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**Changhong Jiahua Holdings Limited**

**長虹佳華控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 3991)**

## **COMPLETION OF THE DISPOSAL OF PARTIAL SHARES BY THE CONTROLLING SHAREHOLDER**

This announcement is published by Changhong Jiahua Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 7 May 2021 in relation to the proposed disposal of up to 35,368,000 ordinary shares of the Company (the “**Shares**”) and 64,632,000 Shares respectively, totaling up to 100,000,000 Shares (the “**Sales Share(s)**”), by its controlling shareholder (as defined in the Listing Rules), Sichuan Changhong Electric Co., Ltd. (“**Sichuan Changhong**”, a company listed on the Shanghai Stock Exchange) and its subsidiary, Fit Generation Holding Limited (“**Fit Generation**”, a limited company incorporated in the British Virgin Islands), at the price of HK\$0.90 per Sales Share (the “**Disposal**”).

On 31 May 2021, the Company was informed by Sichuan Changhong that it and Fit Generation have entered into sale and purchase agreements with no less than 100 investors respectively and completed the disposal of 73,718,000 Sales Shares at the price of HK\$0.90 per Sales Share. Immediately following the completion of the Disposal, the number of Shares held by Sichuan Changhong has decreased by 35,368,000 shares, i.e. it no longer holds any Shares directly, and the number of Shares held by Fit Generation has decreased by 38,350,000 shares. As a whole, the number of Shares held by Sichuan Changhong together

with its parties acting in concert has been reduced from 948,368,000 shares to 874,650,000 shares, representing a decrease of the percentage of issued Shares from approximately 65.20% to approximately 60.13% as at the date of this announcement, while Sichuan Changhong still remains as the controlling shareholder of the Company.

The Board was also informed by Mr. Zhu Jianqiu (“**Mr. Zhu**”), the chairman of the Board and president of the Company, as one of the Investors, Mr. Zhu acquired 25,000,000 Sales Shares through Typical Faith Limited, a company wholly-owned by him, representing approximately 1.72% of the issued Shares as at the date of this announcement. Immediately following the above increase in shareholding, the number of Shares held directly or indirectly by Mr. Zhu has increased to 115,165,762 shares in total, representing an increase of the percentage of issued Shares from approximately 6.20% to approximately 7.92% as at the date of this announcement. Mr. Zhu is full of confidence in the future development of the Group and the ICT distribution and service industry. In compliance with applicable laws and regulatory requirements, Mr. Zhu does not rule out the possibility of continuing to increase his shareholding in the Company at the appropriate time.

By Order of the Board  
**Changhong Jiahua Holdings Limited**  
**Zhu Jianqiu**  
*Chairman and Executive Director*

Hong Kong, 31 May 2021

*As at the date of this announcement, the executive Directors of the Company are Mr. Zhu Jianqiu, Mr. Pan Xiaoyong, Mr. Zhang Xiaolong, Mr. Luo Yongping and the independent non-executive directors are Mr. Jonathan Chan Ming Sun, Mr. Gao Xudong and Mr. Meng Qingbin.*