 (after trading hours), the Company, as the issuer, entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has agreed to subscribe for, and the Company has agreed to allot and issue 12,000,000 Subscription Shares at the Subscription Price of HK\$1 per Subscription Share. The Subscription is subject to the conditions set out under the section headed “Conditions of the Subscription”.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of Completion, the Subscription Shares represent (i) approximately 19.50% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.32% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Price of HK\$1 per Subscription Share represents (i) the closing price of HK\$1 per Share as quoted on the Stock Exchange on 23 June 2025, i.e. the date of the Subscription Agreement; and (ii) the average closing price of HK\$1 per Share quoted on the Stock Exchange for the five consecutive trading days of Shares immediately preceding to the date of the Subscription Agreement.

The gross proceeds from the Subscription are expected to be approximately HK\$12.0 million. The net proceeds of the Subscription, after deduction of all relevant expenses, are estimated to be approximately HK\$11.9 million. The Company intends to apply the net proceeds for repayment of debts and general working capital of the Group.

**Shareholders and prospective investors should be reminded that the Completion of the Subscription is subject to the satisfaction of the Conditions as set out in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.**

## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 23 June 2025, the Company, as the issuer, entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber has agreed to subscribe for, and the Company has agreed to allot and issue 12,000,000 Subscription Shares at the Subscription Price of HK\$1 per Subscription Share.

The principal terms of the Subscription Agreement are set out as follows.

### **Date**

23 June 2025

### **Parties**

- (i) the Company; and
- (ii) the Subscriber.

### **Number of the Subscription Shares**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of Completion, the Subscription Shares represent (i) approximately 19.50% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.32% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

### **Subscription Price**

The Subscription Price is HK\$1 per Subscription Share, representing

- (a) the closing price of HK\$1 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (b) the average closing price of HK\$1 per Share quoted on the Stock Exchange for the five consecutive trading days of Shares immediately preceding to the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the prevailing market price and market condition.

The Directors consider that the Subscription Price is fair and reasonable, on normal commercial terms and are in the interest of the Company and the Shareholders as a whole.

## **Payment terms**

The consideration of approximately HK\$12.0 million under the Subscription Agreement shall be fully paid by the Subscriber to the Company by way of cash (or by the other way as agreed by the Company) no less than three Business Days prior to the date of Completion.

## **Ranking**

Upon Completion, the Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all other Shares in issue.

## **Conditions of the Subscription**

The Completion of the Subscription Agreement is conditional upon the fulfilment or waiver of the following conditions:

- (i) the listing of the Shares of the Company not having been revoked, the Shares continue to be listed on the Stock Exchange (except for any trading halt due to the Subscription, if any);
- (ii) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and the permission to deal in, the Subscription Shares;
- (iii) the Company having complied with the Listing Rules in all material respects in respect of the Subscription;
- (iv) all necessary and relevant approvals and consents in relation to the Subscription having been obtained by the Company and the Subscriber; and
- (v) the representations and warranties of the Company under the Subscription Agreement being true, accurate and not misleading in all material respects as at the date of the Subscription Agreement and the date of the Completion.

If any of the conditions precedent under the Subscription Agreement set out above is not fulfilled on or before the Long Stop Date (or such other date as may be agreed between the Company and the Subscriber in writing), all rights and obligations of the parties of the Subscription Agreement shall cease and terminate and none of the parties thereto shall have any claim against the others in respect of the Subscription Agreement (save for any antecedent breaches thereof).

## **Completion**

Completion of the Subscription is subject to (i) the abovementioned conditions under the section headed “Conditions of the Subscription”; and (ii) the settlement of the consideration under the Subscription Agreement as set out in the section headed “Payment terms” above.

The Completion shall take place on a date falling on the tenth Business Day after the fulfillment of the conditions set out above (or such other date as may be agreed between the Company and the Subscriber in writing).

### **General Mandate to allot and issue the Subscription Shares**

No Shareholders' approval is required for the Subscription and the allotment and issue of the Subscription Shares by the Company, as the Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM held on 28 June 2024, under which the Directors may allot and issue up to 12,308,615 Shares (representing 20.00% of the issued share capital of the Company as at the date of the passing of the resolution at the AGM).

As at the date of this announcement and immediately preceding to the entering into of the Subscription Agreement, the Company has not issued any Shares under the General Mandate. The General Mandate is sufficient for the issue and allotment of the Subscription Shares.

### **Application for Listing of the Subscription Shares**

Application will be made by the Company to the Listing Committee for the granting of the approval for the listing of, and permission to deal in, the Subscription Shares.

The Completion of the Subscription is conditional upon, inter alia, the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

### **INFORMATION OF THE COMPANY AND THE GROUP**

The Company is an investment holding company. The Group is principally engaged in (i) printing; (ii) trading and logistics; and (iii) property development and investments.

### **INFORMATION OF THE SUBSCRIBER**

The Subscriber is an investment holding company incorporated in British Virgin Island with limited liability. The ultimate beneficial owner of the Subscriber is Mr. O Fung, a Hong Kong citizen and businessman.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as at the date of this announcement, the Subscriber and its ultimate beneficial owner are Independent Third Parties to the Company. Immediately before entering into the Subscription Agreement, the Subscriber does not have any Shares.

## REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

The Directors consider that the issue of the Subscription Shares represents an opportunity to raise additional funds for the Group's general working capital needs. The Directors believe that the Company, by entering into the Subscription Agreement, will enhance its financial position and broaden the shareholder and capital bases of the Company. The Board is of the view that the terms of the Subscription Agreement and the transactions contemplated thereunder are on normal commercial terms agreed upon after arm's length negotiations between the parties, fair and reasonable and that entering into the Subscription Agreement is in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Subscription and the net proceeds from the Subscription, after deducting professional fees and all relevant expenses, will be approximately HK\$12.0 million and HK\$11.9 million. The Company intends to apply the net proceeds from the Subscription for repayment of debts and general working capital of the Group.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement and immediately prior to the Completion; (ii) immediately upon the Completion, assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion; and (iii) immediately upon completion of the issue of the Scheme Shares:

	Immediately prior to the Completion		Immediately upon the Completion		Immediately upon completion of the issue of the Scheme Shares	
	Number of Shares	Approximate % of issued Shares	Number of Shares	Approximate % of issued Shares	Number of Shares	Approximate % of issued Shares
Huajun Group Limited ( <i>Note</i> )	44,450,619	72.22%	44,450,619	60.44%	44,450,619	45.29%
Mr. Meng Guang Bao	868,520	1.41%	868,520	1.18%	868,520	0.88%
Sub Total	45,319,139	73.63%	45,319,139	61.62%	45,319,139	46.18%
Option A Creditor(s) (not being Shareholders as at the date of this announcement)	–	–	–	–	24,600,000	25.07%
Subscriber	–	–	12,000,000	16.32%	12,000,000	12.23%
Ouke Group Holdings Limited	6,582,326	10.69%	6,582,326	8.95%	6,582,326	6.71%
Other Shareholders	9,641,610	15.68%	9,641,610	13.11%	9,641,610	9.82%
Total	61,543,075	100.00%	73,543,075	100.00%	98,143,075	100.00%

*Note:* As at the date of this announcement, Huajun Group Limited is directly wholly-owned by Mr. Meng Guang Bao.

## **PUBLIC FLOAT**

Immediately upon the Completion, assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion, 9,641,610 Shares of the Company, representing approximately 13.11% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, will be held by the public (as defined under the Listing Rules). Accordingly, the minimum public float requirement of 25% as set out in Rules 8.08(1)(a) and 13.32(1) of the Listing Rules will not be satisfied as at the date of the Completion.

The Directors consider that the public float of the Shares will be restored upon completion of the issue of the Scheme Shares, as illustrated in the above section headed “Effect on shareholding structure of the Company”. Accordingly, the Company will apply to the Stock Exchange for a temporary waiver from strict compliance with Rules 8.08(1)(a) and 13.32(1) of the Listing Rules.

Further announcement(s) will be made by the Company regarding the restoration of public float in the Shares of the Company as and when appropriate in accordance with the Listing Rules.

## **EQUITY FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund-raising activity involving issue of securities in the twelve (12) months immediately preceding the date of this announcement.

**Shareholders and prospective investors should be reminded that the Completion of the Subscription is subject to the satisfaction of the Conditions as set out in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“AGM”	the annual general meeting of the Company held and convened on 28 June 2024
“Board”	the board of Directors
“Business Day(s)”	a day on which banks are generally open for business in Hong Kong, except a Sunday, a Saturday, a public holiday, and a day on which a tropical cyclone warning signal no.8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.

“Company”	China Huajun Group Limited (Stock Code: 377), a company incorporated in Bermuda, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Subscription in accordance with the terms and condition set out in the Subscription Agreement
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or deal with up to 20.00% of the then issued share capital of the Company as at the date of the AGM
“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 PRC
“Independent Third Party(ies)”	person(s) or company(ies) and its (their) respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is(are) third party(ies) independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 August 2025
“Option A”	the option A available for election by the Scheme Creditors as specified in the Letter from the Board of the Scheme Circular
“Option A Creditor(s)”	the Scheme Creditor(s) who have elected the Option A
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Scheme” or “Scheme of Arrangement”	the proposed scheme of arrangement, as amended, supplemented or otherwise modified from time to time, pursuant to sections 670 and 673 of the Companies Ordinance and to be made between the Company and the Scheme Creditors

“Scheme Creditor(s)”	any creditor having any debt, liability or obligation of the Company as defined in the Scheme Circular
“Scheme Circular”	the circular of the Company dated 10 March 2025 in relation to the proposed issue of Scheme Shares under the Scheme of Agreement
“Scheme Shares”	24,600,000 new Shares to be allotted and issued by the Company to such Scheme Creditor(s) who have validly elected the Option A under the Scheme Agreement as defined in the Scheme Circular
“Share(s)”	the ordinary share(s) of par value of HK\$1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Yi He Xin Investment Limited, a company incorporated in British Virgin Island with limited liability and an Independent Third Party to the Company as at the date of this announcement
“Subscription”	subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 23 June 2025 entered into between the Company and the Subscriber
“Subscription Price”	HK\$1 per Subscription Share
“Subscription Shares”	12,000,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement
“trading day”	means a day on which the Stock Exchange is open for the trading of securities
“%”	per cent

By order of the Board  
**China Huajun Group Limited**  
**Yan Ruijie**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 23 June 2025

*As at the date of this announcement, the Board comprises Mr. Yan Ruijie and Ms. Chen Yun as executive Directors; and Mr. Mok Yi Kwo, Mr. Shen Ruolei and Mr. Ding Xingfu as independent non-executive Directors.*

*If there is any inconsistency in this announcement between the Chinese and English versions and the English version shall prevail.*