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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 REFRESHMENT OF GENERAL MANDATE

PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE

The Board proposes to refresh the Existing General Mandate for the Directors to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the date of the SGM and based on the total number of 60,669,200 issued Shares as at the date of this announcement, subject to the passing of the relevant ordinary resolution by the Shareholders at the SGM, the Refreshment of General Mandate will allow the Directors to allot and issue up to 12,133,840 Shares, representing 20% of the issued share capital of the Company as at the date of the SGM.

GENERAL

As the Refreshment of General Mandate is proposed to be made before the next annual general meeting of the Company, pursuant to Rule 13.36(4) of the Listing Rules, the Refreshment of General Mandate will be subject to the approval of the Independent Shareholders by way of an ordinary resolution at the SGM at which any controlling shareholders of the Company and their associates or, where there is no controlling shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution approving the proposed Refreshment of General Mandate.

The Board has established the Independent Board Committee, to (i) consider and, if appropriate, make a recommendation to the Independent Shareholders as to whether the terms of the Refreshment of General Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser.

A circular containing, among other things, (i) details of the Refreshment of General Mandate; (ii) the recommendations from the Independent Board Committee and the Independent Financial Adviser in relation to the Refreshment of General Mandate; and (iii) a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

EXISTING GENERAL MANDATE

Pursuant to an ordinary passed by the Shareholders at the 2017 AGM, the Existing General Mandate was granted to the Directors which enabled the Directors to issue and allot up to 12,133,840 Shares, representing 20% of the issued share capital of the Company as at the date of the 2017 AGM.

During the period from the grant of the Existing General Mandate to the date of this announcement, the Company has issued (i) the convertible bond in the principal amount of HK\$350,000,000 which is convertible into 4,117,647 Shares at the conversion price of HK\$85; (ii) the convertible bond in the principal amount of HK\$30,000,000 which is convertible into 882,352 Shares at the conversion price of HK\$34; and (iii) the convertible bond in the principal amount of HK\$218,000,000 which is convertible into 6,411,764 Shares at the conversion price of HK\$34.

As a result of the above, the Company has utilised approximately 94.05% of the Existing General Mandate and may further issue and allot up to 722,077 new Shares under the Existing General Mandate. Save for the proposed Refreshment of General Mandate herein, there has been no refreshment of the Existing General Mandate.

REFRESHED GENERAL MANDATE

Assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the date of the SGM and based on the total number of 60,669,200 issued Shares as at the date of this announcement, subject to the passing of the relevant ordinary resolution by the Shareholders at the SGM, the Refreshment of General Mandate will allow the Directors to allot and issue up to 12,133,840 Shares, representing 20% of the issued share capital of the Company as at the date of the SGM.

The Refreshed General Mandate will, if granted, expire at the earliest of : (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum of association and bye-laws of the Company or the applicable laws of Bermuda; or (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company prior to the next general meeting of the Company.

REASONS FOR AND BENEFIT OF THE REFRESHMENT OF GENERAL MANDATE

The principal activities of the Group are: (i) sale and manufacturing of high quality multi-colour packaging products, carton boxes, books, brochures and other paper products; (ii) trading and logistics; (iii) finance lease; (iv) provision of finance; (v) property development and investments; (vi) securities investments; (vii) manufacturing and sales of industrial equipment; and (viii) manufacturing and sales of photovoltaic products.

Having considered that (i) approximately 94.05% of the Existing General Mandate has been utilised by the Company as at the date of this announcement; and (ii) the Refreshed General Mandate will allow the Directors to issue new Shares under the refreshed limit and provide the Company with the flexibility and ability to capture possible debt or equity fund-raising, including by way of issue of convertible bonds, in a timely manner for future possible funding needs, the Board considers that the Refreshment of General Mandate is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has not yet formulated any concrete plan for raising capital by issuing new Shares under the Refreshed General Mandate.

LISTING RULES IMPLICATIONS

As the Refreshment of General Mandate is proposed to be made before the next annual general meeting of the Company, pursuant to Rule 13.36(4) of the Listing Rules, the Refreshment of General Mandate will be subject to the approval of the Independent Shareholders by way of an ordinary resolution at the SGM at which any controlling shareholders of the Company and their associates or, where there is no controlling shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution approving the proposed Refreshment of General Mandate.

The Board has established the Independent Board Committee, (i) to consider and, if appropriate, make a recommendation to the Independent Shareholders as to whether the terms of the Refreshment of General Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser. The Company will appoint an Independent Financial Adviser to advise the Independent Shareholders in respect of the Refreshment of General Mandate.

SGM

The SGM will be convened and an ordinary resolution will be proposed to the Shareholders at the SGM to consider and, if thought fit, approve, among other things, the Refreshment of General Mandate. A circular containing, among other things, further details of the Refreshment of General Mandate will be dispatched to the Shareholders in accordance with the Listing Rules.

A circular containing, among other things, (i) details of the Refreshment of General Mandate; (ii) the recommendations from the Independent Board Committee and the Independent Financial Adviser in relation to the Refreshment of General Mandate; and (iii) a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“2017 AGM”	the annual general meeting of the Company held on 30 August 2017;
“associates(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Huajun Holdings Limited (華君控股有限公司*) (stock code: 377), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;

“Existing General Mandate”	the general mandate granted by the Shareholders to the Directors to issue and allot Shares representing not more than 20% of the then issued share capital of the Company at the annual general meeting of the Company held on 30 August 2017;
“Group”	the Company and its subsidiaries;
“Independent Board Committee”	the independent board committee, comprising all the independent non-executive Directors, namely, Mr. Zheng Bailin, Mr. Shen Ruolei and Mr. Pun Chi Ping;
“Independent Financial Adviser”	INCU Corporate Finance Limited, a corporation licensed by the Securities and Futures Commission to carry on type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Shareholders in respect of the Refreshment of General Mandate;
“Independent Shareholder(s)”	Shareholder(s) other than the controlling shareholders and their associates or, if there is no controlling shareholder (as defined under the Listing Rules), the Directors and the chief executive of the Company and their respective associates (as defined under the Listing Rules);
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Refreshed General Mandate”	the general mandate proposed to be sought at the SGM to authorise the Directors to issue and allot Shares representing not more than 20% of the issued share capital of the Company as at the date of the SGM;
“Refreshment of General Mandate”	the proposed refreshment of the Existing General Mandate by way of grant of the Refreshed General Mandate;

“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Refreshment of General Mandate;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“%”	per cent.

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

Hong Kong, 4 April 2018

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

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

* *For identification purposes only*