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CHINA HOUSEHOLD HOLDINGS LIMITED

中國家居控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 692)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special 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 Friday, 16 June 2017 at 10 a.m., as special business, to consider and, if thought fit, pass with or without amendments the following resolution as Ordinary Resolution:

1. **“THAT:**

- (a) the sale and purchase agreement dated 9 December 2016 (the “Agreement”) and the supplemental agreement dated 7 March 2017 (“Supplemental Agreement”) entered into between Vanilla Venus Limited, a wholly-owned subsidiary of the Company (the “Purchaser”), and Ever Sino Investment Holdings Limited (the “Vendor”) relating to the acquisition of the entire issued capital of Shenzhou Aerospace City Holding Limited for a total Consideration of HK\$1,350,000,000.00 (“Acquisition”), of which HK\$150,000,000 shall be satisfied by the Purchaser by procuring the Company to issue the convertible bonds (the “Convertible Bonds”) in the aggregate principal amount of HK\$150,000,000 entitling the holder(s) thereof to convert the principal amount into ordinary shares of HK\$0.001 each in the share capital of the Company (the “Conversion Shares”) at the initial conversion price of HK\$0.10 per Conversion Share (subject to adjustment), to the Vendor (or its nominee(s)), and HK\$1,200,000,000 shall be satisfied by the Purchaser by procuring the Company to issue 3% interest bearing promissory notes in the aggregate principal amount of HK\$1,200,000,000 (the “Promissory Notes”) to the Vendor (or its nominee(s)); (a copy of the Agreement and

Supplemental Agreement has been produced to this meeting marked “A” and signed by the chairman of the meeting for the purpose of identification), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;

- (b) subject to the fulfillment or waiver of the conditions precedent set out in the Agreement and Supplemental Agreement, the issue of the Convertible Bonds in the aggregate principal amount of HK\$150,000,000 by the Company to the Vendor (or its nominee(s)) in accordance with the terms and conditions of the Agreement and Supplemental Agreement and all transactions contemplated thereunder be and is hereby approved, confirmed and ratified;
- (c) subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Conversion Shares to be allotted and issued, the directors (the “Directors”) of the Company be and are hereby granted a specific mandate (the “Specific Mandate”) to allot and issue the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds at the initial conversion price of HK\$0.10 per Conversion Share (subject to adjustment) pursuant to the conditions of the Convertible Bonds. The Specific Mandate is in addition to, and shall not prejudice nor revoke any existing or such other general or special mandates which may from time to time be granted to the Directors prior to passing of this resolution;
- (d) the issue of the Promissory Notes in the aggregate principal amount of HK\$1,200,000,000 by the Company to the Vendor (or its nominee(s)) to settle part of the consideration payable by the Purchaser in accordance with the terms and conditions of the Agreement and Supplemental Agreement and all transactions contemplated thereunder be and is hereby approved, confirmed and ratified; and
- (e) any one Director be and is hereby authorised to sign and execute such documents, including under seal where applicable, and do all such acts and things, as he considers necessary, desirable or expedient in connection with the implementation of or giving effect to the Agreement and Supplemental Agreement and the transactions contemplated thereunder.”

By order of the Board
China Household Holdings Limited
Fu Zhenjun
Executive Director

Hong Kong, 28 April 2017

Notes:

- (1) A member entitled to attend and vote at the SGM 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 SGM or any adjourned meeting thereof.
- (3) In the case of joint holders of any Share, any one of such holders may vote at the SGM 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 SGM 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 SGM pursuant to clause 70 of the Bye-Laws.

As at the date of this announcement, the board comprises three executive Directors, namely Mr. Li Zhixiong, Mr. Fu Zhenjun and Mr. Kuang Yuanwei, one non-executive director, Mr. Li Dikang, and three independent non-executive Directors, namely Dr. Loke Yu, Mr. Yu Bingguang and Mr. Lin Xuebin.