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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)

PROPOSED ADOPTION OF THE 2026 SHARE SCHEME AND TERMINATION OF THE 2017 SHARE OPTION SCHEME

PROPOSED ADOPTION OF THE 2026 SHARE SCHEME AND TERMINATION OF THE 2017 SHARE OPTION SCHEME

The Board has resolved to propose the adoption of the 2026 Share Scheme and the termination of the 2017 Share Option Scheme for the purpose of, among other things, reflecting the latest changes and requirements under Chapter 17 of the Listing Rules. The 2026 Share Scheme will constitute a share scheme funded by issuance of new Shares and/or transfer of treasury Shares under Chapter 17 of the Listing Rules. Pursuant to Rule 17.02(1)(a) of the Listing Rules, the adoption of the 2026 Share Scheme will be subject to, among others, the approval of the Shareholders in general meeting. Conditional upon and with effect from the 2026 Share Scheme taking effect, the 2017 Share Option Scheme shall be terminated.

GENERAL

An SGM will be convened for the purposes of considering and, if thought fit, the approval of, among others, the proposed adoption of the 2026 Share Scheme and the termination of the 2017 Share Option Scheme. A circular containing, among others, further details of the aforesaid matters, together with a notice of the SGM, will be despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

PROPOSED ADOPTION OF THE 2026 SHARE SCHEME AND TERMINATION OF THE 2017 SHARE OPTION SCHEME

On 9 November 2026, the Board resolved to propose the adoption of the 2026 Share Scheme and the termination of the 2017 Share Option Scheme for the purpose of, among other things, reflecting the latest changes and requirements under Chapter 17 of the Listing Rules.

The 2026 Share Scheme

The 2026 Share Scheme will constitute a share scheme funded by issuance of new Shares and/or transfer of treasury Shares under Chapter 17 of the Listing Rules. Pursuant to Rule 17.02(1)(a) of the Listing Rules, the adoption of the 2026 Share Scheme will be subject to, among others, the approval of the Shareholders in general meeting.

A summary of the principal terms of the 2026 Share Scheme is set out below.

Conditions precedent: The 2026 Share Scheme shall become effective upon fulfilment of the following conditions:

(a) the passing of a resolution by the Shareholders to approve the adoption of the 2026 Share Scheme; and

(b) the Listing Committee granting approval for the listing of, and permission to deal in, any Shares representing the Scheme Mandate Limit to be allotted and issued by the Company pursuant to the grant of Awards in accordance with the terms and conditions of the 2026 Share Scheme.

Purpose: The purpose of the 2026 Share Scheme is (i) to provide the Company with a flexible means of remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to Eligible Participants; (ii) to align the interests of Eligible Participants with those of the Company and Shareholders by providing such Eligible Participants with the opportunity to acquire shareholding interests in the Company; and (iii) to attract suitable personnel for the further development of the Group, and to encourage Eligible Participants to contribute to the long-term growth and profitability of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

Eligible Participants: Eligible Participants under the 2026 Share Scheme shall include:

(i) Employee Participants, namely, any employee (whether full-time or part-time), director or officer of any member of the Group, including persons who are granted Awards under the 2026 Share Scheme as an inducement to enter into employment contracts with any member of the Group. For the purposes of the 2026 Share Scheme, approved leave of absence and transfers of employment within the Group or to any successor shall not constitute a cessation of employment. A person ceases to be an Employee Participant on and from the date of termination of his/her employment;

(ii) Related Entity Participants, namely, any person who is an employee (whether full-time or part-time), director or officer of a holding company of the Company, subsidiaries of the holding company other than members of the Group, or an associated company of the Company.

Scheme Mandate Limit: **Scheme Mandate Limit**

The Scheme Mandate Limit, namely, the total number of Award Shares which may be issued pursuant to all Awards to be granted under the 2026 Share Scheme together with the number of Shares which may be issued pursuant to all options, awards or securities to be granted under any other share schemes of the Company:

(i) shall initially be the number of Shares representing 10% of the total issued Shares (excluding any treasury Shares) as at the Adoption Date, being 18,749,185 Shares (assuming that there are no changes to the Company's issued share capital between the date of this announcement and the SGM); and

(ii) may be increased, refreshed or renewed from time to time in accordance with the Scheme Rules.

Shares which would have been issued pursuant to Awards which have lapsed in accordance with the terms of the Scheme Rules, or options, awards or securities which have lapsed in accordance with the terms of any other share schemes of the Company, shall not be counted for the purpose of calculating the Scheme Mandate Limit.

For the avoidance of doubt, Awards cancelled pursuant to the Scheme Rules shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and shall not be available for re-grant.

Awards in excess of the Scheme Mandate Limit

The Company may seek separate approval of the Shareholders in general meeting to grant Awards beyond the Scheme Mandate Limit to Eligible Participants specifically identified by the Company before such approval is sought.

Maximum entitlement of a Grantee:	There is no specific maximum entitlement for each Eligible Participant under the 2026 Share Scheme. Awards granted to individuals that exceed the thresholds set out in Chapter 17 of the Listing Rules will be subject to additional approval requirements as required under Chapter 17 of the Listing Rules and set out in the section headed "Further approval requirements" below.
Further approval requirements:	**1% Individual Limit** Unless approved by the Shareholders in the manner set out in the Scheme Rules, the total number of Shares issued and to be issued upon exercise of Awards granted and to be granted under the 2026 Share Scheme and all options, awards or securities granted and to be granted under any other share schemes of the Company to each Eligible Participant (including both exercised and outstanding options, awards or securities but excluding any options, awards or securities lapsed in accordance with the terms of such schemes) in any 12-month period up to and including the Grant Date shall not exceed 1% of the total number of Shares in issue (excluding any treasury Shares) at the Grant Date. Any further grant of Awards to an Eligible Participant which would exceed this limit shall be subject to separate approval of the Shareholders in general meeting with the relevant Eligible Participant and his/her close associates (or associates if the relevant Eligible Participant is a connected person) abstaining from voting. **Limit on Grant to Director, Chief Executive or Substantial Shareholder** Any grant of Awards to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the prior approval of the remuneration committee of the Board (excluding any member who is a proposed recipient of the grant of the Award) and the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed recipient of the grant of Awards).

Where any grant of Share Awards (but not any grant of Share Options) to any Director (other than an independent non-executive Director) or chief executive of the Company (or any of their respective associates) would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of the 2026 Share Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue (excluding any treasury Shares) at the date of such grant, or where any grant of Awards to an independent non-executive Director or substantial shareholder of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued upon exercise of all Awards already granted (excluding any Awards lapsed in accordance with the terms of the 2026 Share Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of Shares in issue (excluding any treasury Shares), such further grant of Awards must be approved by Shareholders of the Company in general meeting in the manner required, and subject to the requirements set out, in the Listing Rules.

Acceptance:

Unless otherwise specified in the Award Letter, the Grantee shall have 21 days from the Grant Date to accept the Award. An offer shall be deemed to have been accepted on the date when the duplicate comprising acceptance of the offer is duly signed by the Grantee with the number of Shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof, which consideration shall not be refundable. Any Award may be accepted in whole or in part provided that it must be accepted in respect of a board lot for dealing in Shares or a multiple thereof. To the extent that an Award is not accepted within the time and in the manner stipulated, it shall be deemed to have been irrevocably declined and shall automatically lapse.

Issue Price of Share Awards and Exercise Price of Share Options:

The Issue Price for Awards which take the form of Share Awards shall be such price determined by the Scheme Administrator and notified to the grantee in the Award Letter.

The Scheme Administrator shall determine the Exercise Price for such Share Options in which it shall in any event be no less than the highest of: (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Grant Date; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Grant Date; and (iii) the nominal value of the Shares on the Grant Date.

Exercise Period of Share Options:

The Exercise Period for Share Options shall not be longer than 10 years from the Grant Date. If no Exercise Period is specified in the Award Letter, the Exercise Period shall expire on the earlier of (i) the date on which the Share Option lapses in accordance with the terms of the 2026 Share Scheme and (ii) the tenth anniversary of the Grant Date. A Share Option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the expiry of the tenth anniversary from the Grant Date.

Vesting period:

The Vesting Date in respect of any Award shall be not less than 12 months from the Grant Date; provided that for Employee Participants the Vesting Date may be less than 12 months from the Grant Date (including on the Grant Date) in the following circumstances:

(a) grants of "make whole" Share Awards to new Employee Participants to replace share awards such Employee Participants forfeited when leaving their previous employers;

(b) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;

(c) grants of Awards which are subject to the fulfillment of performance targets;

(d) grants of Awards the timing of which is determined by administrative, or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the Vesting Date may be adjusted to take account of the time from which the Award would have been granted if not for such administrative or compliance requirements;

(e) grants of Awards with a mixed vesting schedule such that the Awards vest evenly over a period of 12 months;

(f) grants of Awards with a total vesting and holding period of more than 12 months; or

(g) such circumstances as set out in the Scheme Rules including a change in control of the Company, or a dissolution or liquidation of the Company.

Performance target: The Scheme Administrator may in respect of each Award and subject to all applicable laws, rules and regulations determine such performance targets or other criteria or conditions for vesting of Awards in its sole and absolute discretion. Any such performance targets, criteria or conditions shall be set out in the Award Letter. For the avoidance of doubt, an Award shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant Award Letter. Where performance targets, criteria or conditions are to be specified in the relevant Award Letter, the Scheme Administrator may determine such targets, criteria or conditions based on, among others, sales performance, operating performance, financial performance of the Group, corporate sustainability parameters, discipline and responsibility, and the considerations below, and shall specify in the Award Letter the person(s) of the Company that will assess how and whether such targets, criteria or conditions are satisfied. If the Board considers that performance targets are not required for any grant of Awards to a Director or member of senior management of the Company, or that no clawback arrangements are to apply to such grant, the remuneration committee of the Board shall explain to the Shareholders the reasons for such determination and how such grant is consistent with the purpose of the 2026 Share Scheme. Where performance targets, criteria or conditions are to be specified in the relevant Award Letter, the Scheme Administrator may determine such targets, criteria or conditions based on, among other considerations:

(i) for Directors and members of senior management of the Company: business or financial milestones, transaction milestones, performance appraisal within a specified period reaching a desirable level, or the Grantee's anticipated future contribution to the Group (including with respect to their experience, expertise, insight, participation in specific projects, or achievement of specific work targets etc.);

(ii) for other Employee Participants (except a Director or member of senior management of the Company): performance appraisal within a specified period reaching a desirable level, or the Grantee's anticipated future contribution to the Group (including with respect to their experience, expertise, insight, participation in specific projects, or achievement of specific work targets etc.); and

(iii) for Related Entity Participants: the Grantee's anticipated future contribution to the long-term development of the Group (including with respect to their experience, expertise, insight, participation in specific projects, or achievement of specific work targets or business collaboration targets etc.).

The Scheme Administrator shall specify in the Award Letter the person(s) of the Company that will assess how and whether such targets, criteria or conditions are satisfied.

Clawback mechanism: In the event that: (i) a Grantee ceases to be an Eligible Participant by reason of the termination of his/her employment or contractual engagement with the Group or Related Entity for cause or without notice or with payment in lieu of notice; (ii) a Grantee has been convicted of a criminal offence involving his/her integrity or honesty; (iii) in the reasonable opinion of the Board, a Grantee has engaged in serious misconduct or breaches the terms of the 2026 Share Scheme in any material respect; or (iv) in the event of fraud, serious misconduct, material misstatement in the Company's financial information, or any prescribed performance targets applicable to a Grantee having been assessed or calculated in a materially inaccurate manner, then the Board may make a determination at its absolute discretion that: (A) any Awards issued to that Grantee but not yet exercised shall immediately lapse, regardless of whether such Awards have vested or not, and/or (B) with respect to any Award Shares issued or transferred to that Grantee, the Grantee shall be required to transfer back to the Company or its nominee (1) the equivalent number of Shares, (2) an amount in cash equal to the market value of such Shares, or (3) a combination of (1) and (2) provided that any acquisition by the Company of its own Shares pursuant to this paragraph shall be subject to and effected in accordance with the Companies Act (including sections 42A and 42B thereof) and the Bye-Laws. For the avoidance of doubt, the power of the Board under the clawback mechanism may be exercised regardless of whether the relevant events or conduct giving rise to a clawback determination are discovered before or after the Grantee has ceased to be an Eligible Participant, provided that the relevant conduct occurred during the period of the Grantee's employment or engagement with any member of the Group or Related Entity. The Award Letter may cross-reference any applicable non-compete, non-solicitation or other restrictive covenant agreement entered into between the Grantee and any member of the Group.

	"serious misconduct" includes (without limitation): (i) gross insubordination or wilful refusal to follow reasonable and lawful instructions; (ii) deliberate breach of any material policy of the Group; (iii) conduct which brings or is reasonably likely to bring any member of the Group into serious disrepute; (iv) wilful destruction of any property of any member of the Group; or (v) any act or omission which causes or is reasonably likely to cause material financial loss or reputational harm to any member of the Group. The Board's determination as to whether conduct constitutes serious misconduct shall, in the absence of manifest error, be final and conclusive.
Term of the 2026 Share Scheme:	10 years commencing on the Adoption Date unless terminated earlier.
Termination:	Subject to the Scheme Rules, the 2026 Share Scheme shall terminate on the earlier of (a) the 10th anniversary of the Adoption Date; and (b) such date of early termination as determined by the Company by resolution of the Shareholders in general meeting or by resolution of the Board, provided that notwithstanding such termination, the 2026 Share Scheme and the Scheme Rules shall continue to be valid and effective to the extent necessary to give effect to the vesting and exercise of any Awards granted prior to the termination of the 2026 Share Scheme and such termination shall not affect any subsisting rights already granted to any Grantee thereunder. For the avoidance of doubt, the 2026 Share Scheme shall not be automatically renewed upon the expiry of the scheme period. If the Company wishes to continue to grant Awards after the expiry of the scheme period, a new share scheme must be adopted with the approval of the Shareholders in general meeting and in compliance with the requirements of the Listing Rules.

Further details of the 2026 Share Scheme will be set out in the circular to be despatched to the Shareholders. A copy of the Scheme Rules of the 2026 Share Scheme will be published on the websites of the Stock Exchange and the Company for display for a period of not less than 14 days before the date of the SGM and the Scheme Rules of the 2026 Share Scheme will be made available for inspection at the SGM. The 2026 Share Scheme will constitute a share scheme under Chapter 17 of the Listing Rules.

The 2017 Share Option Scheme

The 2017 Share Option Scheme was adopted by the Company on 25 October 2017. According to the terms of the 2017 Share Option Scheme, the scheme may be early terminated as determined by the Board, provided that such termination shall not affect any subsisting rights of any selected participants thereunder (provided further that for the avoidance of doubt, the change in the subsisting rights of a selected participant as aforementioned refers solely to any change in the rights in respect of the share options already granted to a selected participant thereunder).

Accordingly, the Board proposes that, subject to the approval of the Shareholders at the SGM, and conditional upon and with effect from the 2026 Share Scheme taking effect, the 2017 Share Option Scheme shall be terminated. After the termination of the 2017 Share Option Scheme, no further options may be granted thereunder, while the options already granted before the termination shall remain valid and continue to vest in accordance with the rules of the 2017 Share Option Scheme and the relevant option agreement. As at the date of this announcement, no share options remain outstanding under the 2017 Share Option Scheme. The Directors confirm that, prior to the SGM, the Company will not grant any further options under the 2017 Share Option Scheme.

GENERAL

An SGM will be convened for the purposes of considering and, if thought fit, the approval of, among others, the proposed adoption of the 2026 Share Scheme and the termination of the 2017 Share Option Scheme. A circular containing, among others, further details of the aforesaid matters, together with a notice of the SGM, will be despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

DEFINITIONS

"2017 Share Option Scheme"	the share option scheme of the Company adopted on 25 October 2017
"2026 Share Scheme"	the share scheme of the Company proposed to be approved by Shareholders at the SGM
"Adoption Date"	the date on which the 2026 Share Scheme is approved by the Shareholders at the SGM
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Award(s)"	award(s) granted under the 2026 Share Scheme by the Board to Grantee(s), which may take the form of a Share Option or a Share Award

"Award Letter"	the letter issued by the Company to a Grantee in respect of an Award under the 2026 Share Scheme on the Grant Date in such form as the Scheme Administrator may from time to time determine, setting out the terms and conditions of the Award, including the name and position of the Grantee, the number of Shares subject to the Award, the Issue Price or Exercise Price (as applicable), the Exercise Period (in the case of a Share Option), the time limit for and procedure of acceptance, the Vesting Date and vesting schedule, any minimum holding period, any applicable performance targets, any clawback arrangements and such other details as the Scheme Administrator may consider necessary, and requiring the Grantee to undertake to hold the Award on the terms of the Award Letter and be bound by the provisions of the Scheme Rules
"Award Shares"	new Shares and/or treasury Shares underlying an Award under the 2026 Share Scheme
"Board"	the board of Directors
"Capital Reduction"	the proposed reduction of the par value of each issued Share from HK$1.00 to HK$0.001 by cancelling the paid-up capital to the extent of HK$0.999 on each issued Share
"Capital Reorganisation"	collectively, the Capital Reduction and the Share Subdivision
"chief executive"	shall have the meaning given to it in the Listing Rules
"Company"	China Huajun Group Limited 中國華君集團有限公司, an exempted company with limited liability incorporated under the laws of Bermuda, and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 377)
"Director(s)"	the director(s) of the Company
"Eligible Participant"	an eligible participant under the 2026 Share Scheme, which may be an Employee Participant or a Related Entity Participant
"Employee Participant"	any person who is an employee (whether full-time or part-time), director or officer of any member of the Group, including persons who are granted Awards under the 2026 Share Scheme as an inducement to enter into employment contracts with any member of the Group; provided that a person shall not cease to be an employee in the case of (a) any leave of absence approved by the relevant member of the Group; or (b) any transfer of employment among members of the Group or any successor, and provided further that a person shall, for the avoidance of doubt, cease to be an employee with effect from (and including) the date of termination of his/her employment

"Exercise Period"	in respect of any Share Option, the period during which the Grantee may exercise the Share Option
"Exercise Price"	the price per Share at which a Grantee may subscribe for Shares upon the exercise of a Share Option awarded under the 2026 Share Scheme
"Grant Date"	the date on which the grant of an Award is made to a Grantee, being the date of the Award Letter in respect of such Award
"Grantee"	any Eligible Participant approved for participation in the 2026 Share Scheme and who has been granted any Award pursuant to the Scheme Rules
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Issue Price"	in respect of any Share Award, the price per Share a Grantee is required to pay to subscribe for the Shares constituting the Share Award under the 2026 Share Scheme
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
"Main Board"	the stock market (excluding the options market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Related Entity"	(i) a holding company of the Company; (ii) subsidiaries of the holding company of the Company other than members of the Group; or (iii) an associated company of the Company
"Related Entity Participant"	any person who is an employee (whether full-time or part-time), director or officer of a Related Entity
"Scheme Administrator"	the Board and/or any committee of the Board or other persons to whom the Board has delegated its authority in accordance with the Scheme Rules
"Scheme Mandate Limit"	shall have the meaning set out in the Scheme Rules, as increased, refreshed or renewed from time to time in accordance with the Scheme Rules
"Scheme Rules"	the rules relating to the 2026 Share Scheme as amended from time to time

"SGM" or "Special General Meeting"	the special general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving, among other things, the proposed adoption of the 2026 Share Scheme and the termination of the 2017 Share Option Scheme
"Share(s)"	ordinary share(s) in the share capital of the Company with a par value of HK$1.00 each prior to the Capital Reorganisation becoming effective, or ordinary share(s) in the share capital of the Company with a par value of HK$0.001 each following the Capital Reorganisation becoming effective (as the case may be)
"Share Award"	an Award which vests in the form of the right to subscribe for and/or be issued such number of Shares as the Scheme Administrator may determine at the Issue Price in accordance with the terms of the 2026 Share Scheme
"Share Option"	an Award which vests in the form of the right to subscribe for such number of Shares as the Scheme Administrator may determine during the Exercise Period at the Exercise Price in accordance with the terms of the 2026 Share Scheme
"Shareholders"	holder(s) of Share(s) from time to time
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it in the Listing Rules
"treasury Shares"	shall have the meaning given to it in the Listing Rules
"Vesting Date(s)"	the date on which an Award (or part thereof) is to vest in the relevant Grantee following which the Grantee may exercise the Award, as determined from time to time by the Scheme Administrator pursuant to the Scheme Rules

By order of the Board
China Huajun Group Limited
中國華君集團有限公司
Li Gang
Chairman, Co-Chief Executive Officer and Executive Director

Hong Kong, 9 November 2026

As at the date of this announcement, the Board comprises Mr. Li Gang as executive Director; Ms. Tan Yanzi and Ms. Chen Yun as non-executive Directors and Mr. Mok Yi Kwo, Ms. Shen Shujiang and Dr. Gao Xiang as independent non-executive Directors.