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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: 8016)**

**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 17.10 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM 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 18 December 2019 in relation to the proposed disposal of up to 60,000,000 ordinary shares of the Company (the “**Sales Shares**”) by its controlling shareholder (as defined in the GEM Listing Rules), Sichuan Changhong Electric Co., Ltd. (“**Sichuan Changhong**”, a company listed on the Shanghai Stock Exchange), at the price of HK\$0.72 per Sales Share (the “**Disposal**”).

On 14 January 2020, the Company was informed by Sichuan Changhong that it has entered into sale and purchase agreements with no less than 100 investors (the “**Purchaser(s)**”) respectively and completed the disposal of 60,000,000 Sales Shares at the price of HK\$0.72 per Sales Share. Immediately following the completion of the Disposal, the issued ordinary shares of the Company held by Sichuan Changhong together with its parties acting in concert were reduced from 1,008,368,000 shares to 948,368,000 shares, representing a decrease of the percentage of issued ordinary shares of the Company held by them as at the date of this announcement from approximately 69.32% to approximately 65.20%, while they still remain as the controlling shareholders of the Company.

As confirmed by the Purchasers and to the best belief of the Company after having made proper enquiries, the Purchasers and their respective ultimate beneficial owners are independent of and not connected with the Company or Sichuan Changhong and their connected persons or any of their respective associates, and neither the Purchasers nor their respective ultimate beneficial owners have become a substantial shareholder (as defined in the GEM Listing Rules) of the Company upon acquiring the Sales Shares. Therefore, immediately following the completion of the Disposal, the percentage of public float of the Company was increased from approximately 25.01% to approximately 29.14%.

By Order of the Board  
**Changhong Jiahua Holdings Limited**  
**Zhao Yong**  
*Chairman and Executive Director*

Hong Kong, 14 January 2020

*As at the date of this announcement, the executive directors of the Company are Mr. Zhao Yong, Mr. Zhu Jianqiu, Mr. Yang Jun and Mr. Luo Yongping and the independent non-executive directors of the Company are Mr. Jonathan Chan Ming Sun, Mr. Gao Xudong and Mr. Meng Qingbin.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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 announcement 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 announcement misleading.*

*This announcement will appear on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Information” page for at least 7 days from the date of its posting thereon and on the website of the Company at [www.changhongit.com.hk](http://www.changhongit.com.hk).*