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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, registered institution in securities, 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 accompanying with the form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities 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)**

**GRANT OF DIRECTOR OPTION  
TO EXECUTIVE DIRECTOR  
UNDER SHARE OPTIONS SCHEME**

A notice convening the special general meeting of the Company (the “SGM”) to be held at 3:15 p.m. on Thursday, 16 March 2017 at Conference Room, 36/F., Champion Tower, 3 Garden Road, Central, Hong Kong is set out on pages 10 to 11 of this circular.

Whether or not you are able to attend and vote at the SGM in person, you are requested to read the notice and to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same 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 forty-eight (48) hours before the time appointed for holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

\* For identification purpose only

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## DEFINITIONS

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

“Announcement”	the announcement of the Company dated 7 February 2017
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“closing price”	closing price per Share for any trading day as published by the Stock Exchange
“Company”	Huajun Holdings Limited (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
“connected persons”	has the meaning as defined in the Listing Rules
“Director(s)”	director(s) of the Company
“Director Option”	option conditionally granted to Mr. Meng under the Share Option Scheme to subscribe for 38,735,070 Shares at the Exercise Price
“Exercise Price”	HK\$0.78 per Share
“Group”	the Company and its subsidiaries
“HIL”	Huajun International Limited, a company incorporated in the British Virgin Islands, a substantial shareholder of the Company, which was indirectly owned by Mr. Meng as to 97% and Madam Bao Le as to 3%, respectively
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholders other than Mr. Meng, HIL, Jian Xing and their respective associates and any other Shareholders who are interested or involved in the Director Option
“Jian Xing”	Jian Xing International Group Limited, a company incorporated in Hong Kong with limited liability, which is indirectly wholly-owned by Mr. Meng

## DEFINITIONS

“Latest Practicable Date”	28 February 2017 being the latest practicable date prior to the printing of this circular for the purpose of ascertaining information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Meng”	Mr. Meng Guang Bao (孟廣寶), the chairman, an executive Director and a substantial shareholder of the Company
“SGM”	a special general meeting of the Company to be convened for approving the grant of the Director Option
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 28 September 2007 and refreshed on 3 November 2015
“Shareholder(s)”	holder(s) of Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

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



**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 (*Chairman*)

Mr. Wu Jiwei (*Chief Executive Officer*)

Mr. Guo Song (*Deputy Chief Executive Officer*)

*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

1 March 2017

*To Shareholders and for information only,*

Dear Sir/Madam,

**GRANT OF DIRECTOR OPTIONS  
TO EXECUTIVE DIRECTOR  
UNDER SHARE OPTIONS SCHEME**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 7 February 2017, among other things, in relation to the grant of Director Option to Mr. Meng, the chairman, an executive Director and a substantial shareholder of the Company. As the grant of Director Option would result over 0.1% of the issued Shares to be issued to Mr. Meng upon exercise of all Director Option, the grant of Director Option must be approved by the Independent Shareholders according to the Rule 17.04(1)(a) of the Listing Rules. The Board proposes to seek the approval of the Independent Shareholders for the grant of the Director Option to Mr. Meng.

\* *For identification purpose only*

## LETTER FROM THE BOARD

The purpose of this circular is to provide you with further information in respect of the ordinary resolution to be proposed at the SGM regarding the grant of Director Option to Mr. Meng and the notice of SGM.

Subject to and conditional upon (i) the approval of the grant of the Director Option by the Independent Shareholders at the SGM; and (ii) the acceptance by Mr. Meng, Mr. Meng will entitle to subscribe for 38,735,070 Shares at the Exercise Price under the Director Option.

The following are the details of the Director Option conditionally granted to Mr. Meng under the Share Option Scheme:

Date of conditional grant	:	7 February 2017
Exercise price of Director Option	:	HK\$0.78 per Share
Total number of Shares which may be issued upon full exercise of the Director Option and the approximate percentage in the issued share capital of the Company as at the Latest Practicable Date	:	38,735,070 Shares (0.638%)  Pursuant to the rules of the Share Option Scheme and note (1) to Rule 17.03(9) of the Listing Rules, the Exercise Price of the Director Option was determined at the higher of:  (a) the closing price of the Share as stated in the Stock Exchange's daily quotation sheet on 7 February 2017 (that is, the date of conditional grant of the Director Option), being HK\$0.66;  (b) the average closing price of the Share as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding (and including) 7 February 2017, being HK\$0.70; and  (c) the nominal value of a Share, that is, HK\$0.01

## LETTER FROM THE BOARD

- Exercise period of the Director Option : Subject to the approval from the Independent Shareholders, the Director Option is exercisable during the period from 7 February 2017 to 6 February 2027 (both dates inclusive); however, notwithstanding of any provision in the Share Option Scheme, as adopted by the Company, the Director Option shall lapse automatically and not exercisable (to the extent not already exercised) from the date on which such grantee (i) cease to be a full-time or part-time employee or director (as the case may be) of the Group; or (ii) submit a resignation letter to resign from his position in the Group, whichever is the earlier, by any reason.
- Minimum period before exercise : There is no minimum period for which the Director Option must be held before it can be exercised.
- Performance Target : No performance target must be achieved before the Director Option can be exercised.
- Amount payable on acceptance of the Director Option : HK\$1.00 is payable by Mr. Meng on acceptance of the Director Option.
- Voting, dividend, transfer and other rights : The shares to be allotted upon the exercise of the Director Option will not carry voting rights until completion of the registration of Mr. Meng as the holder thereof. Subject to the aforesaid and the terms of the Share Option Scheme, shares allotted and issued on the exercise of Director Option will rank *pari passu* with and will have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the other fully-paid shares in issue on the date of issue.

## LETTER FROM THE BOARD

### REASONS OF THE GRANT OF THE DIRECTOR OPTION

Mr. Meng is the chairman, an executive Director and a substantial shareholder of the Company. The Board is of the view that the grant of the Director Option to Mr. Meng is an appropriate way to recognise the past and continuous contribution of Mr. Meng who has contributed significantly to the business operation and performance of the Group and achievement in the Company's strategy of increasing shareholder value. When the Company's performance is prominent, the price of the Shares will then generally reflect the same, to the best knowledge of the Company, which would be an implicit incentive for Mr. Meng to use his best endeavor to improve the performance of the Company. Therefore, the Company views that it is not necessary to fix a performance target before the Director Option can be exercised. The proposed grant serves as an appreciation of the dedication and efforts of Mr. Meng and, given the long term focus of the Director Option, as an incentive for his continuing commitment and contribution to the growth of the Group in the future.

### LISTING RULES IMPLICATIONS

Under Rule 17.04(1) of the Listing Rules and the Share Option Scheme, each grant of options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors.

In addition, where any grant of options to a substantial shareholder or its associates would result in the Shares issued or to be issued upon exercise of all options already granted or to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the relevant class of securities in issue; and
- (b) having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million,

such further grant must be approved by the Independent Shareholders and all core connected persons of the Company must abstain from voting in favour of such grant at the SGM. No option had been granted to Mr. Meng within the 12-month period prior to the conditional grant of the Director Option. However, as the total number of Shares to be issued to Mr. Meng upon exercise of the Director Options will exceed the 0.1% of the Shares in issue, the grant of Director Option will be subject to the approval by the Independent Shareholders pursuant to Rule 17.04(1) of the Listing Rules.

Pursuant to the meeting of the Board held on 7 February 2017, the proposed grant of Director Option has been approved by all the independent non-executive Directors, subject to the approval of the grant of the Director Option by the Independent Shareholders. Mr. Meng has abstained from voting on the resolutions passed by the Board to approve the proposed grant of the Director Option.



## LETTER FROM THE BOARD

As at the Latest Practicable Date, other than the Director Option conditionally granted to Mr. Meng for the subscription of 38,735,070 Shares, Mr. Meng was interested in a total of 4,431,123,156 Shares (representing approximately 73.04% of the existing issued share capital of the Company), personally and through his associates (namely, HIL and Jian Xing). No outstanding option had been granted to Mr. Meng under the Share Option Scheme prior to the conditional grant of the Director Option.

### INDEPENDENT NON-EXECUTIVE DIRECTORS' RECOMMENDATION

The independent non-executive Directors consider that the terms of the grant of the Director Option are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the independent non-executive Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the grant of the Director Option. The full text of the letter from the independent non-executive Directors is set out in Appendix I of this circular.

### SGM

An SGM will be held on Thursday, 16 March 2017 at 3:15 p.m. at Conference Room, 36/F., Champion Tower, 3 Garden Road, Central, Hong Kong, during which resolution will be proposed to the Independent Shareholders to consider, and if thought fit, to approve the grant of the Director Option by the Independent Shareholders.

Pursuant to Rule 17.04(1) of the Listing Rules and the Share Option Scheme, Mr. Meng, his associates and all core connected persons of the Company must abstain from voting in favour of the grant of the Director Option.

As at the Latest Practicable Date, Mr. Meng and his associates own the Shares as follows:

- (1) Mr. Meng personally holds 383,853,513 Shares representing approximately 6.33% of the issued share capital of the Company;
- (2) HIL holds 3,993,698,214 Shares representing approximately 65.83% of the issued share capital of the Company; and
- (3) Jian Xing holds 53,571,429 Shares representing approximately 0.88% of the issued share capital of the Company.

Save as disclosed above, none of the Shareholders are required to abstain from voting to approve the relevant resolution to be proposed at the SGM.

## LETTER FROM THE BOARD

A notice of the SGM is set out in Appendix II to this circular. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it 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 as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the SGM or any adjournment thereof should 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. Accordingly, the Company will procure the chairman of the SGM to demand for voting on poll in respect of the ordinary resolution to be proposed at the SGM in accordance with the Bye-laws and Union Registrars Limited, the branch share registrar of the Company in Hong Kong, will serve as the scrutineer for the vote-taking.

### RESPONSIBILITY STATEMENT

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 Group. 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) are of the opinion that the grant of the Director Option are in the best interests of the Company and the Shareholders and therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the grant of the Director Option to Mr. Meng at the SGM.

By Order of the Board  
**Huajun Holdings Limited**  
**Wu Jiwei**  
*Chief Executive Officer and Executive Director*

**HUAJUN HOLDINGS LIMITED****華君控股有限公司\****(Incorporated in Bermuda with limited liability)***(Stock Code: 377)**

*To the Independent Shareholders,*

Dear Sir/Madam,

**PROPOSAL FOR GRANT OF DIRECTOR OPTION  
TO  
MR. MENG GUANG BAO (“MR. MENG”)**

We write to you in connection with the grant of the Director Option to Mr. Meng, the chairman, an executive Director and a substantial shareholder of the Company, details of which are set out in the letter from the Board contained in the circular of the Company dated 1 March 2017 (the “Circular”), of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

Having considered the terms of the grant of the Director Option, we are of the view that the grant of the Director Option to Mr. Meng is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company. We therefore recommend that you vote in favour of the ordinary resolution to be proposed at the SGM to approve the grant of the Director Option to Mr. Meng.

Yours faithfully,

**Zheng Bailin**

*Independent Non-executive  
Director*

**Shen Ruolei**

*Independent Non-executive  
Director*

**Pun Chi Ping**

*Independent Non-executive  
Director*

\* For identification purpose only

**HUAJUN HOLDINGS LIMITED****華君控股有限公司\****(Incorporated in Bermuda with limited liability)***(Stock Code: 377)**

**NOTICE IS HEREBY GIVEN** that a special general meeting of Huajun Holdings Limited (the “**Company**”) will be held at 3:15 p.m. on Thursday, 16 March 2017 at Conference Room, 36/F., Champion Tower, 3 Garden Road, Central, Hong Kong for the purpose of considering and, if thought fit, passing, with or without amendments, the following ordinary resolution:

**ORDINARY RESOLUTION**

“**That** the grant of an option pursuant to the share option scheme (the “**Share Option Scheme**”) of the Company adopted on 28 September 2007 and refreshed on 3 November 2015 which will entitle Mr. Meng Guang Bao to subscribe for 38,735,070 shares of the Company at the price of HK\$0.78 each (the principal terms and conditions of which are set out in the circular of the Company dated 1 March 2017, a copy of which is produced to the meeting and marked “A” and initialed by the Chairman of the meeting for identification purpose) be and is hereby approved and that the directors of the Company be and are hereby authorized to do all such acts, execute all such documents and deeds as they in their absolute discretion consider necessary, desirable or expedient to give effect to the foregoing.”

By Order of the Board  
**Huajun Holdings Limited**  
**Wu Jiwei**

*Chief Executive Officer and Executive Director*

Hong Kong, 1 March 2017

\* *For identification purpose only*

*Notes:*

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member of the Company who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company.
2. A form of proxy for use at the meeting is enclosed. Whether or not you intend to attend the meeting in person, you are requested to complete, sign and return the form of proxy in accordance with the instructions printed thereon. Completion and return of the accompanying form of proxy will not preclude members of the Company from attending and voting in person at the aforesaid meeting or any adjournment thereof should they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. To be valid, the form of proxy, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority must be deposited with 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 holding the meeting or any adjournment thereof.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her 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. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
5. In the case of joint holders of shares, any one of such holders may vote at the meeting, either in person or by proxy, in respect of such shares as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, that one of such joint holders whose name stands first on the register of members of the Company in respect of the relevant joint holding shall alone be entitled to vote in respect thereof.
6. The voting on the proposed resolution at the SGM will be conducted by way of poll.

*As at the date of this notice, the Board comprises Mr. Meng Guang Bao (Chairman), Mr. Wu Jiwei (Chief Executive Officer) and Mr. Guo Song (Deputy Chief Executive Officer) as executive Directors; and Mr. Zheng Bailin, Mr. Shen Ruolei and Mr. Pun Chi Ping as independent non-executive Directors.*