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 26 June 2026 (after trading hours), the Company, as the issuer, entered into the Subscription Agreements with the Subscribers, pursuant to which the Subscribers have 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 14.73% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 12.84% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The net proceeds from the Subscription are expected to be approximately HK$11.9 million after deduction of direct expense of approximately HK$0.1 million. The Company intends to apply the net proceeds for repayment of debts and general working capital of the Group.

Shareholders and potential investors should note that completion of the Subscription is subject to fulfillment of the condition under the Subscription Agreements. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

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

Date: 26 June 2026

Parties: Issuer: The Company

Subscribers: Not less than six Subscribers, being individuals or other professional investors, and who and whose ultimate beneficial owners (if any) are third parties independent of the Company and its connected persons (as defined in the Listing Rules). It is expected that none of the Subscribers will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately upon completion of the Subscription.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Subscriber(s) is not a connected person (as defined in the Listing Rules) of and is independent of, and not connected with, the Company, any director(s), chief executive(s) or substantial shareholder(s) (as defined in the Listing Rules) of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules).

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 14.73% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 12.84% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Subscription Price

The Subscription Price of HK$1 per Subscription Share, representing:

(a) a discount of approximately 21.9% to the closing price of HK$1.28 per Share as quoted on the Stock Exchange on the trading day preceding the date of the Subscription Agreements;

(b) a discount of approximately 26.5% to the average closing price of approximately HK$1.36 per Share as quoted on the Stock Exchange for the last five trading days up to and including the trading day preceding the date of the Subscription Agreements; and

(c) a price difference of approximately HK$105.6 as compared to the audited consolidated net liabilities of approximately HK$104.6 per Share as at 31 December 2025, which is calculated based on the Group's audited consolidated net liabilities of the Company of approximately HK$8,527.9 million as at 31 December 2025 and 81,491,851 Shares in issue as at the date of this announcement.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscribers with reference to the par value of the share, 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 proceeds of Subscription of HK$12.0 million under the Subscription Agreements shall be fully paid by the Subscribers 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.

Condition of the Subscription

The Completion of the Subscription Agreements 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 Subscribers; and

(v) the representations and warranties of the Company under the Subscription Agreements being true, accurate and not misleading in all material respects as at the date of the Subscription Agreements and the date of the Completion.

If any of the conditions precedent under the Subscription Agreements 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 Subscribers in writing), all rights and obligations of the parties of the Subscription Agreements shall cease and terminate and none of the parties thereto shall have any claim against the others in respect of the Subscription Agreements (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 proceeds of Subscription under the Subscription Agreements 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 Subscribers 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 27 June 2025, 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 Agreements, 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.

REASONS FOR THE SUBSCRIPTION AND USE OF NET PROCEEDS

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. 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 Agreements, 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 Agreements 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 Agreements is in the interests of the Company and the Shareholders as a whole.

The net proceeds from the Subscription is approximately HK$11.9 million with direct cost of approximately HK$0.1 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; and (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:

	Immediately prior to the Completion		**Immediately upon the Completion**	
	Number of Shares	*Approximate % of issued Shares*	*Number of Shares*	*Approximate % of issued Shares*
Huajun Group Limited *(Note 1)*	44,450,619	54.54%	44,450,619	47.54%
Mr. Meng Guang Bao	868,520	1.07%	868,520	0.93%
Sub Total	45,319,139	55.61%	45,319,139	48.47%
Option A Creditors *(Note 2)*				
Individuals in the Scheme Shares	2,968,988	3.65%	2,968,988	3.18%
China Great Wall Asset Management Co., Ltd., Shanghai Branch*（中國長城資產管理股份有限公司上海市分公司）	12,478,456	15.31%	12,478,456	13.35%
China Great Wall Asset Management Co., Ltd., Jiangsu Branch*（中國長城資產管理股份有限公司江蘇省分公司）	4,501,332	5.52%	4,501,332	4.81%
Sub Total *(Note 3)*	19,948,776	24.48%	19,948,776	21.34%
Subscribers			12,000,000	12.84%
Ouke Group Holdings Limited	6,582,326	8.08%	6,582,326	7.04%
Ms. Chen Yun *(Note 4)*	880	0.00%	880	0.00%
Other Shareholders	9,640,730	11.83%	9,640,730	10.31%
Total	81,491,851	100.00%	93,491,851	100.00%

Note 1: As at the date of this announcement, Huajun Group Limited is directly wholly-owned by Mr. Meng Guang Bao.

Note 2: On 23 June 2026, 2,968,988 Scheme Shares were issued to 42 individuals who are Independent Third Parties, and hence such Scheme Shares are counted as public float. On the same day, Scheme Shares were also issued to China Great Wall Asset Management Co., Ltd., Shanghai Branch*（中國長城資產管理股份有限公司上海市分公司）and China Great Wall Asset Management Co., Ltd., Jiangsu Branch*（中國長城資產管理股份有限公司江蘇省分公司）and as both allottees in aggregate hold approximately 20.83%, they are not counted as public float.

Note 3: Pursuant to the Scheme, a total of 24,600,000 Scheme Shares are to be issued. The remaining 4,651,224 Scheme Shares shall be issued in due course upon the final and conclusive determination of all claims of the Scheme Creditors.

Note 4: Ms. Chen Yun is the executive Director of the Company.

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, each of the Subscribers will not hold more than 5% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. 31,192,044 Shares of the Company, representing approximately 33.36% 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 Rule 8.08(1) and Rule 13.32B of the Listing Rules will be restored as at the date of the Completion.

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 did not raise any funds by issue of equity securities during the 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 Agreements. 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, the following expressions have the meanings set out below unless the context requires otherwise.

"AGM"	the annual general meeting of the Company held and convened on 27 June 2025
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"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 Agreements
"connected persons"	has the same meaning as defined in the Listing Rules
"Director(s)"	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 People's Republic of China
"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 2026
"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
"Scheme" or "Scheme of Arrangement"	the 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 Circular"	the circular of the Company dated 10 March 2025 in relation to the proposed issue of Scheme Shares under the Scheme of Agreements
"Scheme Creditor(s)"	any creditor having any debt, liability or obligation of the Company as defined in the Scheme Circular

"Scheme Shares"	a total of 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 Agreements as defined in the Scheme Circular of which 19,948,776 Scheme Shares were issued on 23 June 2026
"Share(s)"	the ordinary share(s) of HK$1 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscribers"	the subscribers to subscribe the Subscription Shares under the Subscription Agreements
"Subscription"	the subscription for the Subscription Shares at the Subscription Price pursuant to the Subscription Agreements
"Subscription Agreements"	the subscription agreements dated 26 June 2026 and entered into between the Company and each of the Subscribers in respect of the subscription of the Subscription Shares respectively
"Subscription Price"	HK$1 per Subscription Share
"Subscription Shares"	a total of 12,000,000 new Shares to be allotted and issued by the Company to the Subscribers pursuant to the Subscription Agreements
"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, 26 June 2026

As at the date of this announcement, the Board comprises Mr. Yan Ruijie, Ms. Chen Yun, Dr. Li Dayi and Ms. Wang Xiaomei as executive Directors; and Mr. Mok Yi Kwo, Mr. Ding Xingfu and Ms. Zhu Fang 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.

* *for identification purposes only*