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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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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.



CHANGHONG JIAHUA HOLDINGS LIMITED (長虹佳華控股有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 8016)

- (1) GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES
- (2) RE-ELECTION OF DIRECTORS
- (3) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at Unit 2506, 25/F, Changhong Science and Technology Building, No.18 Kejinan 12 Road, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, the PRC on Tuesday 16 May 2017, at 10:30 a.m. (Hong Kong time) is set out on pages 15 to 20 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. 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, 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.

This circular will remain on the "Latest Company Announcement" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at <http://www.changhongit.com.hk>.

31 March 2017

CHARACTERISTICS OF THE GEM

The GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of the GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on the GEM, there is a risk that securities traded on the GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on the GEM.

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Unit 2506, 25/F, Changhong Science and Technology Building, No.18 Kejinan 12 Road, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, the PRC on Tuesday 16 May 2017, at 10:30 a.m. (Hong Kong time) in relation to the Company’s financial year ended 31 December 2016
“Annual Report 2016”	the annual report of the Company for the financial year ended 31 December 2016
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company as amended from time to time
“Commission”	the Securities and Futures Commission
“Company”	Changhong Jiahua Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the GEM
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“General Mandates”	New Issue Mandate and New Buy-back Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Latest Practicable Date”	31 March 2017 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 Buy-back Mandate, if any
“New Buy-back Mandate”	the general mandate proposed to be granted to the Directors at the Annual General Meeting to buy-back 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 Code on Takeovers and Mergers
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



CHANGHONG JIAHUA HOLDINGS LIMITED

(長虹佳華控股有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 8016)

Executive Directors:

Mr. Zhao Yong (*Chairman*)

Mr. Zhu Jianqiu (*President*)

Mr. Yu Xiao

Mr. Wu Xiangtao

Ms. Shi Ping

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-Executive Directors:

Mr. Jonathan Chan Ming Sun

Mr. Robert Ip Chun Chung

Mr. Sun Dongfeng

Mr. Cheng Yuk Kin

*Head office and principal place
of business:*

Unit 1502, 15/F

West Tower, Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

31 March 2017

To the Shareholders

Dear Sir or Madam,

(1) GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES

(2) RE-ELECTION OF DIRECTORS

(3) 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 Unit 2506, 25/F, Changhong Science and Technology Building, No.18 Kejinan 12 Road, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, the PRC on Tuesday 16 May 2017, at 10:30 a.m. relating to, among other things, (i) the granting of the General Mandates and (ii) the re-election of the Directors. The notice of the Annual General Meeting containing the proposed resolutions and other information is set out on pages 15 to 20 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 bought-back prior to the Annual General Meeting). In addition, conditional upon the proposed resolution to authorise the New Buy-back 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 bought-back by the Company pursuant to the New Buy-back Mandate in order to provide flexibility for issuing new Shares when it is in the interests of the Company.

3. NEW BUY-BACK 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 buy-back 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 bought-back 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 GEM 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.

LETTER FROM THE BOARD

With reference to the General Mandates, the Directors wish to state that they have no immediate plan to buy-back any Shares or issue any Shares pursuant thereto. In accordance with the requirements of the GEM 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 Buy-back Mandate. The explanatory statement as required by the GEM Listing Rules in connection with the New Buy-back Mandate is set out in Appendix I to this circular.

4. RE-ELECTION OF THE DIRECTORS

Pursuant to Rule 17.46A of the GEM Listing Rules, a listed issuer shall disclose the details required under Rule 17.50(2) of the GEM 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 84 of the Bye-laws, Mr. Zhao Yong, Mr. Zhu Jianqiu, and Ms. Shi Ping shall retire and be eligible to offer themselves for re-election as Directors at the Annual General Meeting.

As at the Latest Practicable Date, each of the following Directors did not have any interest in the Shares within the meaning of Part XV of the SFO.

As the Latest Practicable Date, save as disclosed herein, no Director held any position with the Company or any other member of the Group, nor had any directorships in other listed companies in the past three years.

No Director has any relationship with any other Directors, senior management personnel, substantial Shareholders or controlling Shareholders of the Company.

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.

LETTER FROM THE BOARD

5. PROPOSED FINAL DIVIDEND

The Board has recommended a final dividend of HK\$0.03 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 Monday, 5 June 2017 to the Shareholders whose names appear on the register of members of the Company at 4:30 p.m. on Friday, 19 May 2017.

The register of members of the Company will be closed from Monday, 22 May 2017 to Wednesday, 24 May 2017 (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, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 19 May 2017.

6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice convening the Annual General Meeting to be held at Unit 2506, 25/F, Changhong Science and Technology Building, No.18 Kejinan 12 Road, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, the PRC on Tuesday 16 May 2017, at 10:30 a.m. (Hong Kong time) is set out on pages 15 to 20 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 2016, the receipt and consideration of the re-appointment of auditors, granting of the General Mandates and the re-election of the retiring Directors 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, 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 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll.

LETTER FROM THE BOARD

7. VOTING BY WAY OF POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, all votes of the Shareholders at the Annual General Meeting must be taken by way of poll. 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 17.47(5) of the GEM 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 GEM 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,
Zhao Yong
Chairman

The following is an explanatory statement regard to be sent to the Shareholders under the GEM Listing Rules in connection with the New Buy-back 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 bought-back prior to the Annual General Meeting, the Company would be allowed under the New Buy-back Mandate to buy-back 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 BUY-BACKS

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 buy-back Shares in the market. Buy-back of Shares will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders. Such buy-backs 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 BUY-BACKS

Any buy-backs 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 GEM 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 Buy-back Mandate is exercised in full. However, the Directors do not propose to exercise the New Buy-back 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 GEM in each of the previous twelve months from March 2016 to March 2017 were as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
March 2016	1.34	1.10
April 2016	1.20	1.10
May 2016	1.18	1.10
June 2016	1.22	1.10
July 2016	1.38	1.06
August 2016	1.20	0.90
September 2016	0.98	0.90
October 2016	1.12	0.86
November 2016	1.10	0.87
December 2016	1.07	0.89
January 2017	1.10	0.92
February 2017	1.08	0.86
March 2017 (up to the Latest Practicable Date)	–	–

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, they will exercise the powers of the Company to make buy-backs of Shares pursuant to the New Buy-back Mandate in accordance with the GEM Listing Rules, the memorandum of association and the Bye-laws and the applicable laws of Bermuda.

WHO MAY SELL SHARES IN THE EVENT THAT THE NEW BUY-BACK 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 Buy-back 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 Buy-back 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 GEM Listing Rules):

Name	Number of Shares	Nature of Interest	Percentage
Sichuan Changhong Electric Co., Ltd. ("Sichuan Changhong")	1,008,368,000 (Note 1)	Interest of controlled company and beneficial owner	69.32%
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: Of the 1,008,368,000 Shares being interested, 95,368,000 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.

Note 2: Of the 913,000,000 Shares being interested, 16,000,000 Shares are held directly by Changhong (Hong Kong) Trading, 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 Buy-back 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 buy-back would be as follows:

Substantial Shareholders	No. of Shares	Before buy-back	After buy-back
Sichuan Changhong	1,008,368,000	69.32%	77.02%
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 buy-back 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.

The Company and the Directors have no current intention to exercise the New Buy-back Mandate, to such extent as would give rise to this obligation.

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 buy-back of Shares made under the New Buy-back Mandate.

SHARES BUY-BACKS BY THE COMPANY

The Company had not bought-back any of its Shares (whether on the GEM or otherwise) during the six months prior to the Latest Practicable Date.

EXECUTIVE DIRECTORS

Mr. Zhao Yong (“**Mr. Zhao**”), aged 54, joined the Company and has remained as an executive Director and chairman of the Board since April 2013. Mr. Zhao has served various positions within the Sichuan Changhong Electronics Group (ie. Sichuan Changhong Electronics Group Company, Limited and its subsidiaries) and also served as the deputy mayor of Mianyang, Sichuan Province, the PRC from June 2001 to June 2004. He is also the chairman and director of the Company’s subsidiaries of Changhong IT Information Products Co. Ltd., Changhong IT Digital Technology Co., Ltd., Beijing Changhong IT Intelligence System Co., Ltd. and Sichuan Changhong IT Duolayouhuo E-Commence Co., Ltd. He holds a master degree in Mechanical Engineering and a doctoral degree in Engineering and Thermal Dynamics Engineering from Qinghua University in the PRC and has more than 24 years of experience in general management.

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

Mr. Zhao currently waives his emolument on his own record.

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

Save as disclosed, Mr. Zhao 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.

Other than those disclosed above, in relation to re-election of Mr. Zhao, the Board is not aware of any information that ought to be disclosed pursuant to any of the requirements of Rules 17.50(2)(h) to (v) of the GEM Listing Rules, nor are there any other matters that ought to be brought to the attention of the Shareholders.

Mr. Zhu Jianqiu (“**Mr. Zhu**”), aged 55, joined the Company as an executive Director and the president of the Company in April 2013. Mr. Zhu is also the director and chief executive officer of the Company’s subsidiaries of Changhong IT Information Products Co., Ltd., Changhong IT Digital Technology Co., Ltd., Beijing Changhong IT Intelligence System Co. Ltd, Changhong IT (Hong Kong) Information Products Co., Ltd. and Sichuan Changhong IT Duolayouhuo E-commerce Co., Ltd.. He is an executive director of Changhong (Hong Kong), Enterprises Ltd., Mr. Zhu is responsible for the overall operation and management of the Group. He obtained a doctoral degree in Economic from Renmin University and a bachelor degree in 1984 from Northeast University in the PRC and has more 19 years of experience in information technology industry management.

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

Mr. Zhu is currently entitled to an annual emolument of HK\$9,252,880 as determined by the Board with reference to his responsibilities, abilities and performance, the Company’s operations, as well as remuneration benchmark in the industry and prevailing market conditions.

Mr. Zhu has no relationship with any directors, senior management, substantial shareholders, or controlling shareholders of the Company (within the meaning of GEM Listing Rules). As at the Latest Practicable Date, save for being the sole shareholder of Typical Faith Limited, which in turn holds 82,415,762 Shares, Mr. Zhu does not have any interest in the shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance).

Save as disclosed, Mr. Zhu 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.

Other than those disclosed above, in relation to re-election of Mr. Zhu, the Board is not aware of any information that ought to be disclosed pursuant to any of the requirements of Rules 17.50(2)(h) to (v) of the GEM Listing Rules, nor are there any other matters that ought to be brought to the attention of the Shareholders.

Ms. Shi Ping (“**Ms. Shi**”), aged 55, joined the Company as an executive Director in May 2007. Ms. Shi is principally responsible for the investment and business merger of the Group. She obtained a master degree in Managerial Economics from Nanyang Technology University in Singapore, a master degree in Industrial Management Engineering from Chengdu University of Science and Technology and a bachelor degree in Chemical Engineering from Hunan University in the PRC and has more than 31 years of experience in economics and engineering management.

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

Ms. Shi currently waives her emolument on her own record.

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

Save as disclosed, Ms. Shi 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.

Other than those disclosed above, in relation to re-election of Ms. Shi, the Board is not aware of any information that ought to be disclosed pursuant to any of the requirements of Rules 17.50(2) (h) to (v) of the GEM 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: 8016)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Annual General Meeting**”) of Changhong Jiahua Holdings Limited (the “**Company**”) will be held at Unit 2506, 25/F, Changhong Science and Technology Building, No.18 Kejinan 12 Road, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, the People’s Republic of China on Tuesday, 16 May 2017 at 10:30 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 2016.
2. To declare a final dividend of HK\$ 0.03 per share of the Company for the year ended 31 December 2016.
3. To re-elect the following Directors pursuant to the Company’s Bye-laws and to authorise the board of Directors to fix their remuneration:
 - (i) Mr. Zhao Yong as an executive Director;
 - (ii) Mr. Zhu Jianqiu as an executive Director; and
 - (iii) Ms. Shi Ping as an executive Director
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 their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

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 Growth Enterprise Market of 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 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

NOTICE OF ANNUAL GENERAL MEETING

- (ii) provided that ordinary resolution No. 7 is passed, the total number of Shares bought-back 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;

“**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; and

NOTICE OF ANNUAL GENERAL MEETING

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 buy-back its Shares in the capital of the Company on The Growth Enterprise Market of 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 bought-back or agreed conditionally or unconditionally to be bought-back 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 aggregate number of Shares that shall have been bought-back by the Company after the date thereof pursuant to and in accordance with the said ordinary resolution No. 6 shall be added to the aggregate number of Shares that may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to the general mandate to allot and issue shares granted to the Directors by the said ordinary resolution No. 5.”

On behalf of the Board

Zhao Yong

Chairman

Hong Kong, 31 March 2017

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 Thursday, 11 May 2017 to Tuesday, 16 May 2017 (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 Wednesday, 10 May 2017.
- 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, 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).

NOTICE OF ANNUAL GENERAL MEETING

- 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. Zhao Yong, Mr. Zhu Jianqiu and Ms. Shi Ping 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.