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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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares of **China Household 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 transferee.

**CHINA HOUSEHOLD HOLDINGS LIMITED****中國家居控股有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 692)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of China Household Holdings Limited (“the Company”) to be held at The Royal Pacific Hotel & Towers, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 1 June 2016 at 8:00 a.m. is set out on pages 19 to 23 of this circular.

Whether or not you are able to attend the Annual General Meeting of the Company, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting if you so desire.

30 April 2016

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DEFINITIONS

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

“AGM”	the Annual General Meeting of the Company to be held at The Royal Pacific Hotel & Towers, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 1 June 2016 at 8:00 a.m., notice of which is set out on pages 19 to 23 of this circular;
“Board”	Board of Directors;
“Bye-Laws”	the Bye-Laws of the Company;
“Company”	China Household Holdings Limited;
“Convertible Bonds”	the outstanding unsecured convertible bonds in aggregate principal amount of HK\$109,005,768 issued by the Company on 9 July 2013, and 31 December 2013, 25 February 2016 conferring rights to convert the same into a total of 590,964,542 Existing Shares at the conversion price of HK\$0.74, HK\$0.90, HK\$0.15 per Share respectively;
“Director(s)”	the director(s) of the Company;
“Eligible Person(s)”	including but not limited to any directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of the Group or any other person, who, at the sole discretion of the Board, has contributed to the Group;
“Existing Issue Mandate”	the general mandate to issue up to 679,147,974 new Shares granted by the Shareholders to the Directors at the annual general meeting of the Company held on 29 June 2015;
“Existing Repurchase Mandate”	the general mandate to repurchase up to 339,573,987 Shares granted by the Shareholders to the Directors at the annual general meeting of the Company held on 29 June 2015;

DEFINITIONS

“Existing Shares”	existing ordinary shares(s) of HK\$0.001 each in the issued and unissued share capital of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Latest Practicable Date”	25 April 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the notice of AGM;
“PRC”	the People’s Republic of China;
“Proposed Issue Mandate”	a general mandate to the Directors to exercise the power of the Company to allot and issue Shares during the period as set out in the Ordinary Resolution referred to in item 4 of the notice of AGM up to 20 per cent of the issued share capital of the Company at the date of the passing of the said Ordinary Resolution;
“Proposed Repurchase Mandate”	a general mandate to the Directors to exercise the power of the Company to repurchase Shares during the period as set out in the Ordinary Resolution referred to in item 5 of the notice of AGM up to 10 per cent of the issued share capital of the Company at the date of the passing of the said Ordinary Resolution;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);

DEFINITIONS

“Share(s)”	share(s) of HK\$0.001 each in the share capital of the Company;
“Share Buyback Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase of Shares by companies with primary listing of their own securities on the Stock Exchange;
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers.

LETTER FROM THE BOARD



CHINA HOUSEHOLD HOLDINGS LIMITED 中國家居控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 692)

Executive directors:

Dr. Kaneko Hiroshi (*CEO*)

Mr. Li Zhixiong

Mr. Fu Zhenjun

Mr. Kuang Yuanwei

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Non-executive director:

Mr. Li Dikang

*Head Office and Principal Place
of Business:*

Suite no 1001B, 10/F.,

Tower 1, China Hong Kong City,

33 Canton Road, Tsim Sha Tsui,

Kowloon, Hong Kong

Independent non-executive directors:

Mr. Yu Bingguang

Dr. Loke Yu

Mr. Lin Xuebin

30 April 2016

*To the Shareholders and for information only,
the holders of the Convertible Bonds*

Dear Sir or Madam,

PROPOSALS FOR RE-ELECTION OF DIRECTORS, GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, AND NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

At the last annual general meeting of the Company held on 29 June 2015, resolutions were passed giving general mandates to the Directors to issue and allot Shares and to exercise the powers of the Company to repurchase its own Shares in accordance with the Share Buyback Rules. These general mandates will lapse at the conclusion of the AGM. It is therefore proposed to renew the general mandates to issue and allot shares and to repurchase shares at the AGM.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding the proposed re-election of Directors, renewal of the general mandates to issue and repurchase Shares and to seek your approval of the Ordinary Resolutions relating to the said general mandates at the AGM.

RE-ELECTION OF DIRECTORS

The Board currently consists of 8 Directors, namely Dr. Kaneko Hiroshi (CEO), Mr. Li Zhixiong, Mr. Fu Zhenjun, Mr. Kuang Yuanwei, Mr. Li Dikang, Mr. Yu Bingguang, Dr. Loke Yu and Mr. Lin Xuebin.

In accordance with Clause 99 of the Company's bye-laws, Mr. Kuang Yuanwei, Dr. Loke Yu and Mr. Lin Xuebin will retire by rotation at the forthcoming annual general meeting and pursuant to Clause 102(A) of the Company's bye-laws, Mr. Yu Bingguang will retire at the forthcoming annual general meeting. All the retiring directors are eligible for re-elections.

Brief biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix I to this circular.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

General Mandate to Issue

Considering the uncertainties in the global financial market, the Directors are of the view that it is reasonable for the Company to seek for any opportunities to widen the sources of funds of the Company including refreshment of the existing general mandate by utilising the Proposed Issue Mandate which the intended use of proceeds will be used for the repayment of bonds issued by the Company and to create more buffer for the Company to mitigate the business and financial risks. Regarding the above, the Directors consider that the refreshment of general mandate can ensure the stability and development of the business of the Group.

LETTER FROM THE BOARD

Given the bonds issued by the Company with an aggregate principal amount of HK\$482,177,092 will mature during the period commencing from May 2016 to November 2023, the Directors are of the view that the Proposed Issue Mandate can be utilized for the repayment of such bonds by issuing new shares under the general mandate by the Company and the remaining will be use as a buffer for the company to maintain financial flexibility of the Company. As the convertible bonds or promissory notes (“**Bonds for Acquisition**”) issued for the Company’s acquisition had profit guarantee terms to protect the Company’s interest, the Company does not plan to utilize the Proposed Issue Mandate for fund raising and repayment of those Bonds for Acquisition. Nonetheless, the Directors consider that, after taking into account the existing cash and bank balances, other internal resources available, the Group would be able to meet its working capital requirement for at least the next 12 months from the date of this circular in the absence of unforeseen circumstances.

The refreshment of Existing Issue Mandate will give the Company an additional option to raise funds for the repayment of bonds issued by the Company and for the future growth and development of the Group. As the Company is actively exploring for business opportunities to diversify risk and broaden the sources of income of the Group, sufficient cash reserve is crucial for the growth and the development of the current businesses of the Company. The cash reserve also fosters the on-going business operations, improve the Company financial position in order to strengthen the competitiveness, integrate its capital resources and contribute a maximum wealth to our Shareholders.

As there are uncertainties in the global financial market, the Directors are also of the view that the instability of the global financial market will persist in the foreseeable future which might have a negative impact to the financial structure of the Group. Therefore the possible fund raising activities upon the refreshment of the Existing Issue Mandate is in the benefit of the Company as it can enhance the financial flexibility of the Company during the global financial downturn. Having considered the current economic condition and the persistent uncertainties in the fund raising market and business of the Group, the Directors are of the view that the refreshment of Existing Issue Mandate is an appropriate decision as fund raising opportunities may lapse in a short window of time. The financial flexibility of the Company can be enhanced by the refreshment of Existing Issue Mandate, which allows the Company to capture the opportunity to carry out the timely fund raising activity when fund raising demand or business opportunities arise.

Regarding the financing plan of the Company, it will actively seek for fund raising opportunities to enhance the financial resources of the Company for the repayment of the bonds of the Company and enhance the financial flexibility of the company as previously mentioned. As at the Latest Practicable Date, the Company has no arrangement, identification, understanding or negotiation about any possible fund raising or acquisition.

LETTER FROM THE BOARD

The Board considers that the refreshment of the Existing Issue Mandate provide an opportunity for the Group to strengthen the Group's capital base and financial position so as to better equip the Group with the financial flexibility for the repayment of bonds issued by the Company, creating ample buffer for the financial resources of the Company and for the development of the existing business or any other new business of the Group which in turn will strengthen the competitiveness, integrate its capital resources and contribute a maximum wealth to the Company's equity holders and the Company itself in long term. Save as the possible dilution to existing Shareholders of the Company, the Board considers that there is no major disadvantage of the refreshment of the Existing Issue Mandate for the Company. Having considered abovementioned, the Directors are of the view that the Proposed Issue Mandate is fair and reasonable and in the interest of the Company and its shareholders as a whole.

In order to provide flexibility of issuing new Shares when it is in the interests of the Company, at the AGM, Ordinary Resolutions as referred to items 4 and 5 of the notice of AGM will be proposed to approve the Proposed Issue Mandate and the Proposed Repurchase Mandate, respectively. Ordinary Resolution as referred to item 6 of the notice of AGM will also be proposed at the AGM to extend the Proposed Issue Mandate by adding to it the number of Shares repurchased under the Proposed Repurchase Mandate.

At the last annual general meeting of the Company held on 29 June 2015, the Directors were given the Existing Issue Mandate to issue Shares. Such general mandate to issue Shares will lapse at the conclusion of the AGM. At the AGM, an ordinary resolution will be proposed to grant the Directors the Proposed Issue Mandate. The Shares which may be allotted and issued pursuant to Proposed Issue Mandate are up to 20% of the aggregate nominal amount of the issued share capital of the Company on the date of passing the ordinary resolution approving the Proposed Issue Mandate.

As at the Latest Practicable Date, the number of Shares in issue was 4,079,007,153 Shares. Subject to the passing of the resolutions granting the Proposed Issue Mandate and on the basis that no further Shares will be issued or repurchased before the AGM, the Company will be allowed to issue a maximum of 815,801,430 Shares upon exercise of the Proposed Issue Mandate in full, and assuming the Proposed Repurchase Mandate is not exercised.

Repurchase Shares

At the annual general meeting of the Company held on 29 June 2015, the Directors were given the Existing Repurchase Mandate to repurchase Shares. Such general mandate to repurchase Shares will lapse at the conclusion of the AGM.

LETTER FROM THE BOARD

Subject to the passing of the resolutions granting the Proposed Repurchase Mandate on the basis that no further Shares will be issued or repurchased before the AGM, the Company will be allowed to make or agree to make repurchases up to a maximum of 407,900,715 Share, representing 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing the resolutions granting the Proposed Repurchase Mandate upon exercise of the Proposed Repurchase Mandate in full.

As explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Proposed Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the AGM.

ANNUAL GENERAL MEETING

At the AGM, resolutions will be proposed to the Shareholders in respect of the ordinary business of the Company to be considered at the AGM, being the approval and adoption of the audited financial statements, the Directors' report and the Auditor's report for the year ended 31 December 2015, the re-election of Directors, the fixing of the Directors' fees and the appointment of Auditor and the special business of the Company to be considered at the AGM, being the granting of Proposed Repurchase Mandate, the Proposed Issue Mandate, the extension of the Proposed Issue Mandate and the refreshment of the Scheme Limit. The notice of AGM is set out on pages 19 to 23 of this circular expected to be dispatched to the Shareholders together with this circular.

ACTION TO BE TAKEN

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting if you so desire.

PROCEDURES FOR VOTING

Pursuant to Rule 13.39 of the Listing Rules, all votes of Shareholders at a general meeting must be taken by poll. The Chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM pursuant to clause 70 of the Bye-Laws.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the re-election of Directors, the granting of Proposed Repurchase Mandate, the Proposed Issue Mandate, the extension of the Proposed Issue Mandate and the refreshment of the Scheme Limit are in the best interests of the Company as well as its Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders of the Company should vote in favour of the resolutions to be proposed at the AGM to give effect to them.

GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

Yours faithfully,
By order of the Board
Fu Zhenjun
Executive Director

The followings are the particulars of the four Directors proposed to be re-elected at the AGM of the Company:

1. **Mr. Kuang Yuanwei** (executive director), aged 52, has over 20 years of experience in commercial banking industries and has held various senior positions in the banking industry prior joining the Group. Mr. Kuang has strong social networks and has established deep connections with people engaged in home furnishing industry. Mr. Kuang has not previously held any position with the Company or any subsidiaries prior to his joining of the Group, and has not been a director in any other listed public companies in the past three years.

The appointment of Mr. Kuang to the office of executive director of the Company is not for a specific term and he is subject to retirement by rotation and re-election at the forthcoming AGM in accordance with the bye-laws of the Company. Mr. Kuang is entitled to a director fee of HK\$260,000 per annum. The director fee is covered by his service contract and determined with reference to market terms, his duties and responsibilities within the Company, the Company's remuneration policy and the Company's bye-laws.

As at the date of this circular, Mr. Kuang does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and has no relationships with any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Save as disclosed above, there are no other matters relating to his appointment needed to be brought to the attention of the Shareholders and there are no other information which are required to be disclosed under Rule 13.51(2) of the Rules Governing the Listing of Securities on the Stock Exchange.

2. **Dr. Loke Yu Alias Loke Hoi Lam** (independent non-executive director), aged 66, has over 38 years of experience in accounting and auditing for private and public companies, financial consultancy and corporate management. Dr. Loke holds a Master of Business Administration degree from Universiti Teknologi Malaysia and a Doctor of Business Administration degree from University of South Australia. He is a Fellow of the Institute of Chartered Public Accountants in England and Wales; Hong Kong Institute of Certified Public Accountants; He is also an Associate member of The Hong Kong Institute of Directors; The Hong Kong Institute of Chartered Secretaries. He is currently the company secretary of Minth Group Limited and serves as an independent non-executive director of the following companies whose shares are listed on the stock exchange: China-Tiande Group Limited, V1 Group Limited, Matrix Holdings Limited, Sino Distillery Group Limited, China Fire Safety Enterprise Group Limited, Winfair Investment Company Limited, SCUD Group Limited, Zhong An Real Estate Limited, Tianjin Development Holdings Limited, Wing Tai Investment Holdings Limited and Tianhe Chemicals Group Limited. Dr. Loke has not previously held any position with the Company or any subsidiaries prior to his joining of the Group.

The appointment of Dr. Loke to the office of independent non-executive director of the Company is not for a specific term and he is subject to retirement by rotation and re-election at the forthcoming AGM in accordance with the bye-laws of the Company. Dr. Loke is entitled to a director fee of HK\$150,000 per annum. The director fee is covered by his service contract and determined with reference to market terms, his duties and responsibilities within the Company, the Company's remuneration policy and the Company's bye-laws.

As at the date of this circular, Dr. Loke does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and has no relationships with any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Save as disclosed above, there are no other matters relating to his appointment needed to be brought to the attention of the Shareholders and there are no other information which are required to be disclosed under Rule 13.51(2) of the Rules Governing the Listing of Securities on the Stock Exchange.

3. **Mr. Lin Xuebin** (independent non-executive director), aged 63, has over 20 years of experience in politics and cultural circles. He was a CPPCC (Chinese People's Political Consultative Conference) member of Wuchuan City, Secretary General of Wuchuan Shenzhen Chamber of Commerce (吳川深圳商會) and Deputy Director-General of Department of Cultural Affairs of Wuchuan City (吳川市文化局). Mr. Lin has not previously held any position with the Company or any subsidiaries prior to his joining of the Group, and has not been a director in any other listed public companies in the past three years.

The appointment of Mr. Lin to the office of independent non-executive director of the Company is not for a specific term and he is subject to retirement by rotation and re-election at forthcoming AGM in accordance with the bye-laws of the Company. Mr. Lin is entitled to a director fee of HK\$150,000 per annum. The director fee is covered by his service contract and determined with reference to market terms, his duties and responsibilities within the Company, the Company's remuneration policy and the Company's bye-laws.

As at the date of this circular, Mr. Lin does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and has no relationships with any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Save as disclosed above, there are no other matters relating to his appointment needed to be brought to the attention of the Shareholders and there are no other information which are required to be disclosed under Rule 13.51(2) of the Rules Governing the Listing of Securities on the Stock Exchange.

4. **Mr. Yu Bingguang** (independent non-executive director), aged 47, has over 29 years of experience in banking and financial services. He is currently the General Manager of Guangdong Lida Guarantee Investment Limited. Mr. Yu has not previously held any position with the Company or any subsidiaries prior to his joining of the Group, and has not been a director in any other listed public companies in the past three years.

The appointment of Mr. Yu to the office of independent non-executive director of the Company is not for a specific term and he is subject to retirement by rotation and re-election at forthcoming AGM in accordance with the bye-laws of the Company. Mr. Yu is entitled to a director fee of HK\$180,000 per annum. The director fee is covered by his service contract and determined with reference to market terms, his duties and responsibilities within the Company, the Company's remuneration policy and the Company's bye-laws.

As at the date of this circular, Mr. Yu does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and has no relationships with any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Save as disclosed above, there are no other matters relating to his appointment needed to be brought to the attention of the Shareholders and there are no other information which are required to be disclosed under Rule 13.51(2) of the Rules Governing the Listing of Securities on the stock Exchange.

This appendix serves as an explanatory statement, as required by the Listing Rules and Share Buyback Rules to provide requisite information to you for your consideration of the Proposed Repurchase Mandate. For the purpose of this appendix, the term “shares” shall be as defined in the Listing Rules to include shares of all classes and securities which carry a right to subscribe or purchase shares.

1. SHARE BUYBACK RULES

The Share Buyback Rules permit companies whose primary listing are on the Stock Exchange to repurchase their fully paid up shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders’ Approval

The Share Buyback Rules provide that all on-market share repurchases by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a specific approval in relation to specific transactions or by a general mandate to the Directors of the company to make such repurchase.

(b) Source of Funds

Repurchases must be made out of funds which are legally available for the purpose and in accordance with the laws of Bermuda, the memorandum of association and the by-laws of the company.

(c) Maximum Number of Shares to be Repurchased and Subsequent Issue

A maximum of 10 per cent of the share capital of a company in issue at the date of passing the relevant resolution may be repurchased on the Stock Exchange and a company may not, without the prior approval of the Stock Exchange, issue new shares or announce a proposed new issue of shares for a period of 30 days immediately following a share repurchase whether on the Stock Exchange or otherwise (other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the company to issue securities, which were outstanding prior to the repurchase).

2. SHARE CAPITAL

At the Latest Practicable Date, the issued share capital of the Company comprised 4,079,007,153 Existing Shares.

Subject to the passing of the Ordinary Resolution as referred to in item 5 of the notice of AGM, on the basis that no outstanding Convertible Bonds has been converted and no further Shares will be issued or repurchased prior to the AGM, the Company would be allowed under the Proposed Repurchase Mandate to repurchase a maximum of 407,900,715 Existing Shares representing not more than 10 per cent of the issued share capital of the Company at the date of passing the said Ordinary Resolution.

3. REASONS FOR REPURCHASE

The Directors believe that the Proposed Repurchase Mandate is in the best interests of the Company and its Shareholders as a whole. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, the Bye-Laws and the laws of Bermuda.

The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of those funds legally permitted to be utilized in this connection, including capital paid up on the relevant Shares, or out of funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of funds of the Company otherwise available for dividend or distribution or out of the share premium account of the Company.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position at 31 December 2015 disclosed in the most recent published audited financial statements contained in the 2015 Annual Report in the event that the power to repurchase Shares pursuant to the Proposed Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Proposed 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.

5. SHARE PRICES

The highest and lowest closing prices at which the Existing Shares have been traded on the Stock Exchange during each of the 12 months preceding the Latest Practicable Date were as follows:

	Closing Price Per Share Highest HK\$	Closing Price Per Share Lowest HK\$
2015		
May	0.890 <i>(Note)</i>	0.670 <i>(Note)</i>
June	0.670 <i>(Note)</i>	0.540 <i>(Note)</i>
July	0.530 <i>(Note)</i>	0.290 <i>(Note)</i>
August	0.320 <i>(Note)</i>	0.245 <i>(Note)</i>
September	0.335 <i>(Note)</i>	0.280 <i>(Note)</i>
October	0.305 <i>(Note)</i>	0.280 <i>(Note)</i>
November	0.255 <i>(Note)</i>	0.180 <i>(Note)</i>
December	0.177 <i>(Note)</i>	0.139 <i>(Note)</i>
2016		
January	0.152 <i>(Note)</i>	0.072 <i>(Note)</i>
February	0.112 <i>(Note)</i>	0.075 <i>(Note)</i>
March	0.111 <i>(Note)</i>	0.079 <i>(Note)</i>
April (up to the Latest Practicable Date)	0.112 <i>(Note)</i>	0.079 <i>(Note)</i>

Note: This closing price has been adjusted as shown on the Stock Exchange website: www.hkex.com.hk

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Proposed Repurchase Mandate and in accordance with the Listing Rules and the applicable laws of Bermuda.

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

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Proposed Repurchase Mandate is approved by the Shareholders of the Company.

7. TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If, on the exercise of the power to repurchase Shares pursuant to the Proposed Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert 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.

At the Latest Practicable Date, to the best of the knowledge of the Directors, there was no substantial shareholder. Therefore, the above increase is not expected to give rise to an obligation on them to make a mandatory offer under Rule 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Li Zhixiong held an interest in 697,781,666 Shares and his spouse held an interest in 43,030,000 Shares, in aggregate representing approximately 18.16% of the total issued share capital of the Company. On the basis that (i) the total issued share capital of the Company (being 4,079,007,153 Shares) remains unchanged as at the date of the AGM and (ii) the above shareholding interest of Mr. Li Zhixiong and his spouse in the Company remains unchanged immediately after the full exercise of the Proposed Repurchase Mandate, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the AGM, the shareholding interest of Mr. Li Zhixiong and his spouse in the issued Shares would be increased to approximately 19.97% of the total issued share capital of the Company.

The Directors are not aware of any consequence which may arise under the Takeovers Code as a result of any repurchases made by the Company under the Proposed Repurchase Mandate, if approved at the AGM.

The Directors do not have any present intention to exercise the Proposed Repurchase Mandate and the Company will not repurchase Shares which would result in the number of Shares held by the public being reduced to less than 25 per cent of the issued share capital of the Company.

8. SHARES REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Existing Shares (whether on the Stock Exchange or otherwise) during the 6 months preceding the date of this circular.

NOTICE OF ANNUAL GENERAL MEETING



CHINA HOUSEHOLD HOLDINGS LIMITED 中國家居控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 692)

NOTICE IS HERE BY GIVEN that the Annual General Meeting of shareholders of the Company will be held at The Royal Pacific Hotel & Towers, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 1 June 2016 at 8:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the Directors and auditor for the year ended 31 December 2015.
2. To re-elect the retiring Directors and authorise the Board to fix their remunerations.
3. To re-appoint Elite Partners CPA Limited as the auditor of the Company and its subsidiaries and to hold office until the conclusion of the next annual general meeting, and to authorize the Board to fix their remuneration.

As special business, to consider and, if thought fit, pass with or without amendments the following resolutions as Ordinary Resolutions:

4. **“THAT:**
 - (a) subject to paragraph (c) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with unissued Shares of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares of the Company) which might require the exercise of such power be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares of the Company) which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal value of the share capital allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) an issue of Shares of the Company upon the exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/ or employees of the Company and/or any of its subsidiaries of Shares of the Company or rights to acquire Shares of Company, or (iii) an issue of Shares of the Company upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company from time to time, or (iv) an issue of Shares of the Company in lieu of the whole or part of the dividend on Shares of the Company in accordance with the Bye-Laws, or (v) specific authority granted by the shareholders of the Company in general meeting, shall not exceed the aggregate of 20 per cent of the aggregate nominal value of the share capital of the Company in issue at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or the Companies Act 1981 of Bermuda (as amended) or any other applicable laws of Bermuda to be held; or

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the passing of an Ordinary Resolution by the shareholders of the Company in general meeting revoking, varying or revising the authority given to the Directors of the Company by this resolution; and

“Rights Issue” means an offer of Shares or issue of options, warrants or other securities granting the right to subscribe for Shares of the Company, open for a period fixed by the Directors of the Company to holders of Shares in the Company whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such Shares (or, where appropriate, such other securities), subject in all cases 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 any recognised regulatory body or any stock exchange in, any territory applicable to the Company.”

5. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase securities of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of securities of the Company repurchased by the Company pursuant to the approval granted in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal value of the share capital of the Company in issue at the date of passing of this resolution and the authority granted pursuant to paragraph (a) of this resolution shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or the Companies Act 1981 of Bermuda (as amended) or any other applicable laws of Bermuda to be held; or
- (iii) the passing of an Ordinary Resolution by the shareholders of the Company in general meeting revoking, varying or revising the authority given to the Directors of the Company by this resolution.”

6. “**THAT** the general mandate granted to the Directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with unissued Shares of the Company pursuant to resolution numbered 4 above be and is hereby extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution numbered 5 above, provided that such extended amount shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution.”

By Order of the Board
Yuen Kwok Kuen
Company Secretary

Hong Kong, 30 April 2016

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) A member entitled to attend and vote at the AGM is entitled to appoint another person as his proxy to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
- (2) To be valid, the 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, must be deposited at the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the AGM or any adjourned meeting thereof.

The register of members of the Company will be closed from Monday, 30 May 2016 to Wednesday, 1 June 2016 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for attending the AGM, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 27 May 2016.

- (3) In the case of joint holders of any Share, any one of such holders may vote at the AGM either personally or by proxy in respect of such Share as if he was solely entitled thereto; but if more than one of such joint holders be present at the AGM personally or by proxy, the holder whose name stands first in the register of members of the Company shall alone be entitled to vote in respect of that Share.
- (4) Pursuant to Rule 13.39 of the Listing Rules, all votes of Shareholders at a general meeting must be taken by poll. The Chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM pursuant to clause 70 of the Bye-Laws.