

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**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.

---

**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: 8016)

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

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

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

---

The notice convening the Annual General Meeting to be held at Unit 3701, 37/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 16 May 2014, Friday at 10:30 a.m. (Hong Kong time) is set out on pages 13 to 16 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 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 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](http://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>.

27 March 2014

---

## CHARACTERISTICS OF THE GEM

---

The GEM positioned as a market designed to accommodate companies to which a high 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 GEM, there is a risk that securities traded on 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 GEM.

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1-2
<b>LETTER FROM THE BOARD</b> .....	3-6
INTRODUCTION .....	3
NEW ISSUE MANDATE .....	4
NEW REPURCHASE MANDATE .....	4
RE-ELECTION OF THE DIRECTORS .....	5
ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT .....	5
VOTING BY WAY OF POLL .....	6
RECOMMENDATION .....	6
RESPONSIBILITY STATEMENT .....	6
<b>APPENDIX I – EXPLANATORY STATEMENT</b> .....	7-10
<b>APPENDIX II – BIOGRAPHIES OF RETIRING DIRECTORS PROPOSED                   FOR RE-ELECTION</b> .....	11-12
<b>NOTICE OF ANNUAL GENERAL MEETING</b> .....	13-16

---

## 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 3701, 37/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 16 May 2014, Friday at 10:30 a.m. (Hong Kong time) in relation to the financial year of the Company ended on 31 December 2013
“Annual Report 2013”	the annual report of the Company for the financial year ended 31 December 2013
“Board”	the board of Directors
“Bye-laws”	means 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 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 GEM
“General Mandates”	New Issue Mandate and New Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	27 March 2014 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 aggregate nominal value of the issued ordinary share capital of the Company as at the date of the polling of the resolution approving such mandate

---

## 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 aggregate nominal amount of the issued ordinary share capital of the Company as at the date of the polling of the resolution approving such mandate
“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 Repurchases
“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. Tang Yun  
Mr. Wu Xiangtao  
Ms. Shi Ping  
Mr. Xiang Chao Yang

*Independent Non-Executive Directors:*

Mr. Jonathan Chan Ming Sun  
Mr. Robert Ip Chun Chung  
Mr. Sun Dongfeng  
Mr. Cheng Yuk Kin

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place  
of business:*

Unit 3701, 37/F  
West Tower, Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

27 March 2014

*To the Shareholders*

Dear Sir or Madam,

**(1) GENERAL MANDATES TO ISSUE AND REPURCHASE 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 Hong Kong at Unit 3701, 37/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central on 16 May 2014, Friday at 10:30 a.m. relating to, among other things, (i) the granting of the General Mandates and (ii) re-election of the Directors. The notice of the Annual General Meeting containing the proposed resolutions and other information is set out on pages 13 to 16 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 give the Directors a general and unconditional mandate to allot, issue and otherwise deal with new Shares not exceeding 20% of the ordinary share capital of the Company in issue on the date of passing of such resolution (or 93,800,000 Shares based on (i) the Company's issued ordinary share capital as at the Latest Practicable Date of 469,000,000 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 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 aggregate nominal amount of the 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**

An ordinary resolution will be proposed at the Annual General Meeting to grant to the Directors the New Repurchase Mandate, details of which are set out in resolution No. 5 in the notice of the Annual General Meeting. The Shares which may be repurchased pursuant to the New Repurchase Mandate are limited to a maximum of 10% of the issued ordinary share capital of the Company at the date of passing of the resolution approving the New Repurchase Mandate subject to the GEM Listing Rules (or 46,900,000 Shares by reference to (i) the Company's issued ordinary share capital as at the Latest Practicable Date of 469,000,000 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, the date by which the next annual general meeting 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 Company's issued ordinary share capital.

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 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 Repurchase Mandate. The explanatory statement as required by the GEM 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 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. Cheng Yuk Kin, Mr. Wu Xiangtao, Mr. Xiang Chao Yang 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 Securities & Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As the Latest Practicable Date, save as disclosed herein, no Director holds any position with the Company or any other member of the Group, nor has 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 of this circular.

### 5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice convening the Annual General Meeting to be held at Unit 3701, 37/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 16 May 2014, Friday at 10:30 a.m. (Hong Kong time) is set out on pages 13 to 16 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 2013, 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 considered.

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. Therefore, all resolutions proposed at the Annual General Meeting shall be voted by poll.



---

## LETTER FROM THE BOARD

---

### 6. VOTING BY WAY OF POLL

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

### 7. RECOMMENDATION

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

### 8. 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 Repurchase Mandate.*

**SHARE CAPITAL**

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised 469,000,000 Shares of HK\$0.025 each.

Subject to the passing of ordinary resolution No. 5 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 46,900,000 Shares equivalent to 10% of the issued ordinary share capital of the Company during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the date on which the next annual general meeting of the Company is required to be held by law or the Bye-laws; or (iii) the date on which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

**REASONS FOR REPURCHASES**

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. Repurchases 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 value of the Company and its assets or its earnings per share or both.

**FUNDING OF REPURCHASES**

Any repurchases will only be funded 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 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 Repurchase Mandate is exercised in full. However, 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 GEM in each of the previous twelve months from March 2013 to March 2014 were as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
March 2013	1.70	1.58
April 2013	1.64	1.50
May 2013	1.60	1.46
June 2013	1.47	1.39
July 2013	1.56	1.40
August 2013	1.60	1.25
September 2013	1.75	1.49
October 2013	1.50	1.24
November 2013	1.50	1.31
December 2013	1.67	1.18
January 2014	1.35	1.02
February 2014	1.57	1.38
March 2014 (up to the Latest Practicable Date)	1.40	1.40

**DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the New Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum of association and the Bye-laws and the applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, their 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 connected persons 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 GEM Listing Rules):

Name	Number of ordinary shares	Nature of Interest	Percentage
Sichuan Changhong Electric Co., Ltd. (“Sichuan Changhong”)	246,368,000 (Note 1)	Interest of controlled company and beneficial owner	52.53%
Changhong (Hong Kong) Trading Limited (“Changhong (Hong Kong) Trading”)	151,000,000 (Note 2)	Interest of controlled company and beneficial owner	32.20%
Fit Generation Holding Limited (“Fit Generation”)	135,000,000 (Note 3)	Beneficial owner	28.79%
Sichuan Investment Management Co. Ltd.	83,009,340	Beneficial owner	17.70%

*Note 1:* Of the 246,368,000 ordinary shares being interested, 95,368,000 ordinary shares are held directly, 16,000,000 ordinary shares are held through Changhong (Hong Kong) Trading, which is wholly owned by Sichuan Changhong and 135,000,000 ordinary shares are held through Fit Generation, which is wholly owned by Changhong (Hong Kong) Trading.

*Note 2:* Of the 151,000,000 ordinary shares being interested, 16,000,000 ordinary shares are held directly, 135,000,000 ordinary 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 of the Company do not dispose of their shares, the percentage shareholding of the substantial Shareholders of the Company before and after such repurchase would be as follows:

Substantial Shareholders	No. of Shares	Before repurchase	After repurchase
Sichuan Changhong	246,368,000	52.53%	58.37%
Changhong Hong Kong Trading	151,000,000	32.20%	35.77%
Fit Generation	135,000,000	28.79%	31.98%
Sichuan Investment Management Co. Limited	83,009,340	17.70%	19.67%

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.

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.

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 PURCHASES BY THE COMPANY**

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

---

## APPENDIX II      BIOGRAPHIES OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

---

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr Cheng Yuk Kin** (“**Mr. Cheng**”), aged 38, joined the Company as Independent Non-Executive Director in November 2012. Mr. Cheng is a member of Audit Committee. He is an executive director of Ivory Capital Private Limited. He obtained his Bachelor Degree of Business Administration in Finance from Hong Kong University of Science and Technology and obtained a Master Degree of Business Administration from the George Washington University School of Business in USA. He is also a member of American Institutional Certified Public Accountants. He has over 16 years of experience in corporate finance and audit.

There is no service contract between Mr. Cheng and the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Mr. Cheng is currently entitled to an annual emolument of HK\$180,000 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.

### EXECUTIVE DIRECTORS

**Mr. Wu Xiangtao** (“**Mr. Wu**”), aged 40, joined the Company as Executive Director and Deputy Managing Director in May 2008. Mr. Wu has ceased to hold the senior management position but remains as a Director. Mr. Wu is responsible for the strategies of the Group's trading business of consumer electronic products. He holds a Master Degree in Business Administration from Southwestern University of Finance and Economics and a Bachelor Degree in International Trade and Economics from Shandong University in the PRC and recently obtained a Master Degree in Business Administration from University of Glasgow, United Kingdom (“UK”). He has more than 17 years of experience in the consumer electronics industry.

There is no service contract between Mr. Wu and the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Mr. Wu being the management of the Company in year 2012, is entitled to a bonus of HK\$73,556 and is waived the emolument of year 2013 on his own accord. The amount is 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. Xiang Chao Yang** (“**Mr. Xiang**”), aged 56, joined the Company as Executive Director in November 2006. Mr. Xiang is responsible for the PRC legal affairs of the Company. He obtained a Master Degree in Criminal Law of China from Sichuan University and a Bachelor Degree of Law from Southwest University of Political Science and Law in the PRC. He has more than 25 years of experience in law.

There is no service contract between Mr. Xiang and the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

---

## APPENDIX II      BIOGRAPHIES OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

---

Mr. Xiang is currently entitled to an annual emolument of HK\$60,000 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.

**Ms. Shi Ping** ("**Ms. Shi**"), aged 51, joined the Company as 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 28 years experience in economics and engineering management.

There is no service contract between Ms. Shi and the Company but he 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 is currently waived her emolument on her own accord as determined by the Board with reference to her responsibilities, abilities and performance, the Company's operations, as well as remuneration benchmark in the industry and prevailing market conditions.

Save as disclosed herein, there is no other matter relating to the abovementioned Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the abovementioned Directors which is required to be disclosed pursuant to any of the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

---

## 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 of Changhong Jiahua Holdings Limited (the “**Company**”) will be held at Unit 3701, 37/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 16 May 2014, Friday at 10:30 a.m. (Hong Kong time) (or any adjournment thereof) for the purpose of considering and, if thought fit, inter alia, passing the following resolutions:

#### **ORDINARY BUSINESS**

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and auditors of the Company for the year ended 31 December 2013.
2. 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. Cheng Yuk Kin;
  - (ii) Mr. Wu Xiangtao;
  - (iii) Mr. Xiang Chao Yang; and
  - (iv) Ms. Shi Ping
3. To re-appoint the auditors of the Company and authorise the board of directors to fix their remuneration.

#### **SPECIAL BUSINESS**

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

**“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 of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with unissued Shares (as defined below) in the capital of the Company 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;



---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (B) the approval in paragraph (A) above shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements or options which might require the exercise of such powers after the end of the Relevant Period;
- (C) the aggregate nominal amount of share capital allotted and issued, or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors of the Company pursuant to the approval in paragraph (A) of this Resolution, otherwise than pursuant to (a) a Rights Issue; 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 in the Company 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 of the Company, shall not exceed the aggregate of:
- (i) 20% of the aggregate nominal amount of the ordinary share capital of the Company in issue as at the date of the passing of this resolution; and
  - (ii) provided that ordinary resolution No. 6 is passed the nominal amount of any ordinary share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the ordinary share capital of the Company 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 of the 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 of the Company 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 of the Company to holders of Shares on the register on a fixed record date in proportion to their holdings of such Shares, subject to such exclusions or other arrangements as the Directors of the Company 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

“**Shares**” means ordinary Share(s) of HK\$0.025 each in the issued share capital of the Company.”

5. As special business, to consider and, if thought fit, to pass the following resolution as ordinary resolution:

“**THAT:**

- (A) subject to paragraph (B) below, the exercise by the Directors of the Company during the Relevant Period of all powers of the Company to repurchase 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 of the Company 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 of Bermuda and all other applicable laws in this regard, be and is hereby approved generally and unconditionally;
- (B) the aggregate nominal amount of shares authorised to be repurchased or agreed conditionally or unconditionally to be repurchased by the Directors of the Company pursuant to the approval in paragraph (A) above shall not exceed 10% of the aggregate nominal amount of the ordinary share capital of the Company 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 of Bermuda or any other applicable law of Bermuda to be held; and

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (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 of the Company by this resolution.”

“**Shares**” means ordinary Share(s) of HK\$0.025 each in the share capital of the Company.”

6. As special business, to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of ordinary resolutions No. 4 and No. 5 above, the aggregate nominal amount of the number of shares in the capital of the Company that shall have been repurchased by the Company after the date thereof pursuant to and in accordance with the said ordinary resolution No. 5 shall be added to the aggregate nominal amount of share capital that may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors of the Company pursuant to the general mandate to allot and issue shares granted to the Directors of the Company by the said **ordinary resolution** No. 4.”

On behalf of the Board  
**Zhao Yong**  
*Chairman*

Hong Kong, 27 March 2014

*Notes:*

- i. 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 may appoint more than one proxy to attend on the same occasion.
- ii. 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.
- iii. 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 Registrars 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).
- iv. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- v. In respect of ordinary resolution No. 2, Mr. Cheng Yuk Kin, Mr. Wu Xiangtao, Mr. Xiang Chao Yang 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.
- vi. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
- vii. Attendants should bear their own travelling, accommodation and other expenses.