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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)

INSIDE INFORMATION PROGRESS REGARDING THE LITIGATION

This announcement is made by Changhong Jiahua Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 (as defined in the Listing Rules) 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 10 May 2024 (the “**Announcement**”), which relates to the dispute regarding the sales contract between Changhong IT Digital and Suning Procurement Center. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

On 26 May 2025, the Company received the Civil Judgment No. (2024) Su 01 Min Chu 852 issued by the Intermediate People’s Court of Nanjing, Jiangsu on 23 May 2025 (the “**Judgment**”), whereby the court ordered Suning Procurement Center to pay Changhong IT Digital within thirty days from the date the Judgment takes legal effect, for products of RMB720,466,948.25, and the loss on capital occupancy includes RMB124,614,074.59 calculated based on RMB706,032,450.81 as of 13 September 2024, and it will be calculated based on RMB706,032,450.81 at 1.3 times the One-Year Loan Prime Rate published by the National Interbank Funding Center from 14 September 2024 until the actual settlement date, Suning.com Group Co., Ltd. shall assume supplementary repayment responsibility when Suning Procurement Center is insufficient to bear the above obligations, and Changhong IT Digital shall have priority rights to repayment from the proceeds of the mortgaged property in case of discounting or auction.

The litigation is currently only at the first-instance judgment stage. There is still uncertainty about the final judgement and enforcement results of the litigation and whether it will have any significant impact on the profits for the current period or subsequent period of profits of the Group. The Group will advocate its own legitimate rights and interests in accordance with the law and actively take relevant legal measures to protect the legitimate rights and interests of the Group and the shareholders of the Company.

Further announcement(s) will be made by the Company to inform its shareholders and potential investors of any material development of the above legal proceedings as and when appropriate.

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

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

Hong Kong, 26 May 2025

As at the date of this announcement, the executive Directors are Mr. Zhu Jianqiu, Mr. Zhao Qilin, Ms. Mao Haiyun, Mr. Ma Ban, Ms. Su Huiqing and Mr. Zhou Jiachao and the independent non-executive Directors are Mr. Jonathan Chan Ming Sun, Mr. Gao Xudong and Mr. Meng Qingbin.