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

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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.

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**长虹佳华**  
**CHANGHONG|IT**

**CHANGHONG JIAHUA HOLDINGS LIMITED**

**(长虹佳华控股有限公司)**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 8016)

- (1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**
- (2) PROPOSED SHARE PREMIUM REDUCTION**
- (3) RE-ELECTION OF DIRECTORS**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

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A 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 15 May 2015, Friday at 10:30 a.m. (Hong Kong time) is set out on pages 15 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. 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](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>.

25 March 2015

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## CHARACTERISTICS OF THE GEM

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The GEM 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 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.

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1-2
<b>LETTER FROM THE BOARD</b> .....	3-7
INTRODUCTION .....	3
NEW ISSUE MANDATE .....	4
NEW REPURCHASE MANDATE .....	4
PROPOSED SHARE PREMIUM REDUCTION .....	5-6
RE-ELECTION OF THE DIRECTORS .....	6
ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT .....	6-7
VOTING BY WAY OF POLL .....	7
RECOMMENDATION .....	7
RESPONSIBILITY STATEMENT .....	7
<b>APPENDIX I – EXPLANATORY STATEMENT</b> .....	8-11
<b>APPENDIX II – BIOGRAPHIES OF RETIRING DIRECTORS PROPOSED     FOR RE-ELECTION</b> .....	12-14
<b>NOTICE OF ANNUAL GENERAL MEETING</b> .....	15-19

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## DEFINITIONS

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*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 15 May 2015, Friday at 10:30 a.m. (Hong Kong time) in relation to the Company’s financial year ended 31 December 2014
“Annual Report 2014”	the annual report of the Company for the financial year ended 31 December 2014
“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 GEM
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“Contributed Surplus Account”	the contributed surplus account of the Company
“Close associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Core connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“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

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## DEFINITIONS

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“Latest Practicable Date”	25 March 2015 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 passing of the resolution approving such mandate
“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 passing of the resolution approving such mandate
“Register of Members”	the principal or branch register of members of the Company maintained in Bermuda or Hong Kong respectively
“Securities and Futures Ordinance”	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
“Share Premium Account”	the share premium account of the Company
“Share Premium Reduction”	the reduction of the entire amount standing to the credit of the Share Premium Account as at 31 December 2014 to zero balance as described under the section headed “Proposed Share Premium Reduction” in the “Letter from the Board” of this circular
“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

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LETTER FROM THE BOARD

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**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)

*Executive Directors:*

Mr. Zhao Yong (*Chairman*)  
Mr. Zhu Jianqiu (*President*)  
Mr. Yu Xiao  
Mr. Tang Yun  
Mr. Wu Xiangtao  
Ms. Shi Ping

*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

25 March 2015

*To the Shareholders*

Dear Sir or Madam,

- (1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**
- (2) PROPOSED SHARE PREMIUM REDUCTION**
- (3) RE-ELECTION OF DIRECTORS**
- (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 Hong Kong at Unit 3701, 37/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central on 15 May 2015, Friday 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 19 of this circular.

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## **LETTER FROM THE BOARD**

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### **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 290,930,400 Shares based on (i) the Company's issued ordinary share capital 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 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 145,465,200 Shares by reference to (i) the Company's issued ordinary share capital 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, 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.

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## LETTER FROM THE BOARD

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### 4. PROPOSED SHARE PREMIUM REDUCTION

The Board proposes to reduce the entire amount standing to the credit of the Share Premium Account as at 31 December 2014 to zero balance. The audited amount standing to the credit of the Share Premium Account as at 31 December 2014 was HK\$2,095,051,680. It is proposed that, subject to the conditions set out in the paragraph headed “Conditions” below:

- the entire amount standing to the credit of the Share Premium Account as at 31 December 2014 be reduced to zero balance pursuant to Section 46 of the Companies Act and Bye-law 6 of the Bye-laws of the Company; and
- the credit arising from the reduction of the Share Premium Account be transferred to the Contributed Surplus Account.

#### Reasons for the Share Premium Reduction

Pursuant to the Companies Act, under certain circumstances a Bermuda company may pay dividends or distributions to its members out of contributed surplus. The Share Premium Reduction and the subsequent transfer of the credit arising therefrom to the Contributed Surplus Account will therefore increase the distributable reserves of the Company thereby giving the Company greater flexibility in its dividend policy and making distributions to the shareholders of the Company in the future. The Board considers that it is in the interest of the Company and the shareholders of the Company as a whole to implement the Share Premium Reduction.

#### Effects of the Share Premium Reduction

Save for the expenses to be incurred in relation to the Share Premium Reduction, the Board considers that the implementation of the Share Premium Reduction will not, in itself, have material adverse effect on the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the shareholders of the Company in the underlying assets of the Company.

#### Conditions

The Share Premium Reduction is conditional upon:

- (a) the passing by the Shareholders of a special resolution at the Annual General Meeting to approve the Share Premium Reduction; and
- (b) the due compliance with Section 46(2) of the Companies Act, including (i) the publication of a notice in an appointed newspaper in Bermuda in respect of the Share Premium Reduction; and (ii) on the Effective Date, there are no reasonable grounds for believing the Company is, or after the Share Premium Reduction would be, unable to pay its liabilities as they become due.



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## LETTER FROM THE BOARD

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The Company shall arrange for the publication of notice in relation to the proposed Share Premium Reduction, convene a general meeting to approve by special resolution the Share Premium Reduction and filing with the Registrar of Companies in Bermuda in accordance with the requirements of the Companies Act and the Bye-laws of the Company to effect a share premium reduction in Bermuda. Accordingly, the Company expects to publish a notice in relation to the Share Premium Reduction in Bermuda on or about 22 April 2015.

Subject to the fulfillment of the above conditions, it is expected that the Share Premium Reduction will become effective on the date of passing the special resolution at the Annual General Meeting to approve the Share Premium Reduction.

### **5. 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. Chan Ming Sun, Jonathan, Mr. Zhao Yong, Mr. Zhu Jianqiu and Mr. Yu Xiao shall retire and be eligible to offer themselves for re-election as Directors at the Annual General Meeting.

As at the Latest Practicable Date, except Mr. Zhu Jianqiu, 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.

### **6. 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 15 May 2015, Friday at 10:30 a.m. (Hong Kong time) is set out on pages 14 to 18 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 2014, 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.

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## **LETTER FROM THE BOARD**

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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.

### **7. 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. 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, the proposed Share Premium Reduction and the re-election of the retiring Directors 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 Repurchase Mandate.*

**SHARE CAPITAL**

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised 1,454,652,000 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 145,465,200 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 a 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. 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 of the Company and/or its earnings per share.

**FUNDING OF REPURCHASES**

Any repurchases 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 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 2014 to March 2015 were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
March 2014	1.50	1.20
April 2014	1.50	1.28
May 2014	1.50	1.39
June 2014	1.30	1.25
July 2014	1.38	1.20
August 2014	1.30	1.01
September 2014	1.30	1.15
October 2014	1.15	1.15
November 2014	1.22	1.02
December 2014	1.17	0.97
January 2015	1.10	0.98
February 2015	1.15	0.97
March 2015 (up to the Latest Practicable Date)	1.90	1.31

**DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, they will exercise the powers of the Company to make repurchases pursuant to 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.

**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 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. (“ <b>Sichuan Changhong</b> ”)	1,008,368,000 ( <i>Note 1</i> )	Interest of controlled company and beneficial owner	69.32%
Changhong (Hong Kong) Trading Limited (“ <b>Changhong (Hong Kong) Trading</b> ”)	913,000,000 ( <i>Note 2</i> )	Interest of controlled company and beneficial owner	62.76%
Fit Generation Holding Limited (“ <b>Fit Generation</b> ”)	897,000,000 ( <i>Note 3</i> )	Beneficial owner	61.66%
Sichuan Investment Management Co. Ltd.	83,009,340 ( <i>Note 4</i> )	Beneficial owner	5.70%
Typical Faith Limited	82,415,762 ( <i>Note 5</i> )	Beneficial owner	5.67%

*Note 1:* Of the 1,008,368,000 ordinary shares being interested, 95,368,000 ordinary shares are held directly by Sichuan Changhong, 16,000,000 ordinary shares are held through Changhong (Hong Kong) Trading, which is wholly owned by Sichuan Changhong and 897,000,000 ordinary shares are held through Fit Generation, which is wholly owned by Changhong (Hong Kong) Trading.

*Note 2:* Of the 913,000,000 ordinary shares being interested, 16,000,000 ordinary shares are held directly by Changhong (Hong Kong) Trading, 897,000,000 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.

*Note 4:* Upon completion the acquisition of the entire issued share capital of Wide Miracle Limited on 5 June 2014, Sichuan Investment Management Company Limited ceased to be a connected person of the Company and its shareholding in the Company is counted towards public float.

*Note 5:* Typical Faith Limited is wholly-owned by Mr. Zhu.

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:

<b>Substantial Shareholders</b>	<b>No. of Shares</b>	<b>Before repurchase</b>	<b>After repurchase</b>
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%
Sichuan Investment Management Co. Limited	83,009,340	5.70%	6.34%
Typical Faith Limited	82,415,762	5.67%	6.30%

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.

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

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### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Chan Ming Sun, Jonathan** (“**Mr. Chan**”), aged 43, has joined the Company as independent non-executive Director since February 2007. Mr. Chan has been appointed as the Chairman of Audit Committee and Remuneration Committee, and a member of Nomination Committee. He is an Associate Director of Go-To-Asia Investment Limited. He also holds the position of an independent non-executive director of Xiangyu Dredging Holdings Limited (stock code: 871) and Hao Tian Resources Group Limited (stock code: 474). He obtained his bachelor’s degree of Commerce in Accounting and Computer Information System from University of New South Wales, Australia. He is also a member of Hong Kong Institute of Certified Public Accountants and CPA Australia. He has over 16 years of experience in investment and corporate finance.

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 meeting of the Company in accordance with the Bye-laws.

Mr. Chan is currently entitled to an annual emolument of HK\$200,000 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.

Mr. Chan 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. Chan 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. 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.

Other than those 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 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.

### EXECUTIVE DIRECTORS

**Mr. Zhao Yong** (“**Mr. Zhao**”), aged 52, has joined the Company as Executive Director and Chairman 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 People’s Republic of China (the “PRC”) from June 2001 to June 2004. He holds a master’s degree in Mechanical Engineering and a doctoral degree in Engineering and Thermal Dynamics Engineering from Qinghua University in the PRC and has more than 22 years of experience in general management.

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

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There is a service contract 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 Bye-laws.

Mr. Zhao is currently waived his emolument on his own accord 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. 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 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. 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 53, has joined the Company as Executive Director and President since April 2013. Mr. Zhu is responsible for the overall operation and management of the Group. He obtained a doctoral degree in Economics from Renmin University and a bachelor's degree in 1984 from Northeast University in the PRC and has more than 17 years of experience in IT industry management. Also he wholly-owns Typical Faith Limited of which it holds 5.67% of the issued share capital of the Company.

There is a service contract 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 Bye-laws.

Mr. Zhu is currently entitled to an annual emolument of HK\$7,748,811.49 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.



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

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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.

**Mr. Yu Xiao** (“**Mr. Yu**”), aged 46, has joined the Company as Executive Director and Chairman since November 2006. Mr. Yu ceased to hold the Chairman position but remains as a Director. Mr. Yu is responsible for overseeing the strategies and directions of the Group. He holds a bachelor’s degree in Economics with a major in National Economic Management from Sichuan University in the PRC and has more than 24 years of experience in financial and economic management.

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

Mr. Yu currently waives his emolument on his own accord.

Mr. Yu 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. Yu 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. Yu 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. Yu, 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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# 长虹佳华

## CHANGHONG IT

### 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 15 May 2015, Friday at 10:30 a.m. (Hong Kong time) (or any adjournment thereof) for the purpose of considering and, if thought fit, transacting the following ordinary business:

### 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 2014.
2. To re-elect the following directors pursuant to the Company’s Bye-laws and to authorise the board of directors of the Company (the “**Directors**”) to fix their remuneration:
  - (i) Mr. Chan Ming Sun, Jonathan;
  - (ii) Mr. Zhao Yong;
  - (iii) Mr. Zhu Jianqiu; and
  - (iv) Mr. Yu Xiao
3. To re-appoint the auditors of the Company to hold office until the conclusion of the next annual general meeting and to authorise the Directors to fix their remuneration.

### SPECIAL BUSINESS

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

4. “**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 of all the powers of the Company to allot, issue and deal with unissued Shares (as defined below) in the

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## NOTICE OF ANNUAL GENERAL MEETING

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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;

- (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 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 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 issued share capital of the Company 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

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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

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

5. **“THAT:**

- (A) subject to paragraph (B) below, the exercise by the Directors 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 1981 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 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 1981 of Bermuda or any other applicable law of Bermuda to be held; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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.”

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

6. “**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 pursuant to the general mandate to allot and issue shares granted to the Directors by the said ordinary resolution No. 4.”

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

### SPECIAL RESOLUTION

7. “**THAT:**
- (i) subject to compliance with section 46(2) of the Companies Act 1981 of Bermuda (as amended) and with effect from the date of passing of this resolution, all amounts standing to the credit of the share premium account of the Company as at 31 December 2014 which amounted to HK\$2,095,051,680 be reduced to zero balance, the credit arising therefrom be transferred to the contributed surplus account of the Company, and the Directors be and are hereby authorised to apply the amounts standing to the credit of the contributed surplus account of the Company in accordance with the Bye-laws of the Company and all applicable laws (the “Share Premium Reduction”); and
- (ii) the Directors be and are hereby authorised to do all such acts and things (including, without limitation to the generality of the foregoing, the execution of any document, instrument or agreement) as they may, in their absolute discretion, consider necessary, desirable or expedient to implement and/or to give effect to the Share Premium Reduction.”

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

Hong Kong, 25 March 2015

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## NOTICE OF ANNUAL GENERAL MEETING

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*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 holding two or more shares 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. Chan Ming Sun, Jonathan, Mr. Zhao Yong, Mr. Zhu Jianqiu and Mr. Yu Xiao 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.