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**If you have sold or transferred** all your shares in Changhong Jiahua Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

**长虹佳华**  
CHANGHONGIT

**Changhong Jiahua Holdings Limited**

**長虹佳華控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 3991)**

- (1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**
- (2) RE-ELECTION OF DIRECTORS**
- (3) DECLARATION OF FINAL DIVIDEND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting to be held at 9th Floor, Beijing Changhong Sci-Tech Tower, Building 26, Zone 18, No. 188 West Road, South Fourth Ring Road, Fengtai District, Beijing, China on Friday, 28 May 2021, at 11:00 a.m. (Hong Kong time) is set out on pages 16 to 19 of this circular. The purpose of this circular is to provide Shareholders with details of the matters to be dealt with at the Annual General Meeting.

A form of proxy for the Annual General Meeting is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.changhongit.com](http://www.changhongit.com)). Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to Hong Kong Registrars Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for holding of the Annual General Meeting. The completion and return of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person if you so wish.

21 April 2021

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## DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at 9th Floor, Beijing Changhong Sci-Tech Tower, Building 26, Zone 18, No. 188 West Road, South Fourth Ring Road, Fengtai District, Beijing, China on Friday, 28 May 2021, at 11:00 a.m. (Hong Kong time) in relation to the Company’s financial year ended 31 December 2020
“Annual Report 2020”	the annual report of the Company for the financial year ended 31 December 2020
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company as amended from time to time
“Company”	Changhong Jiahua Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 3991)
“Directors”	the directors of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“General Mandates”	New Issue Mandate and New Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	13 April 2021 being the latest practicable date for ascertaining certain information in this circular prior to the printing of this circular
“New Issue Mandate”	the general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and otherwise deal with Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of the resolution approving such mandate, and by an additional number of Shares bought back by the Company pursuant to the New Repurchase Mandate, if any

## DEFINITIONS

“New Repurchase Mandate”	the general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares up to a maximum of 10% of the total number of Shares in issue as at the date of passing of the resolution approving such mandate
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.025 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“%”	per cent



**Changhong Jiahua Holdings Limited**

**長虹佳華控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 3991)**

*Executive Directors:*

Mr. Zhu Jianqiu (*Chairman and President*)

Mr. Pan Xiaoyong

Mr. Zhang Xiaolong

Mr. Luo Yongping

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Independent Non-Executive Directors:*

Mr. Jonathan Chan Ming Sun

Mr. Gao Xudong

Mr. Meng Qianbin

*Head office and principal*

*place of business:*

Unit 1412, 14/F

West Tower, Shun Tak Centre

168–200 Connaught Road Central

Hong Kong

21 April 2021

*To the Shareholders*

Dear Sir or Madam,

**(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

**(2) RE-ELECTION OF DIRECTORS**

**(3) DECLARATION OF FINAL DIVIDEND**

**(4) NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting to be held at 9th Floor, Beijing Changhong Sci-Tech Tower, Building 26, Zone 18, No. 188 West Road, South Fourth Ring Road, Fengtai District, Beijing, China on Friday, 28 May 2021, at 11:00 a.m. relating to, among other things, (i) the granting of the General Mandates; (ii) the re-election of the Directors; and (iii) the declaration of final dividend. The notice of the Annual General Meeting containing the proposed resolutions and other information is set out on pages 16 to 19 of this circular.

## LETTER FROM THE BOARD

### 2. NEW ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed which, if passed, will grant the Directors a general and unconditional mandate to allot, issue and otherwise deal with new Shares not exceeding 20% of the total number of Shares in issue on the date of passing of such resolution (or 290,930,400 Shares based on (i) the Company's issued Shares as at the Latest Practicable Date of 1,454,652,000 Shares and (ii) the assumption that no further Shares are issued or repurchased prior to the Annual General Meeting). In addition, conditional upon the proposed resolution to authorise the New Repurchase Mandate and the New Issue Mandate being passed, an ordinary resolution will be proposed to authorise the Directors to allot, issue and otherwise deal with new Shares up to an amount equal to the total number of Shares repurchased by the Company pursuant to the New Repurchase Mandate in order to provide flexibility for issuing new Shares when it is in the interests of the Company.

### 3. NEW REPURCHASE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed which, if passed, will grant the Directors a general and unconditional mandate to repurchase issued Shares not exceeding 10% of the total number of issued Shares on the date of passing of such resolution (or 145,465,200 Shares based on (i) the Company's issued Shares as at the Latest Practicable Date of 1,454,652,000 Shares; and (ii) the assumption that no further Shares are issued or repurchased prior to the Annual General Meeting).

The General Mandates will remain in effect until whichever is the earliest of the date of the next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required to be held by law or the Bye-laws, or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company. The Company may not purchase Shares on the Stock Exchange if such purchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of issued Shares.

With reference to the General Mandates, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto. In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the New Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the New Repurchase Mandate is set out in Appendix I to this circular.

## LETTER FROM THE BOARD

### 4. RE-ELECTION OF THE DIRECTORS

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any directors proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting (including, but not limited to, an annual general meeting).

In accordance with Bye-law 83(2) of the Bye-laws, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his appointment and shall be eligible for re-election at such meeting. Accordingly, Mr. Pan Xiaoyong and Mr. Zhang Xiaolong shall retire and be eligible to offer himself for re-election as Director at the Annual General Meeting.

In accordance with Bye-law 84 of the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. Accordingly, Mr. Luo Yongping and Mr. Jonathan Chan Ming Sun shall retire and be eligible to offer themselves for re-election as Directors at the Annual General Meeting.

Brief biographical details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

The retiring independent non-executive Directors, Mr. Jonathan Chan Ming Sun has given an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee and the Board assessed and reviewed the independence of Mr. Jonathan Chan Ming Sun. The Nomination Committee and the Board are of the view that Mr. Jonathan Chan Ming Sun has satisfied all the criteria for independence set out in Rule 3.13 of the Listing Rules.

The Nomination Committee has also reviewed and considered the experience, skills and knowledge of Mr. Jonathan Chan Ming Sun, and recommended to the Board that the re-election of Mr. Jonathan Chan Ming Sun as independent non-executive Director be proposed for Shareholders' approval at the Annual General Meeting.

In view of Mr. Jonathan Chan Ming Sun's professional qualification and experience, the Board believes that Mr. Jonathan Chan Ming Sun will continue to provide independent and constructive opinions and bring valuable contribution to the Board. Therefore, the Board considers that the re-election of Mr. Jonathan Chan Ming Sun as an independent non-executive Director is beneficial to the Company and its Shareholders as a whole.

The biography of Mr. Jonathan Chan Ming Sun set out in Appendix II to this circular indicates how he contributes to the diversity of the Board and the perspectives, skills and experience that Mr. Jonathan Chan Ming Sun can bring to the Board.

## LETTER FROM THE BOARD

### 5. PROPOSED FINAL DIVIDEND

The Board has recommended a final dividend of HK\$0.05 per Share subject to Shareholders' approval at the Annual General Meeting. It is intended that the final dividend, if approved by the Shareholders at the Annual General Meeting, will be payable on Friday, 25 June 2021 to the Shareholders whose names appear on the register of members of the Company at 4:30 p.m. on Wednesday, 9 June 2021.

The register of members of the Company will be closed from Monday, 7 June 2021 to Wednesday, 9 June 2021 (both days inclusive) for the purpose of determining Shareholders who are qualified for the proposed final dividend. During this period, no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfer forms of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, 4 June 2021.

### 6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice convening the Annual General Meeting to be held at 9th Floor, Beijing Changhong Sci-Tech Tower, Building 26, Zone 18, No. 188 West Road, South Fourth Ring Road, Fengtai District, Beijing, China on Friday, 28 May 2021, at 11:00 a.m. (Hong Kong time) is set out on pages 16 to 19 of this circular. At the Annual General Meeting, resolutions relating to, inter alia, the audited consolidated financial statements of the Company for the year ended 31 December 2020, the receipt and consideration of the re-appointment of auditors, granting of the General Mandates, the re-election of the retiring Directors and the declaration of final dividend will be proposed for your consideration and approval.

A form of proxy for the Annual General Meeting is enclosed with this circular. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to Hong Kong Registrars Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time fixed for the Annual General Meeting. The completion and delivery of a form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting in person if 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 except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorized representative shall have one vote for each Share registered in his name in the register of members of the Company. A Shareholder entitled to more than one vote needs not use all his votes or cast all the votes he uses in the same way.



## LETTER FROM THE BOARD

### 7. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the Annual General Meeting must be taken by way of poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions proposed at the Annual General Meeting shall be voted by poll, and the Company will announce the results of the poll in the manner as prescribed under Rule 13.39(5) of the Listing Rules.

### 8. RECOMMENDATION

The Board is of the opinion that the granting of the General Mandates and the re-election of the retiring Directors and all other resolutions set out in the notice of the Annual General Meeting are in the best interests of the Company, the Group and the Shareholders as a whole and so recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

### 9. 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 Company. 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.

Yours faithfully,  
By order of the Board  
**Changhong Jiahua Holdings Limited**  
**Zhu Jianqiu**  
*Chairman and Executive Director*

*The following is an explanatory statement regard to be sent to the Shareholders under the Listing Rules in connection with the New Repurchase Mandate.*

**SHARES IN ISSUE**

As at the Latest Practicable Date, the Company had a total of 1,454,652,000 Shares of HK\$0.025 each in issue.

Subject to the passing of ordinary resolution No. 6 and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the New Repurchase Mandate to repurchase a maximum of 145,465,200 Shares, equivalent to 10% of the total number of Shares in issue as at the passing of the relevant resolutions at the Annual General Meeting.

**REASONS FOR REPURCHASE**

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchase of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share.

**FUNDING OF REPURCHASE**

Any repurchase will only be made out of funds of the Company legally available for the purposes in accordance with its memorandum of association and Bye-laws and the applicable laws of Bermuda. The Company will not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

**GENERAL**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its latest published audited accounts) in the event that the New Repurchase Mandate is exercised in full. The Directors do not propose to exercise the New Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**SHARE PRICES**

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months from April 2020 to April 2021 were as follows:

	<b>Shares</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
April 2020	0.800	0.600
May 2020	0.900	0.650
June 2020	0.880	0.620
July 2020	0.930	0.770
August 2020	0.860	0.730
September 2020	0.800	0.700
October 2020	0.930	0.740
November 2020	0.810	0.720
December 2020	0.810	0.750
January 2021	0.820	0.720
February 2021	0.900	0.740
March 2021	0.900	0.810
April 2021 (up to the Latest Practicable Date)	0.860	0.820

**DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, they will exercise the powers of the Company to make repurchase of Shares pursuant to the New Repurchase Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

**WHO MAY SELL SHARES IN THE EVENT THAT THE NEW REPURCHASE MANDATE IS EXERCISED**

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, their close associates, have any present intention to sell any Shares to the Company under the New Repurchase Mandate if such is approved by the Shareholders.

No core connected persons of the Company have notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the New Repurchase Mandate is approved by the Shareholders.

## TAKEOVERS CODE CONSEQUENCES

As at the Latest Practicable Date, so far as is known to the Directors, the following persons were substantial Shareholders (as defined under the Listing Rules):

Number of Name	Shares	Nature of Interest	Percentage
Sichuan Changhong Electric Co., Ltd. ("Sichuan Changhong")	948,368,000 (Note 1)	Interest of controlled company and beneficial owner	65.20%
Changhong (Hong Kong) Trading Limited ("Changhong (Hong Kong) Trading")	913,000,000 (Note 2)	Interest of controlled company and beneficial owner	62.76%
Fit Generation Holding Limited ("Fit Generation")	897,000,000 (Note 3)	Beneficial owner	61.66%

*Note 1:* Among the 948,368,000 Shares being interested, 35,368,000 Shares are held directly by Sichuan Changhong, 16,000,000 Shares are held through Changhong (Hong Kong) Trading, which is wholly-owned by Sichuan Changhong, and 897,000,000 Shares are held through Fit Generation, which is wholly-owned by Changhong (Hong Kong) Trading. Sichuan Changhong Holding Electric Co., Limited ("Sichuan Changhong Holding", and collectively with its subsidiaries, the "Sichuan Changhong Electric Group") is the single largest shareholder of Sichuan Changhong, which held approximately 23.22% of the entire issued share capital of Sichuan Changhong and has de facto control over the composition of the majority of the board of Sichuan Changhong

*Note 2:* Among the 913,000,000 Shares being interested, 16,000,000 Shares are held directly by Changhong (Hong Kong) Trading and 897,000,000 Shares are held through Fit Generation.

*Note 3:* Fit Generation is wholly-owned by Changhong (Hong Kong) Trading, which is in turn wholly-owned by Sichuan Changhong.

If the New Repurchase Mandate were exercised in full, assuming that the substantial Shareholders do not dispose of their Shares, the percentage shareholding of the substantial Shareholders before and after such repurchase would be as follows:

Substantial Shareholders	No. of Shares	Before repurchase	After repurchase
Sichuan Changhong	948,368,000	65.20%	72.44%
Changhong (Hong Kong) Trading	913,000,000	62.76%	69.74%
Fit Generation	897,000,000	61.66%	68.52%

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase may be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code as a result of any such increase. To

the best knowledge and belief of the Directors, the above increase in the percentage shareholding of the substantial shareholders would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Company and the Directors have no current intention to exercise the New Repurchase Mandate, to such extent as would give rise to this obligation.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued shares of the Company would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

Save as aforesaid in this circular, the Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any repurchase of Shares made under the New Repurchase Mandate.

#### **SHARES REPURCHASES BY THE COMPANY**

The Company had not repurchased any of its Shares (whether on the Stock Exchange or otherwise) during the six months prior to the Latest Practicable Date.

**EXECUTIVE DIRECTORS**

**Mr. PAN Xiaoyong** (“**Mr. Pan**”), 46, joined the Company as an executive director in April 2021. Mr. Pan is primarily responsible for the technological innovation and capital operation of the Group. He is the director of Sichuan Changhong and the deputy general manager of Sichuan Changhong holding, and serves in various positions within the Sichuan Changhong Electronics Group. He obtained a bachelor’s degree in engineering from Hefei University of Technology (合肥工業大學) in June 1998, a master’s degree in engineering from Hefei University of Technology in June 2000 and a doctor’s degree in engineering from Hefei University of Technology in December 2003. Mr. Pan has been engaged in postdoctoral research in the major of mechanical manufacturing and automation of the Department of precision instruments of Tsinghua University (清華大學). He is a national leading talent in scientific and technological innovation and a recipient of special government subsidy from the State Council. He has more than 21 years of experience in the field of technological innovation and rich investment experience.

There is a service contract entered into between Mr. Pan and the Company which is renewable automatically per annum. The appointment of Mr. Pan is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws.

Mr. Pan is entitled to a director’s emolument of HK\$60,000 per annum, which is determined by the remuneration committee of the Company with reference to Mr. Pan’s relevant experience, responsibilities and duties in the Company and the prevailing market benchmarks. Mr. Pan currently waives his emolument on his own accord.

Save as disclosed, Mr. Pan has no relationship with any other Directors, senior management, substantial Shareholders, or controlling Shareholders of the Company (within the meaning of Listing Rules). As at the Latest Practicable Date, Mr. Pan did not have any interest in the Shares (within the meaning of Part XV of the SFO).

Save as disclosed, Mr. Pan did not hold any other positions in the Company or any of its subsidiaries and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange in the three years preceding the Latest Practicable Date.

Save as disclosed above, in relation to re-election of Mr. Pan, the Board is not aware of any information that ought to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters that ought to be brought to the attention of the Shareholders.

**Mr. ZHANG Xiaolong** (“**Mr. Zhang**”), aged 45, joined the Company as an executive director in April 2021. Mr. Zhang is responsible for the financing of the Group. He is the chief financial officer of Sichuan Changhong. He obtained a bachelor’s degree in accounting from Zhongnan University of Economics and Law (中南財經政法大學) in July 1998 and a master’s

degree in business administration from the University of Electronic Science and Technology of China (電子科技大學) in June 2017. He has over 22 years of experience in financial management and corporate finance.

There is a service contract entered into between Mr. Zhang and the Company which is renewable automatically per annum. The appointment of Mr. Zhang is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws.

Mr. Zhang is entitled to a director's emolument of HK\$60,000 per annum, which is determined by the remuneration committee of the Company with reference to Mr. Zhang's relevant experience, responsibilities and duties in the Company and the prevailing market benchmarks. Mr. Zhang currently waives his emolument on his own accord.

Save as disclosed, Mr. Zhang has no relationship with any other Directors, senior management, substantial Shareholders, or controlling Shareholders of the Company (within the meaning of Listing Rules). As at the Latest Practicable Date, Mr. Zhang did not have any interest in the Shares (within the meaning of Part XV of the SFO).

Save as disclosed, Mr. Zhang did not hold any other positions in the Company or any of its subsidiaries and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange in the three years preceding the Latest Practicable Date.

Save as disclosed above, in relation to re-election of Mr. Zhang, the Board is not aware of any information that ought to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters that ought to be brought to the attention of the Shareholders.

**Mr. LUO Yongping (“Mr. Luo”)**, aged 45, joined the Company as an executive Director in January 2019. Mr. Luo is principally responsible for the investment and business merger of the Group. He is vice general manager of Sichuan Provincial Investment Group Co., Ltd. (“**Sichuan Provincial Investment Group**”) and serves as a director in a subsidiary of Sichuan Provincial Investment Group. Mr. Luo obtained a Bachelor's Degree in Archival science from Sichuan University in June 1997 and a master's degree in historical literature from Sichuan University in July 2000 and has over 20 years' experience in corporate management.

There is a service contract entered into between Mr. Luo and the Company which is renewable automatically per annum. The appointment of Mr. Luo is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws.

Mr. Luo is entitled to a director's emolument of HK\$60,000 per annum, which is determined by the remuneration committee of the Company with reference to Mr. Luo's relevant experience, responsibilities and duties in the Company and the prevailing market benchmarks. Mr. Luo currently waives his emolument on his own accord.

Save as disclosed, Mr. Luo has no relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company (within the meaning of Listing Rules). As at the Latest Practicable Date, Mr. Luo did not have any interest in the Shares (within the meaning of Part XV of the SFO).

Save as disclosed, Mr. Luo did not hold any other positions in the Company or any of its subsidiaries and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange in the three years preceding the Latest Practicable Date.

Save as disclosed above, in relation to re-election of Mr. Luo, the Board is not aware of any information that ought to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters that ought to be brought to the attention of the Shareholders.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Jonathan CHAN Ming Sun (“Mr. Chan”)**, aged 48, joined the Company as an independent non-executive Director in February 2007. Mr. Chan was appointed as the chairman of each of the audit committee and remuneration committee of the Company, and a member of the nomination committee of the Company. He is an investment manager of Sprint Asset Management Limited. He is also acting as the independent non-executive director of each of the following listed companies on the Stock Exchange, namely Grand Peace Group Holdings Limited (stock code: 8108), China Dredging Environment Protection Holdings Limited (stock code: 871), Hao Tian Development Group Limited (stock code: 474), Up Energy Development Group Limited (stock code: 307) <sup>(Note)</sup> and Fujian Nuoqi Co., Ltd. (stock code: 1353). He was the independent non-executive director of each of the following listed companies on the Stock Exchange, namely Shenyang Public Utility Holdings Company Limited (stock code: 747) from 13 February 2015 to 12 November 2020, and Dining Concepts Holdings Limited (currently known as Life Concepts Holdings Limited) (stock code: 8056) from 14 July 2016 to 12 December 2018. He obtained his Bachelor Degree of Commerce in Accounting and Information System from University of New South Wales, Australia. He is also a fellow member of the Hong Kong Institute of Directors and a member of Hong Kong Institute of Certified Public Accountants and CPA, Australia. He has over 20 years of experience in investment and corporate finance.

*Note:* The appointment of Mr. Chan as the independent non-executive director of Up Energy Development Group Limited (stock code: 307) (“**Up Energy**”) is under dispute arising as to the validity of the special general meeting of UP Energy and the resolutions passed therein in respect of removal of original directors and appointment of new directors, including Mr. Chan as independent non-executive director. Mr. Chan confirmed that he has never been involved in the operation and decision-making process of UP Energy in relation to his role as independent non-executive director. As stated in the announcement of UP Energy dated 23 May 2017, the powers of its board of directors had ceased upon application of the provision liquidators to the Supreme Court of Bermuda. UP Energy is currently in provisional liquidation and managed by provision liquidators with full powers. For details, please refer to the relevant announcements of Up Energy.



There is a service contract between Mr. Chan and the Company which is renewable automatically per annum. The appointment of Mr. Chan is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws.

Mr. Chan is currently entitled to a director's emolument of HK\$200,000 per annum as determined by the remuneration committee of the Company with reference to Mr. Chan's relevant experience, responsibilities and duties in the Company and the prevailing market benchmarks.

Mr. Chan has no relationship with any directors, senior management, substantial shareholders, or controlling shareholders of the Company (within the meaning of Listing Rules). As at the Latest Practicable Date, Mr. Chan does not have any interest in the shares of the Company (within the meaning of Part XV of the SFO).

Save as disclosed, Mr. Chan did not hold any other positions in the Company or any of its subsidiaries and did not hold any directorships in any other listed companies on the Stock Exchange and any other stock exchange in the three years preceding the Latest Practicable Date.

Save as disclosed above, in relation to re-election of Mr. Chan, the Board is not aware of any information that ought to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters that ought to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



**Changhong Jiahua Holdings Limited**

**長虹佳華控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 3991)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Annual General Meeting**”) of Changhong Jiahua Holdings Limited (the “**Company**”) will be held at 9th Floor, Beijing Changhong Sci-Tech Tower, Building 26, Zone 18, No. 188 West Road, South Fourth Ring Road, Fengtai District, Beijing, China on Friday, 28 May 2021 at 11:00 a.m. (Hong Kong time) (or any adjournment thereof) for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions as ordinary resolutions of the Company:

**ORDINARY BUSINESS**

1. To receive and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and auditors of the Company for the year ended 31 December 2020.
2. To declare a final dividend of HK\$0.05 per share of the Company for the year ended 31 December 2020.
3.
  - (i) To re-elect Mr. Pan Xiaoyong as a Director;
  - (ii) To re-elect Mr. Zhang Xiaolong as a Director;
  - (iii) To re-elect Mr. Luo Yongping as a Director;
  - (iv) To re-elect Mr. Jonathan Chan Ming Sun as a Director; and
  - (v) To authorise the board of Directors to fix remuneration of Directors.
4. To re-appoint Deloitte Touche Tohmatsu as the auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Directors to fix the remuneration of auditors.

**SPECIAL BUSINESS**

To consider as special business, and if thought fit, to pass with or without amendments, the following resolutions as ordinary resolutions:

5. “**THAT:**
  - (A) subject to paragraph (C) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the

## NOTICE OF ANNUAL GENERAL MEETING

Company to allot, issue and deal with unissued ordinary shares of the Company (the “Shares(s)) and to make or grant offers, agreements or options which might require the exercise of such powers be and is hereby approved generally and unconditionally;

- (B) the approval in paragraph (A) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements or options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
- (C) the total number of Shares allotted and issued, or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (A) of this Resolution, otherwise than pursuant to (a) a Rights Issue (as defined below); or (b) the grant or exercise of any option under the share option scheme of the Company; or (c) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws of the Company in force from time to time; or (d) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
  - (i) 20% of the total number of Shares in issue as at the date of the passing of this resolution; and
  - (ii) provided that ordinary resolution No. 7 is passed, the total number of Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the total number of Shares in issue on the date of the passing of this resolution), and the authority pursuant to paragraph (A) of this resolution shall be limited accordingly;
- (D) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is 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 Bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

## NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of Shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register of members on a fixed record date in proportion to their holdings of such Shares, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong.”

6. “**THAT:**

- (A) subject to paragraph (B) below, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase its Shares in the capital of the Company on The Stock Exchange of Hong Kong Limited or any other stock exchange on which the Shares may be listed and recognized by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, The Stock Exchange of Hong Kong Limited, the Companies Act 1981 of Bermuda and all other applicable laws in this regard, be and is hereby approved generally and unconditionally;
- (B) the total number of Shares authorised to be repurchased or agreed conditionally or unconditionally to be repurchased by the Directors pursuant to the approval in paragraph (A) above shall not exceed 10% of the total number of Shares in issue as at the date this resolution and the said approval shall be limited accordingly; and
- (C) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is 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 either by the Bye-laws of Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

## NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT**, conditional upon the passing of ordinary resolutions No. 5 and No. 6 above, the general mandate referred to in the said ordinary resolution No. 5 be and is hereby extended by the addition to the number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in said ordinary resolution No. 6, provided that such number shall not exceed 10% of the number of the shares of the Company in issue as at the date of the passing of this resolution.”

Yours faithfully,  
By order of the Board  
**Changhong Jiahua Holdings Limited**  
**Zhu Jianqiu**  
*Chairman and Executive Director*

Hong Kong, 21 April 2021

*Notes:*

- i. For the purpose of determining the shareholders of the Company who are entitled to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 25 May 2021 to Friday, 28 May 2021 (both days inclusive), during which no transfer of Shares can be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents should be lodged for registration with the Company’s branch share registrar in Hong Kong, Hong Kong Registrars Limited of Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Monday, 24 May 2021.
- ii. Any member of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holder of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll, votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member holding two or more shares may appoint more than one proxy to attend on the same occasion.
- iii. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised.
- iv. To be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited to the Company’s branch registrar in Hong Kong, Hong Kong Registrars Limited of 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong and in any event not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting (as the case may be).
- v. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Annual General Meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- vi. In respect of ordinary resolution No. 3, Mr. Pan Xiaoyong, Mr. Zhang Xiaolong, Mr. Luo Yongping and Mr. Jonathan Chan Ming Sun shall retire and be eligible to offer themselves for re-election at the Annual General Meeting. Details of the above retiring Directors are set out in Appendix II of this circular.
- vii. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
- viii. Attendants should bear their own travelling, accommodation and other expenses.

*As at the date of this notice, the executive directors of the Company are Mr. Zhu Jianqiu, Mr. Pan Xiaoyong, Mr. Zhang Xiaolong and Mr. Luo Yongping and the independent non-executive directors of the Company are Mr. Jonathan Chan Ming Sun, Mr. Gao Xudong and Mr. Meng Qingbin.*