# CHINA HUAJUN GROUP LIMITED
# 中國華君集團有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 377)**

# (1) ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE FOR DEBT CAPITALISATION; (2) APPLICATION OF WHITEWASH WAIVER; (3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER; AND (4) RESUMPTION OF TRADING

**Independent Financial Adviser**
**to the Independent Board Committee and the Independent Shareholders**

中毅資本有限公司
Grand Moore Capital Limited

## ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE FOR DEBT CAPITALISATION

On 21 June 2026, the Company entered into the Settlement Agreement with the Creditor, pursuant to which the Company has conditionally agreed to capitalise the Indebted Amount owed to the Creditor by the Company, the Creditor has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 94,000,000 Capitalisation Shares at the issue price of HK$1.00 per Capitalisation Share under the Specific Mandate to be sought at the SGM.

**Takeovers Code implications and applications for Whitewash Waiver**

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, the Capitalisation Shares, when allotted and issued, will represent (i) approximately 115.35% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 53.56% of the issued share capital of the Company as enlarged by the allotment and issuance of the Capitalisation Shares.

As at the date of this announcement, each of the Creditor, Mr. Li Gang and parties acting in concert with any of them does not hold any Shares.

Assuming there will be no change in the number of issued Shares from the date of this announcement up to and the Completion, upon Completion, the shareholding of the Creditor will increase to approximately 53.56%. The Creditor will therefore be obliged to make a mandatory cash offer for all issued Shares not already owned or agreed to be acquired by it and its concert parties pursuant to Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted.

The Creditor will apply to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the allotment and issue of the Capitalisation Shares. The Whitewash Waiver, if granted by the Executive, would be subject to (i) the approval by more than 50% of the votes cast by the Independent Shareholders at the SGM by way of poll in respect of the Debt Capitalisation, the Settlement Agreement and the transactions contemplated thereunder; and (ii) the approval of the Whitewash Waiver by at least 75% of the votes cast by the Independent Shareholders at the SGM by way of poll.

The Executive may or may not grant the Whitewash Waiver. The Debt Capitalisation will not proceed if the Whitewash Waiver is not granted or approved.

None of the Creditor and parties acting in concert with it had any dealings in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the period commencing on the date falling six months prior to the date of this announcement and ending on the date of this announcement.

## GENERAL

### Establishment of Independent Board Committee

The Independent Board Committee comprising Mr. Mok Yi Kwo, Mr. Ding Xingfu and Ms. Zhu Fang (being all of the independent non-executive Directors) has been established by the Company under the Listing Rules and Takeovers Code to advise the Independent Shareholders on the Debt Capitalisation, the Specific Mandate and the Whitewash Waiver.

### Appointment of Independent Financial Adviser

The Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and Independent Shareholders on (i) the Debt Capitalisation; (ii) the Specific Mandate; and (iii) the Whitewash Waiver.

The Independent Financial Adviser has been appointed pursuant to Rule 2.1 of the Takeovers Code and such appointment has been approved by the Independent Board Committee.

### The SGM

The SGM will be convened to consider and, if thought fit, to pass the resolutions to approve, inter alia, (i) the Settlement Agreement and the transactions contemplated thereunder; (ii) the Specific Mandate; and (iii) the Whitewash Waiver.

A circular containing, among other things, (i) further details of the Settlement Agreement; (ii) the Specific Mandate; (iii) the Whitewash Waiver; and (iv) a notice of the SGM, will be despatched by the Company to the Shareholders on or before 21 July 2026.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

**RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 22 June 2026 pending the release of this announcement. Application has been made by the Company for resumption of trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on 2 July 2026.

## ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE FOR DEBT CAPITALISATION

On 21 June 2026, the Company entered into the Settlement Agreement with the Creditor, pursuant to which the Company has conditionally agreed to capitalise the Indebted Amount owed to the Creditor by the Company, the Creditor has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 94,000,000 Capitalisation Shares at the issue price of HK$1.00 per Capitalisation Share under a specific mandate of the Company to be sought at the SGM.

### Background of the Indebted Amount

On 23 January 2021, Wonderland and the Company entered into a loan agreement (the "**Loan Agreement**"), pursuant to which Wonderland had agreed to provide loan facilities of up to HK$130 million to the Company. As at the date of 15 June 2026, the outstanding amount owed by the Company to Wonderland was approximately HK$99.4 million, comprising principal amount of approximately HK$82.0 million and interest of approximately HK$17.4 million.

As the outstanding loan under the Loan Agreement had been long overdue and the Company was not in a position to repay in cash in near future, the outstanding loan had become a non-performing asset of Wonderland. In light of the above, Wonderland decided to partially assign the outstanding loan to the Creditor, a company wholly owned by Mr. Li Gang, who is also the ultimate beneficial owner of the Creditor and the ultimate controller of Wonderland.

Wonderland and the Creditor on 17 April 2026 entered into a debt assignment agreement in respect of assigning HK$87 million of the outstanding loan and subsequently on 15 June 2026 the parties agree to assign further HK$7 million of the outstanding loan which in aggregate. Wonderland agreed to transfer all its rights over the Indebted Amount in the total sum of HK$94 million (of which HK$76,609,586 is the principal and HK$17,390,414 is the interest) to the Creditor.

Wonderland retained its rights over the balance outstanding amount of HK$5,425,724 under the Loan Agreement. The Loan Agreement between Wonderland and the Company remains in full force and effect, Wonderland shall be entitled to the interest on the outstanding amount of the loan and shall be repaid in accordance with the terms of the Loan Agreement.

**The Settlement Agreement**

The principal terms of the Settlement Agreement are set out as follows:

***Date***

21 June 2026

***Parties***

(1) The Creditor

(2) The Company

***Debt Capitalisation***

The Company is indebted to the Creditor in the sum of the Indebted Amount. The Company will issue to the Creditor the Capitalisation Shares at the Issue Price as full and final settlement of the Indebted Amount and the fulfilment of all obligations of the Company under the Indebted Amount.

***Capitalisation Shares***

The 94,000,000 Capitalisation Shares under the Debt Capitalisation will be allotted and issued under a specific mandate which are subject to Independent Shareholders' approval at the SGM.

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, the Capitalisation Shares, when allotted and issued, will represent (i) approximately 115.35% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 53.56% of the issued share capital of the Company as enlarged by the allotment and issuance of the Capitalisation Shares.

***Issue Price***

The Issue Price of HK$1.00 per Capitalisation Share represents:

(i) 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 Settlement Agreement and this announcement;

(ii) 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 Settlement Agreement;

(iii) a price difference of approximately HK$139.6 as compared to the audited consolidated net liabilities of approximately HK$138.6 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$8,527.5 million as at 31 December 2025 and 61,543,075 Shares in issue as at the trading day preceding the date of the Settlement Agreement; and

(iv) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 16.00% of the theoretical diluted price of HK$1.14 per Share to the benchmarked price of HK$1.36 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the trading day preceding the date of the Settlement Agreement of HK$1.28 per Share and the average closing price of HK$1.36 per Share as quoted on the Stock Exchange for the five consecutive trading days preceding the date of the Settlement Agreement).

The Issue Price was determined after arm's length negotiation between the Company and the Creditor after taking into account the par value of the Shares, prevailing market price and trading volume of the Shares as well as the current market conditions. The Directors (excluding the independent non-executive Directors who will provide their opinion after considering the advice from the Independent Financial Adviser) consider that the terms of the Settlement Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The amount of the total Issue Price of the Capitalisation Shares shall be satisfied by way of capitalising the Indebted Amount owed to the Creditor by the Company. In addition, the Group will use its internal resources to settle the professional fees and all related expenses in connection with the Debt Capitalisation.

***Ranking***

The Capitalisation Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with all other Shares in issue at the time of allotment and issue of the Capitalisation Shares.

***Conditions precedent***

The Completion is conditional upon the satisfaction of the following conditions precedent:

(i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Capitalisation Shares;

(ii) passing by the Independent Shareholders of the Company resolutions at the SGM approving (a) the Settlement Agreement and the transactions contemplated thereunder (more than 50% of the votes cast by the Independent Shareholders at the SGM by way of poll); and (b) the Whitewash Wavier (at least 75% of the votes cast by the Independent Shareholders at the SGM by way of poll) in accordance with the Listing Rules and the Takeovers Code;

(iii) all necessary approvals, consents and waivers (if any) required to be obtained by the Company and/or the Creditor from any relevant authorities or third parties in respect of the Debt Capitalisation are obtained and remain valid in full force and effect; and

(iv) the Executive having granted (and such grant not having been withdrawn) the Whitewash Waiver to the Creditor, and the satisfaction of all conditions (if any) attached thereto.

All the above conditions precedent are not waivable. As at the date of this announcement, none of the conditions precedent above have been fulfilled.

As at the date of this announcement, save for the approvals as detailed in the conditions (i), (ii) and (iv), no other approvals, consents and waivers are required to be obtained by the Company and/or the Creditor from any relevant authorities or third parties in respect of the Debt Capitalisation.

If the above conditions precedent are not satisfied by the Long Stop Date, the Settlement Agreement shall be automatically terminated with immediate effect. Upon such termination, the Debt Capitalisation shall not proceed. The Company remains to be indebted to the Creditor as to the Indebted Amount and the Company shall have to repay the same in cash.

***Completion***

Completion of the Debt Capitalisation shall take place within seven Business Days after the date on which the last conditions precedent is satisfied, or at such other date, time and venue as the parties may agree in writing.

**The Specific Mandate**

The Capitalisation Shares will be issued pursuant to the Specific Mandate.

**Listing Application**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Capitalisation Shares on the Stock Exchange.

**Information on 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 on the Creditor**

The Creditor is an investment holding company wholly-owned by Mr. Li Gang.

Mr. Li Gang obtained a bachelor's degree in engineering from the University of Nanking（南京金陵大學）in 1984 Mr. Li Gang has accumulated many years of working and corporate management experience in the fields of trading and financial technology. He founded Shenzhen Youbo Network Technology Co., Ltd.（深圳優博網路科技有限公司）and served as the general manager. He has also worked as the product director in Shanghai Mingchuang Software Technology Co., Ltd.（上海銘創軟件技術有限公司）, as the trust manager in Chongqing International Trust Co., Ltd.（重慶國際信託有限公司）and the trust manager in Zhongrong International Trust Co., Ltd.（中融信託有限公司）, as the investment manager in Munsun Asset Management (Asia) Limited（麥盛資產管理（亞洲）有限公司）. From June 2020 to April 2025, Mr. Li Gang was the chairman and executive director of Enviro Energy International Holdings Limited, the shares of which are listed on the Stock Exchange with stock code 1102.

As at the date of this announcement, the Creditor and its ultimate beneficial owner are Independent Third Parties.

Both the Creditor and Wonderland are ultimately controlled by Mr. Li Gang. Further, the sole director of Wonderland is Ms. Zhang Xiaomei, who is the spouse of Mr. Li Gang.

**Effect on the shareholding structure of the Company**

Reference is made to the Company's announcements dated 23 June 2025, 17 July 2025, 5 February 2026, 5 March 2026, 9 April 2026, 7 May 2026, 1 June 2026 and 23 June 2026 in relation to, inter alia, the Scheme Shares and the Company's public float.

The shareholding structure of the Company (i) as at the date of this announcement; (ii) upon the Completion (assuming no change to the number of issued Shares from the date of this announcement up to the date of the Completion) are as follows:

| | **As at the date of this announcement** | | **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 | 25.33% |
| Mr. Meng Guo Bao | 868,520 | 1.07% | 868,520 | 0.49% |
| | 45,319,139 | 55.61% | 45,319,139 | 25.82% |
| The Creditor | – | – | 94,000,000 | 53.56% |
| *The Creditor , Mr. Li Gang and parties acting in concert with any of them* | – | – | 94,000,000 | 53.56% |
| Director | | | | |
| Ms. Chen Yun *(Note 2)* | 880 | 0.00% | 880 | 0.00% |
| Option A Creditors *(Note 3)* | | | | |
| Individuals in the Scheme Shares | 2,968,988 | 3.65% | 2,968,988 | 1.69% |
| 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 | 7.11% |
| 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 | 2.57% |
| | 19,948,776 | 24.48% | 19,948,776 | 11.37% |
| Ouke Group Holdings Limited | 6,582,326 | 8.08% | 6,582,326 | 3.75% |
| Other Shareholders *(Note 4)* | 9,640,730 | 11.83% | 9,640,730 | 5.50% |
| Total | 81,491,851 | 100% | 175,491,851 | 100% |

* *for identification purposes only*

*Notes:*

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

2. Ms. Chen Yun is the executive Director of the Company. Save and except Ms. Chen Yun, no other Directors hold any Shares as at the date of this announcement.

3. 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）(together, "**China Great Wall Companies**") and as both allottees in aggregate hold approximately 20.83%, they are not counted as public float as at the date of this announcement. For the avoidance of doubt, if the aggregate shareholding of China Great Wall Companies is below 10%, they will be counted as public float.

4. All Other Shareholders are public shareholders.

As at the date of this announcement, the public float of the Company is approximately 23.55%; and upon the Completion, the public float of the Company is approximately 20.61%, which is below the minimum public float requirement as set out in Rule 13.32B(1) of the Listing Rules. On 26 June 2026, the Company attempted to restore the public float by issue of new shares to several subscribers but the subscriptions were subsequently terminated by mutual agreement of the parties. Please refer to the announcements dated 26 June 2026 and 29 June 2026 for details of the subscriptions and its termination.

In this regard, the Company intends to issue new Shares within one month after the date of this announcement to raise funds and to restore the public float through dilution of shareholdings, subject to identifying suitable subscribers.

Further announcement(s) will be made in due course in relation to the proposed fund raising activity(ies) as and when appropriate.

**Fund raising exercises in the past 12 months**

The Company has not conducted any fund raising activities involving issue of its securities in the past 12 months immediately preceding the date of this announcement.

**Takeovers Code implications and application for Whitewash Waiver**

As at the date of this announcement, each of the Creditor, Mr. Li Gang and parties acting in concert with any of them does not hold any Shares.

* *for identification purposes only*

Assuming there will be no change in the number of issued Shares from the date of this announcement up to the Completion, the shareholding of the Creditor will be approximately 53.56% upon Completion. The Creditor will therefore be obliged to make a mandatory cash offer for all issued Shares not already owned or agreed to be acquired by it and its concert parties pursuant to Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted.

The Creditor will apply to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the allotment and issue of the Capitalisation Shares. The Whitewash Waiver, if granted by the Executive, would be subject to (i) the approval by more than 50% of the votes cast by the Independent Shareholders at the SGM by way of poll in respect of the Debt Capitalisation, the Settlement Agreement and the Specific Mandate; and (ii) the approval of the Whitewash Waiver by at least 75% of the votes cast by the Independent Shareholders at the SGM by way of poll.

The Executive may or may not grant the Whitewash Waiver. The Debt Capitalisation will not proceed if the Whitewash Waiver is not granted or approved.

None of the Creditor, Mr. Li Gang and parties acting in concert with any of them had any dealings in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the period commencing on the date falling six months prior to the date of this announcement and ending on the date of this announcement.

**REASONS FOR AND BENEFITS OF THE DEBT CAPITALISATION**

The Debt Capitalisation is a full and final settlement of the Indebted Amount which will reduce the gearing ratio of the Group and save future interest expenses. This method of settlement is cost-effective and does not have negative impact on the Group's cashflow.

In view of the above, the Director (excluding the independent non-executive Directors who will provide their opinion after considering the advice of the Independent Financial Adviser) consider that the terms of the Settlement Agreement and the Debt Capitalisation are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

**FUTURE INTENTIONS REGARDING THE GROUP**

Upon Completion, the Creditor, Mr. Li Gang and parties acting in concert with any of them will hold 94,000,000 Shares, representing approximately 53.56% of the issued share capital of the Company as enlarged by the issue of the Capitalisation Shares.

The Creditor considers and confirms that (a) it is intended that the Group will continue its existing business following the Completion; and (b) there is no intention to introduce any major changes to the existing business of the Group or the continued employment of the Group's employees, and there is no intention to redeploy the fixed assets of the Group other than in its ordinary course of business.

## DEALING AND INTEREST IN THE COMPANY'S SECURITIES

Save for the Capitalisation Shares to be allotted and issued by the Company to the Creditor, the Creditor, Mr. Li Gang and parties acting in concert with any of them had not dealt for value in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period immediately prior to the date of this announcement and up to and including the date of this announcement.

As at the date of this announcement:

(i) save as disclosed in the section headed "Effect on Shareholding Structure of the Company" in this announcement, the Creditor and the parties acting in concert with it do not own, hold, control or have direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;

(ii) there is no outstanding derivative in respect of the securities in the Company which has been entered into by the Creditor, Mr. Li Gang or any person acting in concert with any of them;

(iii) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Creditor, Mr. Li Gang and parties acting in concert with any of them or the Shares and which might be material to the transactions contemplated under the Settlement Agreement and/or the Whitewash Waiver;

(iv) there is no irrevocable commitment received by the Creditor, Mr. Li Gang and parties acting in concert with any of them to vote for or against the Settlement Agreement and/or the Whitewash Waiver;

(v) there is no agreement or arrangement to which the Creditor, Mr. Li Gang or any person acting in concert with any of them, is a party which relates to circumstances in which the Creditor may or may not invoke or seek to invoke a pre-condition or a condition to the transactions contemplated under the Settlement Agreement and/or the Whitewash Waiver;

(vi) there is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Creditor, Mr. Li Gang or parties acting in concert with any of them has borrowed or lent;

(vii) there is no consideration, compensation or benefits in whatever form provided or to be provided by the Creditor, Mr. Li Gang or parties acting in concert with any of them to the Company and parties acting in concert with it;

(viii) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Creditor, Mr. Li Gang or any parties acting in concert with any of them on the one hand, and the Company and any parties acting in concert with it on the other hand; and

(ix) there is no understanding, arrangement, agreement which constitute special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) the Creditor, Mr. Li Gang and any party acting in concert with any of them; or (b) the Company, its subsidiaries and associated companies.

**As at the date of this announcement, the Company does not believe that the Debt Capitalisation, the Specific Mandate or the Whitewash Waiver give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the whitewash circular. The Company notes that the Executive may not grant the Whitewash Waiver if the Debt Capitalisation does not comply with other applicable rules and regulations.**

## GENERAL

### Establishment of Independent Board Committee

The Independent Board Committee comprising Mr. Mok Yi Kwo, Mr. Ding Xingfu and Ms. Zhu Fang (being all of the independent non-executive Directors) has been established by the Company under the Listing Rules and Takeovers Code to advise the Independent Shareholders on the Debt Capitalisation, the Specific Mandate and the Whitewash Waiver.

### Appointment of Independent Financial Adviser

The Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and Independent Shareholders on the Debt Capitalisation, the Specific Mandate, and the Whitewash Waiver.

The Independent Financial Adviser has been appointed pursuant to Rule 2.1 of the Takeovers Code and such appointment has been approved by the Independent Board Committee.

### The SGM

The SGM will be convened to consider and, if thought fit, to pass the resolutions to approve, inter alia, (i) the Settlement Agreement; (ii) the Specific Mandate; and (iii) the Whitewash Waiver.

A circular containing, among other things, (i) further details of the Settlement Agreement; (ii) the Specific Mandate; (iii) the Whitewash Waiver; and (iv) a notice of the SGM, will be despatched by the Company to the Shareholders on or before 21 July 2026.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 22 June 2026 pending the release of this announcement. Application has been made by the Company for resumption of trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on 2 July 2026.

## DEFINITIONS

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

| | |
|---|---|
| "acting in concert" | has the meaning ascribed to it under the Takeovers Code |
| "Board" | the board of Directors |
| "Business Day(s)" | a day on which banks are generally open for business in Hong Kong, except (i) a Sunday, a Saturday and a public holiday; and (ii) any day on which a tropical cyclone warning signal no. 8 or above or a "black" rainstorm warning signal is hoisted in Hong Kong or "extreme conditions" is announced at any time between 9:00 a.m. and 12:00 noon, and such signal has not been lowered by 12:00 noon on that day |
| "Capitalisation Shares" | 94,000,000 new Shares to be issued and allotted at the Issue Price by the Company to the Creditor pursuant to the Settlement Agreement |
| "Company" | China Huajun Group Limited（中國華君集團有限公司）, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 377) |
| "Completion" | completion of the Debt Capitalisation in accordance with the terms and conditions of the Settlement Agreement |
| "connected person(s)" | has the meaning as ascribed to it under the Listing Rules |
| "Creditor" | Vpoint Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Li Gang |
| "Debt Capitalisation" | the capitalisation of the Indebted Amount owed by the Company to the Creditor pursuant to the Settlement Agreement |
| "Director(s)" | the director(s) of the Company |
| "Executive" | the Executive Director of the Corporate Finance Division of the SFC or any of its delegates |

| | |
|---|---|
| "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 |
| "Indebted Amount" | HK$94,000,000, being the aggregate amount of indebtedness owned by the Company to the Creditor as at the date of this announcement |
| "Independent Board Committee" | the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Mok Yi Kwo, Mr. Ding Xingfu and Ms. Zhu Fang, established to advise the Independent Shareholders on the Debt Capitalisation, the Settlement Agreement, the Specific Mandate and the Whitewash Waiver |
| "Independent Financial Adviser" | Grand Moore Capital Limited, a corporation licensed under the SFO to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities |
| "Independent Shareholders" | Shareholders other than (i) the Creditor and parties acting in concert with it; and (ii) the Shareholders who are interested in or involved in the Debt Capitalisation, the Settlement Agreement, the Specific Mandate and/or the Whitewash Waiver |
| "Independent Third Party(ies)" | person(s) or company(ies) and their respective ultimate beneficial owner(s) which are third parties independent of and not connected with the Company and its connected persons |
| "Issue Price" | HK$1.0 per Share |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "Long Stop Date" | 31 December 2026 (or such other date as the Creditor and the Company may agree in writing) |
| "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" | the scheme of arrangement made between the Company and its creditors which became effective on 26 June 2025 |
| "Scheme Shares" | 24,600,000 new Shares, ranking pari passu in all respects with the Shares to be allotted and issued by the Company to its creditor(s) under the Scheme who have validly elected the Option A of the Scheme |

| | |
|---|---|
| "Settlement Agreement" | the settlement agreement dated 21 June 2026 entered into between the Company and the Creditor in relation to the Debt Capitalisation |
| "SFC" | Securities and Futures Commission of Hong Kong |
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| "SGM" | the special general meeting of the Company to be held to approve, inter alia, the Debt Capitalisation, the Settlement Agreement, the Specific Mandate and the Whitewash Waiver |
| "Share(s)" | the ordinary share(s) of HK$1.00 each in the Company |
| "Shareholder(s)" | holder(s) of the Share(s) |
| "Specific Mandate" | the specific mandate to be sought from the Independent Shareholders at the SGM to allot and issue the Capitalisation Shares |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Takeovers Code" | the Hong Kong Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time |
| "Whitewash Waiver" | the waiver to be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligation of the Creditor to make a mandatory general offer to the Shareholders in respect of all issued Shares not already owned or agreed to be acquired by the Creditor or parties acting in concert with it |
| "Wonderland" | Wonderland International Financial Holdings Limited, a company incorporated in Hong Kong with limited liability indirectly, owned as to 55.95% by Hua Zhi Investment Limited (which is in turn owned as to 85.73% by Mr. Li Gang and 14.27% by Ms. Lu Qing). The remaining shareholding of Wonderland is owned as to 41.79% by Mr. Su Shaowen and remaining 2.26% by each of two other individuals. Wonderland and its ultimate beneficial owners are all Independent Third Parties. |
| "%" | per cent |

By order of the Board
**China Huajun Group Limited**
**Yan Ruijie**
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 30 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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

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