
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 in **Huanxi Media Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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歡喜傳媒集團有限公司*
HUANXI MEDIA GROUP LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 1003)

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

A notice convening the annual general meeting of Huanxi Media Group Limited, (the “**Company**”) to be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 2 June 2017, Friday at 11:00 a.m. is set out on pages 13 to 16 of this circular. Whether or not you intend to attend and vote at the meeting, you are requested to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon, as soon as possible and in any event not later than forty-eight (48) hours before the time appointed for holding such meeting or any adjournment thereof to Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

* *for identification purpose only*

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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 Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 2 June 2017, Friday at 11:00 a.m. or any adjournment thereof
“associates”	the meanings ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Company”	Huanxi Media Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with new Shares as set out in the notice of the AGM
“Latest Practicable Date”	18 April 2017, 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
“Repurchase Mandate”	the general mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase Shares as set out in the notice of the AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



歡喜傳媒集團有限公司*

HUANXI MEDIA GROUP LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1003)

Executive Directors:

Dong Ping (*Chairman*)

Xiang Shaokun, Steven (*Chief Executive Officer*)

Non-Executive Directors:

Ning Hao

Xu Zheng

Gao Zhikai

Independent Non-Executive Directors:

Su Tuong Sing, David

Li Xiaolong

Wong Tak Chuen

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

*Head office and principal place
of business in Hong Kong:*

11/F, Far East Finance Centre

16 Harcourt Road

Admiralty

Hong Kong

24 April 2017

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

This circular contains information relating to the re-election of the Directors at the AGM, the Issue Mandate and the Repurchase Mandate so as to provide all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions proposed at the AGM.

* for identification purpose only

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

The Directors retiring by rotation in accordance with Bye-law 99 of the Bye-laws are Mr. Dong Ping, Mr. Ning Hao and Mr. Xu Zheng. All of them will, being eligible, offer themselves for re-election at the AGM. Information on the Directors proposed to be re-elected at the AGM as required to be disclosed under the Listing Rules is set out in Appendix I to this circular.

GENERAL MANDATE TO ISSUE SHARES

To facilitate future allotment and issue of Shares by the Directors on behalf of the Company, an ordinary resolution will be proposed at the AGM to grant to the Directors a general and unconditional mandate to allot, issue and deal with, an aggregate number of Shares up to 20% of the issued Shares of the Company as at the date of the passing the proposed resolution of the Issue Mandate.

As at the Latest Practicable Date, the number of Shares of the Company was 2,768,055,408 Shares. Subject to the passing of the resolution approving the Issue Mandate and on the basis that no further Share are issued or repurchased prior to the AGM, the Company would be authorised to allot, issue and deal with up to a maximum of 553,611,081 new Shares.

In addition, if the Repurchase Mandate is granted, a separate ordinary resolution will be proposed at the AGM to extend the number of Shares which may be allotted, issued and dealt with under the Issue Mandate by the number of Shares repurchased under the Repurchase Mandate (being an aggregate number of Shares up to 10% of the issued Shares of the Company as at the date of the grant of the Repurchase Mandate).

GENERAL MANDATE TO REPURCHASE SHARES

An ordinary resolution will be proposed at the AGM to grant to the Directors authority to repurchase Shares up to 10% of the number of issued Shares of the Company as at the date of passing the proposed resolution of the Repurchase Mandate. An explanatory statement as required under the Listing Rules to provide the requisite information concerning the Repurchase Mandate is set out in Appendix II to this circular.

VOTING BY POLL

Chairman of the AGM will demand all the resolutions set out in the notice of the AGM to be voted by way of poll in accordance with Bye-law 70 of the Bye-laws. Explanation of the detailed procedures for conducting a poll will be provided to the Shareholders at the AGM.

LETTER FROM THE BOARD

AGM

A notice convening the AGM is set out in this circular. A form of proxy for use at the AGM is enclosed in this circular. Whether or not you intend to attend and vote at the meeting, you are requested to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon, as soon as possible and in any event not later than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof to Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 29 May 2017, Monday to 2 June 2017, Friday (both day inclusive), during such period no transfer of the Shares of the Company will be registered. In order to qualify for the attendance and vote at the AGM, all transfer accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 26 May 2017, Friday.

RESPONSIBILITY STATEMENT

This circular, for which the Directors 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.

RECOMMENDATIONS

The Directors consider that the proposed re-election of Directors, the Issue Mandate and the Repurchase Mandate are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of
Huanxi Media Group Limited
Xiang Shaokun, Steven
Executive Director and Chief Executive Officer

The particulars of the Directors proposed for re-election at the AGM are set out as follows:

1. Mr. Dong Ping (“Mr. Dong”)

Mr. Dong, aged 55, was appointed as an executive Director on 2 September 2015, redesignated as the chairman (the “Chairman”) of the Board on 15 January 2016 and is also a member of remuneration committee and a member of nomination committee of the Company. Mr. Dong is also director of a number of subsidiaries of the Company. Mr. Dong has extensive experience, knowledge and connection in investment and operation of Chinese media, advertisement, satellite TV, film productions and media fields and was the former Chairman of ChinaVision Media Group Limited (now known as Alibaba Pictures Group Limited), a company listed on the Main Board of the Stock Exchange (stock code: 1060). Mr. Dong has been the principal investor, producer and co-producer of various internationally renowned films, including *Crouching Tiger Hidden Dragon* 《臥虎藏龍》 (directed by Mr. Ang Lee (李安)), *Devils on the Doorstep* 《鬼子來了》 (directed by Mr. Jiang Wen (姜文)), *Peacock* 《孔雀》 (directed by Mr. Gu Changwei (顧長衛)), *Let the Bullets Fly* 《讓子彈飛》 (directed by Mr. Jiang Wen (姜文)), *Journey to the West* 《西游降魔》 (directed by Mr. Stephen Chow (周星馳)), *Dearest* 《親愛的》 (directed by Mr. Chan Ho Sun (陳可辛)) and *Breakup Buddies* 《心花路放》 (directed by Mr. Ning Hao). Some of these films have won numerous major awards in both domestic and overseas film festival. From August 2003 to April 2005, Mr. Dong was the president of Asian Union Film and Media. Between 31 May 2005 and 11 January 2008, Mr. Dong was appointed as an executive director of Asian Union New Media (Group) Limited (華億新媒體(集團)有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 419), and was the chairman of the board of directors from 12 May 2006 to 11 January 2008.

As at the Latest Practicable Date, Mr. Dong was deemed to be interested in 1,434,394,354 Shares (being 461,711,082 Shares held by Newwood Investments Limited (“Newwood”, a company wholly owned by Mr. Dong), 92,342,216 Shares held by Numerous Joy Limited (“Numerous Joy”, a company wholly owned by Mr. Dong), 3,090,000 Shares held by Mr. Dong Ping, 438,625,528 Shares held by Pacific Wits Limited (“Pacific Wits”) and 438,625,528 Shares held by Tairong Holdings Limited (“Tairong”)) within the meaning of Part XV of SFO. On 14 April 2015, Mr. Dong, Newwood, Pacific Wits, Mr. Ning Hao, Tairong and Mr. Xu Zheng entered into a shareholders agreement (the “Shareholders Agreement”), which sets forth certain rights and obligations of each of the parties in respect of the governance of the Company. Mr. Dong is also a party to the Shareholders Agreement, is therefore deemed to be interested in all the Shares in which Newwood, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO. Please refer to Appendix II to this circular for details.

Pursuant to the service agreement entered into between the Company and Mr. Dong, Mr. Dong’s appointment is for a term of 2 years and shall be subject to retirement by rotation and re-election in accordance with the bye-laws of the Company and the Listing Rules. Mr. Dong is entitled to receive an annual remuneration of HK\$260,000. Besides, Mr. Dong received salaries and other benefits of approximately HK\$1,452,000 and performance related bonus of approximately HK\$2,510,000 for the year ended 31 December 2016. His remuneration is determined by the Board with reference to his experience and the prevailing market rate.

2. Mr. Ning Hao (“Mr. Ning”)

Mr. Ning, aged 39, was appointed as a non-executive Director on 2 September 2015. Mr. Ning majored in photography and obtained a bachelor degree from Beijing Film Academy (北京電影學院), PRC, in 2003. Mr. Ning is a film director and screenwriter who has directed seven films between 2003 and 2014, which were engraved with his unique personal style and won international acclaim. All of Mr. Ning’s films have achieved strong investment returns. His directorial debut Incense 《香火》(2003) and his second film Mongolian Ping Pong 《綠草地》(2004) were nominated in more than 50 international film festivals, including the Berlin Film Festival, Locarno Film Festival and the Hong Kong Film Festival. Among these, Incense won the Grand Prize at the Fourth Tokyo FILMeX Festival in 2003 and the Golden Prize (Asian Digital Films) at the 28th Hong Kong International Film Festival in 2004. In 2006, Mr. Ning directed his small budget film Crazy Stone 《瘋狂的石頭》, which won the Taiwan Golden Horse Award (臺灣金馬獎) for the Best Original Screenplay. Crazy Racer (《瘋狂的賽車》) (2009), which was wrote and directed by Mr. Ning, was produced for an investment of only RMB10 million and achieved over RMB100 million at the box office. In 2013, Mr. Ning directed No Man’s Land 《無人區》, which won the Annual Tribute Movie by One Hundred Media (百家傳媒年度致敬電影) at the 14th Chinese Film Media Awards (華語電影傳媒大獎). Mr. Ning also directed the huge box office hit Breakup Buddies 《心花路放》(2014) which grossed RMB1,169 million at the PRC box office and became the highest grossing-domestic Chinese film of the year.

As at the Latest Practicable Date, Mr. Ning was deemed to be interested in 1,434,394,354 Shares (being 461,711,082 Shares held by Newwood, 92,342,216 Shares held by Numerous Joy, 3,090,000 Shares held by Mr. Dong Ping, 438,625,528 Shares held by Pacific Wits (a company wholly owned by Mr. Ning) and 438,625,528 Shares held by Tairong) within the meaning of Part XV of the SFO. Mr. Ning and Pacific Wits are also the parties to the Shareholders Agreement, are therefore deemed to be interested in all the Shares in which Mr. Dong, Newwood and Tairong are interested by virtue of section 317 of the SFO. Please refer to Appendix II to this circular for details.

Pursuant to the service agreement entered into between the Company and Mr. Ning, Mr. Ning’s appointment is for a term of 2 years and shall be subject to retirement by rotation and reelection in accordance with the bye-laws of the Company and the Listing Rules. Mr. Ning is entitled to receive an annual remuneration of HK\$240,000. His remuneration is determined by the Board with reference to his experience and the prevailing market rate.

3. Mr. Xu Zheng (“Mr. Xu”)

Mr. Xu, aged 45, was appointed as a non-executive Director on 2 September 2015. Mr. Xu graduated with a bachelor degree from Shanghai Theatre Academy (上海戲劇學院), PRC, in 1994. Mr. Xu is an actor, director, screenwriter and producer. He started his career as an actor in the 1990s. Mr. Xu rose to national stardom in 2000 with the TV series Sunny Piggy 《春光燦爛豬八戒》, followed by other successful TV dramas such as Li Wei the Magistrate 《李衛當官》 (2002). Mr. Xu then focused more on films, starring in comedies Call for Love 《愛情呼叫轉移》 (2007) and Call for Love II 《愛情呼叫轉移2》 (2008), Lost on Journey 《人在囧途》 (2010), No Man’s Land 《無人區》 (2013) (for which he was awarded the best lead actor by the Chinese Film Director Association (中國電影導演協會) in 2014) and the huge box office hit Breakup Buddies 《心花路放》 (2014) and Lost in Hong Kong 《港囧》 (2015). In 2012, his directorial debut Lost in Thailand 《人在囧途之泰囧》 (a road trip comedy) which he also wrote, produced and starred in, earned over US\$200 million and became the highest-grossing domestic Chinese film ever. In 2014, he produced and starred in The Great Hypnotist 《催眠大師》 (a suspense thriller film), which achieved groundbreaking box-office success and a great reputation in the Chinese suspense thriller film market.

As at the Latest Practicable Date, Mr. Xu was deemed to be interested in 1,434,394,354 Shares (being 461,711,082 Shares held by Newwood, 92,342,216 Shares held by Numerous Joy, 3,090,000 Shares held by Mr. Dong Ping, 438,625,528 Shares held by Pacific Wits and 438,625,528 Shares held by Tairong (a company wholly-owned by Mr. Xu) within the meaning of Part XV of the SFO. Mr. Xu and Tairong are also the parties to the Shareholder Agreement, are therefore deemed to be interested in all the Shares in which Mr. Dong, Newwood and Pacific Wits are interested by virtue of section 317 of the SFO. Please refer to Appendix II to this circular for details.

Pursuant to the service agreement entered into between the Company and Mr. Xu, Mr. Xu’s appointment is for a term of 2 years and shall be subject to retirement by rotation and reelection in accordance with the bye-laws of the Company and the Listing Rules. Mr. Xu is entitled to receive an annual remuneration of HK\$240,000. His remuneration is determined by the Board with reference to his experience and the prevailing market rate.

As at the Latest Practicable Date, save as disclosed above, the above retiring Directors have no interest in the Shares within the meaning of Part XV of the SFO, has not held any other directorships in any public listed companies in the past three years, were not connected with any Directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules) and there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no matters that need to be brought to the attention of the Shareholders.

This explanatory statement, as required under Rule 10.06(1)(b) of the Listing Rules, serves to provide the Shareholders with information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 2,768,055,408 Shares in issue. Subject to the passing of the resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be authorised to repurchase up to a maximum of 276,805,540 Shares.

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Repurchase may, depending on market conditions and funding arrangement at the time, result in enhancement of the net assets value and/or earnings per Share and will only be made when the Directors consider that such repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

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

As compared with the financial position disclosed in the latest published audited financial statements of the Company as at 31 December 2016, there might have adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate was to be exercised in full. However, the Directors do not propose to make any repurchase to the extent that would have a material adverse effect on the working capital requirement or gearing level of the Company which, in the opinion of the Directors, are from time to time appropriate for the Company.

4. EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of repurchase of Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's voting right at the time, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares then in issue:

Name of Shareholders	Capacity	Number of Shares	Approximate percentage of shareholding as at the Latest Practicable Date	In the event that the Repurchase Mandate is exercised in full, the approximate percentage of shareholding
Newwood Investments Limited (“Newwood”)	Beneficial owner and interests of a party to an agreement required to be disclosed under section 317 of the SFO	1,434,394,354 (Notes 1 to 2)	51.82%	57.58%
Numerous Joy Limited (“Numerous Joy”)	Beneficial owner	92,342,216 (Notes 1 & 3)	3.34%	3.71%
Dong Ping (“Mr. Dong”)	Interests of controlled corporation and a party to an agreement required to be disclosed under section 317 of the SFO	1,434,394,354 (Notes 1 to 3)	51.82%	57.58%
Pacific Wits Limited (“Pacific Wits”)	Beneficial owner and interests of a party to an agreement required to be disclosed under section 317 of the SFO	1,434,394,354 (Notes 1, 2 & 4)	51.82%	57.58%
Ning Hao (“Mr. Ning”)	Interests of controlled corporation and a party to an agreement required to be disclosed under section 317 of the SFO	1,434,394,354 (Notes 1, 2 & 4)	51.82%	57.58%
Tairong Holdings Limited (“Tairong”)	Beneficial owner and interests of a party to an agreement required to be disclosed under section 317 of the SFO	1,434,394,354 (Notes 1, 2 & 5)	51.82%	57.58%
Xu Zheng (“Mr. Xu”)	Interests of controlled corporation and a party to an agreement required to be disclosed under section 317 of the SFO	1,434,394,354 (Notes 1, 2 & 5)	51.82%	57.58%

Notes:

- On 14 April 2015, the Company and nine subscribers, namely Newwood, Numerous Joy, Pacific Wits, Tairong, Wise Dragon International Limited, Gold Shine Investment Company Limited, Dayunmony Investment Corporation, Concept Best Limited and Reorient Global Limited (the “Subscribers”) entered into a subscription agreement (the “Subscription Agreement”), pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, a total of 1,701,416,556 new Shares (the “Subscription Shares”) at an issue price of HK\$0.4 per Share (the “Subscription”). Details in relation to the Subscription are set out in the Company’s circular dated 5 August 2015. The Subscription had been approved by the independent shareholders of the Company at the Company’s special general meeting held on 28 August 2015 and the Subscription Shares were allotted to the Subscribers on 2 September 2015.

2. On 14 April 2015, Mr. Dong, Newwood, Pacific Wits, Mr. Ning, Tairong and Mr. Xu entered into a shareholders agreement (the “**Shareholders Agreement**”), which sets forth certain rights and obligations of each of the parties in respect of the governance of the Company following completion of the Subscription. Newwood is therefore deemed to be interested in all the Shares in which Mr. Dong, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO.
3. Newwood and Numerous Joy are wholly owned by Mr. Dong. Pursuant to the Subscription Agreement, Newwood and Numerous Joy subscribed for 461,711,082 and 92,342,216 new Shares respectively upon completion of the Subscription, Mr. Dong Ping also held 3,090,000 Shares as at the Latest Practicable Date, the above interests represent an interest totaling approximately 20.13% of the issued Shares as at the Latest Practicable Date. Mr. Dong is also a party to the Shareholders Agreement, is therefore deemed to be interested in all the Shares in which Newwood, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate and assuming there is no change in the issued share capital of the Company at the AGM, the total percentage interest of (i) Newwood and Numerous Joy (based on their respective interest in 461,711,082 and 92,342,216 Shares) (ii) Mr. Dong’s interest in 3,090,000 Shares would be approximately 22.36%.

4. Pacific Wits is wholly owned by Mr. Ning. Pursuant to the Subscription Agreement, Pacific Wits subscribed for 438,625,528 new Shares upon completion of the Subscription, representing interest of approximately 15.85% of the issued Shares as at the Latest Practicable Date. Mr. Ning and Pacific Wits are also the parties to the Shareholders Agreement, are therefore deemed to be interested in all the Shares in which Mr. Dong, Newwood and Tairong are interested by virtue of section 317 of the SFO.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate and assuming there is no change in the issued share capital of the Company at the AGM, the total percentage interest of Pacific Wits (based on its interest in 438,625,528 Shares) would be approximately 17.61%.

5. Tairong is wholly owned by Mr. Xu. Pursuant to the Subscription Agreement, Tairong subscribed for 438,625,528 new Shares upon completion of the Subscription, representing interest of approximately 15.85% of the issued Shares as at the Latest Practicable Date. Mr. Xu and Tairong are also the parties to the Shareholder Agreement, are therefore deemed to be interested in all the Shares in which Mr. Dong, Newwood and Pacific Wits are interested by virtue of section 317 of the SFO.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate and assuming there is no change in the issued share capital the Company at the AGM, the total percentage interest of Tairong (based on its interest in 438,625,528 Shares) would be approximately 17.61%.

Based on the information above, in the event that the Directors exercise the proposed Repurchase Mandate in full, the increase in above shareholdings in the Company would not give rise to an obligation to make a mandatory offer under the Takeovers Code.

5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2016		
April	2.80	1.82
May	2.31	1.96
June	2.34	2.05
July	2.68	2.07
August	2.33	1.93
September	2.23	1.99
October	2.36	1.99
November	3.18	2.20
December	2.87	2.45
2017		
January	2.55	2.18
February	2.45	2.15
March	2.55	2.16
April (up to the Latest Practicable Date)	2.40	2.18

6. GENERAL

None of the Directors, nor to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) has any present intention to sell any of the Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

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

The Company has not purchased any Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

No core connected person (as defined in the Listing Rules) of the Company has 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 Repurchase Mandate is approved by Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



歡喜傳媒集團有限公司*
HJANXI MEDIA GROUP LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 1003)

NOTICE IS HEREBY GIVEN that the annual general meeting of Huanxi Media Group Limited (the “Company”) will be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 2 June 2017, Friday at 11:00 a.m. for the purpose of transacting the following business:

1. to receive and consider the audited financial statements and the reports of the directors and the independent auditors for the year ended 31 December 2016.
2. to re-elect the following directors and to authorise the board of directors to fix the remuneration of the directors:
 - (a) Mr. Dong Ping as an executive director of the Company;
 - (b) Mr. Ning Hao as a non-executive director of the Company; and
 - (c) Mr. Xu Zheng as a non-executive director of the Company.
3. to appoint Deloitte Touche Tohmatsu as an auditor of the Company and to authorise the board of directors to fix its remuneration.

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

4. “**THAT:**
 - (a) subject to paragraph (c) of this resolution, the exercise by the directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company (the “Shares”) and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any other securities which carry rights to subscribe for and are convertible into Shares) which would or might require the exercise of such power, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

* for identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this resolution shall authorise the directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any other securities which carry rights to subscribe for and are convertible into Shares) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any securities which are convertible into Shares; (iii) the exercise of options granted under the share option scheme or similar arrangement of the Company; or (iv) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time, shall not exceed 20% of the aggregate number of Shares of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the date of 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 or any applicable laws to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the directors may regard to any legal restrictions under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

5. **“THAT:**
- (a) subject to paragraph (b) of this resolution, the exercise by the directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or any other stock exchange on which the Shares may be listed and 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 the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
 - (b) the aggregate number of the Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate number of Shares of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
 - (c) for the purpose of this resolution, **“Relevant Period”** means the period from the date of 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 or any applicable laws to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
6. **“THAT** conditional upon the passing of resolutions number (4) and (5) above, the general mandate granted to the directors to allot, issue and deal with any additional Shares pursuant to resolution number (4) be and is hereby extended by the addition thereto of the total number of Shares which may be purchased by the Company under the authority granted pursuant to resolution number (5), provided that such amount of Shares so purchased shall not exceed 10% of the total number of Shares of the Company in issue as at the date of passing this resolution.”

By order of the Board
Huanxi Media Group Limited
Xiang Shaokun, Steven
Executive Director and Chief Executive Officer

Hong Kong, 24 April 2017

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend and vote on his behalf. The proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number of shares in respect of which each such proxy is appointed.
2. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. In order to be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited to Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
4. The register of members of the Company will be closed from 29 May 2017, Monday to 2 June 2017, Friday (both day inclusive), during such period no transfer of the Shares of the Company will be registered. In order to qualify for the attendance and vote at the AGM, all transfer accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 26 May 2017, Friday.
5. Whether or not you intend to attend and vote at the meeting, you are requested to complete and return the form of proxy. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.
6. Particulars of the directors proposed for re-election are set out in Appendix I to this circular which this notice forms part.
7. As at the date hereof, the board of directors of the Company comprises Mr. Dong Ping (Chairman) and Mr. Xiang Shaokun Steven (Chief Executive Officer) as executive directors, Mr. Ning Hao, Mr. Xu Zheng and Mr. Gao Zhikai as non-executive directors, and Mr. Su Tuong Sing, David, Mr. Li Xiaolong and Mr. Wong Tak Chuen as independent non-executive directors.