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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)

UPDATE ON THE STATUS OF THE PUBLIC FLOAT

Reference is made to the announcements of China Huajun Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 23 June 2025 and 17 July 2025 (the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements. The Company would like to update the shareholders of the Company (the “**Shareholders**”) and potential investors on the status of the restoration of the public float.

BACKGROUND ON THE PUBLIC FLOAT SHORTFALL

Based on the information available to the Company at the relevant time, Ouke Group Holdings Limited (“**Ouke**”) had been holding shares of the Company for a number of years prior to 26 April 2021.

Based on the disclosure of interests forms filed under Part XV of the Securities and Futures Ordinance (“**SFO**”) (the “**DI Filings**”) submitted by Ouke, on 26 April 2021, the number of the Shares held by Ouke increased from 4,599,326 to 6,582,326, which represented an increase in the shareholding percentage of Ouke in the Company from approximately 7.58% to approximately 10.69% at the material time. Accordingly, Ouke had become a substantial shareholder of the Company on 26 April 2021 and thus deemed to be a core connected person of the Company under the Listing Rules.

Pursuant to Rule 8.24 of the Listing Rules, as Ouke is a core connected person of the Company, the Shares held by Ouke should not be regarded as the Shares held by the public since 26 April 2021. Accordingly, the public float of the Company was less than 25% since 26 April 2021 and up to the date of this announcement. As such, the Company did not fulfill the public float requirement under Rule 8.08 since 26 April 2021. The Company identified such incident regarding to the insufficient public float during the course of the preparation and publication of the disclosure of the effect of the Subscription to the shareholding structure of the Company in the Announcements.

To the best of the knowledge, information and belief of the Directors and according to the information available to the Company, the Company is of the view that (i) the shortfall in the public float only arose due to the increase in shareholding of Ouke in the Company, which is out of the Company's control. As a result, Ouke had become a core connected person of the Company by virtue of being a substantial shareholder of the Company since 26 April 2021 and up to the date of this announcement; and (ii) the percentage of public float of the Company has never fall below 15% since 26 April 2021 (i.e. 15.68%).

ALLOT AND ISSUE OF THE SUBSCRIPTION SHARES

As disclosed in the announcement dated 23 June 2025, the Company 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.

Upon the Completion of the issuance and allotment of the subscription shares, assuming that there is no change in the issued share capital of the Company from the date of this announcement to the date of the Completion, the shareholding of Ouke in the Company will decrease from approximately 10.69% to approximately 8.95%. Therefore, Ouke will no longer be a core connected person of the Company and thus the Shares held by Ouke will be regarded as the Shares held by the public.

Therefore, 16,223,936 Shares of the Company (including the collective shareholdings of (i) Ouke and (ii) Other Shareholders), representing approximately 22.06% of the issued share capital of the Company as enlarged by the Subscription Shares, will be regarded as the Shares held by the public (as defined under the Listing Rules) upon the Completion.

ALLOT AND ISSUE OF THE SCHEME SHARES AND RESTORATION OF THE PUBLIC FLOAT

As disclosed in the Scheme Circular dated 10 March 2025, the Company will issue and allot the 24,600,000 Scheme Shares to the Option A Creditors within twelve calendar months from the restructuring effective date, i.e. on 26 June 2025.

The number of Scheme Shares to be issued is fixed at 24,600,000, representing (i) approximately 33.45% of the total issued share capital of the Company as enlarged by the Subscription Shares; and (ii) approximately 25.07% of the total issued share capital of the Company as enlarged by the Subscription Shares and Scheme Shares.

The scheme administrator has received the claims submitted by the scheme creditors under the Scheme and in the process of adjudication of the claims. The adjudication of the claims is still in progress as at the date of this announcement. It is expected that the issue and allotment of the Scheme Shares will be completed by around June 2026.

Given (i) the Scheme Shares to be allotted and issued to each of the Option A Creditors will be no more than 10% of the issued share capital of the Company as enlarged by the Scheme Shares; and (ii) none of the Option A Creditors has any relationship with the Directors, chief executive or any substantial shareholders of the Company or any of its subsidiaries or is a close associate of any of them, the Directors consider that the Scheme Shares to be held by the Option A Creditors, representing approximately 25.07% of the issued share capital of the Company as enlarged by the Subscription Shares and Scheme Shares, will be regarded as the Shares held by the public (as defined under the Listing Rules) upon the completion of the issue and allotment of the Scheme Shares.

In light of the above, upon completion of the issue and allotment of the Subscription Shares and the Scheme Shares, assuming that there is no change in the issued share capital of the Company from the date of this announcement to the date of the completion of the allotment and issue of the Scheme Shares, 40,823,936 Shares of the Company (including the collective shareholdings of (i) Option A Creditor(s), (ii) Ouke and (iii) Other Shareholders), representing approximately 41.60% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares and Scheme Shares, will be held by the public (as defined under the Listing Rules).

Therefore, the Directors consider that the public float of the Shares will be restored to above 25% upon completion of the issue and allotment of the Scheme Shares.

PUBLIC FLOAT STATUS AND SHAREHOLDING TABLE

To the best knowledge, information and belief of the Directors, 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 (Note)	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.

The Company will continue to pay attention to the matter of insufficient public float, and will make monthly announcements in accordance with the Listing Rules to keep the Shareholders and the market informed of the progress of the restoration of the public float.

By order of the Board
China Huajun Group Limited
YAN Ruijie

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 5 February 2025

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.