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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)

CLARIFICATION ANNOUNCEMENT

This announcement is made by Changhong Jiahua Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) at the request of The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the “**Board**”) has noted certain news report and media being recently published in the Mainland of China regarding, among other things, the complaint against Mr. Zhao Yong (“**Mr. Zhao**”), the chairman and an executive director of the Company, complaining that Mr. Zhao has been suspected of having seriously abused and mis-used his power in his capacity as the chairman of Sichuan Changhong Electronics Holding Group Co., Ltd. (“**Changhong Group**”), which has caused significant losses of certain state-owned assets (the “**Complaint**”).

The Company is aware that the person reporting such Complaint is Mr. Yang Xuejun, vice secretary of communist party and secretary of the Discipline Inspection Commission of Changhong Group, and as at the date of this announcement, so far as the Company is aware, the Complaint is still pending further investigation by Changhong Group.

Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that, to the best of the information and belief of the Directors, the matters as reported in the Complaint do not relate to the principal business of the Group and the Complaint has no impact to and does not affect the daily operation of the principal business of the Group.

Further, the Board is not aware of any other inside information which must be announced to avoid a false market in the Company’s securities or of any inside information that needs to be disclosed under the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) under Part XIVA of the Securities and Futures Ordinance as at the date of this announcement.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board of
Changhong Jiahua Holdings Limited
Lee Wing Lun
Company Secretary

Hong Kong, 29 July 2015

As at the date of this announcement, the executive directors of the Company are Mr. Zhao Yong, Mr. Zhu Jianqiu, Mr. Yu Xiao, Mr. Tang Yun, Mr. Wu Xiangtao and Ms. Shi Ping and the independent non-executive directors of the Company are Mr. Jonathan Chan Ming Sun, Mr. Robert Ip Chun Chung, Mr. Sun Dongfeng and Mr. Cheng Yuk Kin.

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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at <http://www.changhongit.com.hk>.