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Hongtu Investment Co., Limited
(Incorporated in Hong Kong with limited liability)

长虹佳华
CHANGHONG IT
Changhong Jiahua Holdings Limited
長虹佳華控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 3991)

JOINT ANNOUNCEMENT

(1) PRE-CONDITIONAL PROPOSAL FOR THE PRIVATISATION OF CHANGHONG JIAHUA HOLDINGS LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 99 OF THE COMPANIES ACT

(2) PROPOSED WITHDRAWAL OF LISTING OF CHANGHONG JIAHUA HOLDINGS LIMITED

(3) ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE

AND

(4) RESUMPTION OF TRADING

Financial Adviser to the Offeror



Shenwan Hongyuan Capital (H.K.) Limited

INTRODUCTION

On 22 September 2025, the Offeror and the Company entered into the Implementation Agreement, pursuant to which the Offeror requested the Company to put forward the Proposal to the Scheme Shareholders which, if approved and implemented, will result in the Company being privatised by the Offeror by way of the Scheme and the withdrawal of the listing of the Ordinary Shares on the Stock Exchange.

If the Scheme becomes effective:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled in exchange for the payment of the Scheme Consideration;
- (b) contemporaneously with the cancellation of the Scheme Shares, the issued share capital of the Company will be maintained at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Ordinary Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled and the credit arising in the books of account of the Company as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Ordinary Shares so allotted and issued to the Offeror;
- (c) the Company's issued Ordinary Shares will be owned as to approximately 59.03% by Fit Generation, approximately 39.87% by the Offeror and approximately 1.10% by Changhong Hong Kong, respectively; and
- (d) the Company will make an application to the Stock Exchange for the withdrawal of the listing of the Ordinary Shares on the Stock Exchange pursuant to Rule 6.15 of the Listing Rules, with effect immediately following the Effective Date.

The Offeror has appointed Shenwan Hongyuan as its financial adviser in connection with the Proposal.

THE PROPOSAL

The Scheme

Under the Proposal, if the Scheme becomes effective, all the Scheme Shares will be cancelled in exchange for the Scheme Consideration Price of HK\$1.223 per Scheme Share.

The Offeror will not increase the Scheme Consideration Price. Scheme Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Scheme Consideration Price. The Offeror does not reserve the right to increase the Scheme Consideration Price.

Pre-Conditions of the Proposal and the Scheme

The making of the Proposal, and the implementation of the Scheme, is subject to the satisfaction of the non-waivable Pre-Conditions on or prior to the Long Stop Date, namely, with respect to the applicable outbound direct investment laws and regulations, all necessary and applicable approvals, registrations, filings, reports, authorisation (as the case may be) have been obtained from, completed with and/or made to:

- (a) Mianyang City SASAC;
- (b) Sichuan Provincial Development and Reform Commission;
- (c) Sichuan Provincial Department of Commerce; and

- (d) the State Administration of Foreign Exchange of the PRC, or its local authorities, as the case maybe.

After the satisfaction of the Pre-Conditions, the Scheme will only become effective and binding on the Company and the Scheme Shareholders subject to the fulfillment or valid waiver (if applicable) of the Conditions.

The Pre-Conditions are not waivable. All references to the Scheme in this joint announcement are references to the possible Scheme which will be implemented if and only if, (a) the Pre-Conditions are satisfied; and (b) the Conditions are satisfied or validly waived (if applicable).

The Offeror will issue further announcement(s) as soon as practicable after (a) the Pre-Conditions have been satisfied, or (b) if the Pre-Conditions have not been satisfied by the Long Stop Date and the Proposal will lapse.

Conditions of the Proposal and the Scheme

The Scheme is conditional upon the satisfaction or valid waiver (as applicable) of the Conditions described in the section headed “Conditions of the Proposal and the Scheme” below.

All Conditions will have to be satisfied or validly waived (as applicable) on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Court may direct and, in all cases as permitted by the Executive), failing which the Proposal and the Scheme will lapse. When all the Conditions are satisfied or validly waived (as applicable), the Scheme will become effective and binding on the Company and all Scheme Shareholders.

FINANCIAL RESOURCES

On the basis of the Scheme Consideration Price of HK\$1.223 per Scheme Share and 580,002,000 Scheme Shares in issue as at the date of this joint announcement, the Scheme Shares are in aggregate valued at HK\$709,342,446 (i.e. the total amount of cash consideration required to effect the Proposal).

The Offeror intends to fund the cash consideration required for the Proposal using the proceeds of external debt financing and/or internal financial resources.

Shenwan Hongyuan, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for the full implementation of the Proposal in accordance with its terms.

IRREVOCABLE UNDERTAKINGS

As at the date of this joint announcement:

- (a) Mr. Zhu is the holder of 115,165,762 Ordinary Shares, representing approximately 7.92% of the Ordinary Shares issued by the Company;

- (b) Mr. Zhao is the holder of 750,000 Ordinary Shares, representing approximately 0.05% of the Ordinary Shares issued by the Company; and
- (c) Ms. Su is the holder of 34,589,636 Ordinary Shares, representing approximately 2.38% of the Ordinary Shares issued by the Company.

On 22 September 2025, each of (i) Mr. Zhu; (ii) Mr. Zhao; and (iii) Ms. Su, entered into the Irrevocable Undertakings in favour of the Offeror, pursuant to which each of them has irrevocably and unconditionally undertaken to the Offeror, amongst other things, that he/she shall exercise the voting rights in respect of the IU Shares at the Court Meeting and the SGM to vote in favour of the Scheme and all necessary resolutions to implement the Proposal as set out in this joint announcement. Each of Mr. Zhu, Mr. Zhao and Ms. Su has also undertaken in the relevant Irrevocable Undertakings, amongst others, that:

- (a) he/she shall not sell, transfer, redeem, repay, charge, create or grant any option or lien over or otherwise dispose of (or permit any such action to occur in respect of) all or any of the IU Shares or any interests therein;
- (b) he/she shall implement the cancellation of the IU Shares under the Scheme in consideration for the Scheme Consideration in accordance with the terms and subject to the conditions to be set out in the Scheme Document;
- (c) to the extent required, he/she shall provide undertakings to the Court to agree to and be bound by the Scheme and to receive the Scheme Consideration for consideration of the IU Shares under the Scheme and to otherwise support the Scheme and provide such undertakings to the Court as are appropriate and necessary for the Scheme to be approved and/or implemented in accordance with the terms and subject to the conditions to be set out in the Scheme Document;
- (d) he/she shall not enter into any agreement or other document which would prevent he/she from exercising the voting rights in respect of the IU Shares in the resolutions relating to the Proposal; and
- (e) he/she shall not take any action or make any statement which may delay, frustrate or otherwise render the Proposal ineffective, or which may otherwise be detrimental to the success of the Proposal.

Each of Mr. Zhu, Mr. Zhao and Ms. Su is not an Offeror Concert Party. Except that (i) Mr. Zhu, Mr. Zhao and Ms. Su were nominated as the Directors by Sichuan Changhong and are directors of the Company and certain subsidiaries of the Company; and (ii) Mr. Zhao is the board secretary, general counsel, chief compliance officer, head of the board office, head of the integrated management department and head of ESG management office of Sichuan Changhong and is also a director of several subsidiaries of Sichuan Changhong, each of Mr. Zhu, Mr. Zhao and Ms. Su have no other relationship with the Offeror and its beneficial owner, namely Changhong Group.

The obligations of each of Mr. Zhu, Mr. Zhao and Ms. Su under the relevant Irrevocable Undertakings shall terminate if (a) any of the Conditions are not fulfilled or (where applicable) waived on or before the Long Stop Date; (b) the Scheme is not approved; (c) the Proposal otherwise lapses or is withdrawn; or (d) the Offeror and each of Mr. Zhu, Mr. Zhao and Ms. Su mutually agree to terminate their respective Irrevocable Undertakings in writing.

SHAREHOLDING STRUCTURE

As at the date of this joint announcement, there were 1,454,652,000 Ordinary Shares and 1,115,868,000 Preference Shares in issue. Each Preference Share is convertible into one Ordinary Share on the conversion price of HK\$1.00 per Preference Share (subject to adjustment). There would be 2,570,520,000 Ordinary Shares in issue on a fully diluted basis (assuming all the 1,115,868,000 Preference Shares were converted in full) as at the date of this joint announcement.

The Offeror is a direct wholly-owned subsidiary of Changhong Group. As at the date of this joint announcement, Sichuan Changhong is deemed to be interested in (i) 874,650,000 Ordinary Shares (representing approximately 60.13% of the total number of issued Ordinary Shares), among which 16,000,000 Ordinary Shares (representing approximately 1.10% of the total number of issued Ordinary Shares) were held through its wholly-owned subsidiary, Changhong Hong Kong and 858,650,000 Ordinary Shares (representing approximately 59.03% of the total number of issued Ordinary Shares) were held through Fit Generation, which is wholly-owned by Changhong Hong Kong; and (ii) 1,115,868,000 Preference Shares (representing 100% of the total number of issued Preference Shares), which were held by Fit Generation. In addition, Changhong Group is the single largest shareholder of Sichuan Changhong, which holds approximately 23.22% of the entire issued share capital of Sichuan Changhong and has de facto control over the composition of the majority of the board of Sichuan Changhong. Therefore, Sichuan Changhong is a subsidiary of Changhong Group.

As at the date of this joint announcement, the Scheme Shares, comprising 580,002,000 Ordinary Shares, represent approximately 39.87% of the issued Ordinary Shares. For further details, please refer to the section headed “Shareholding Structure” in this joint announcement.

WITHDRAWAL OF LISTING OF THE SHARES

The Company will make an application to the Stock Exchange for the withdrawal of the listing of the Ordinary Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect immediately after the Effective Date. The listing of the Ordinary Shares on the Stock Exchange will not be withdrawn if the Scheme is not approved or the Scheme does not become effective.

GENERAL

The Independent Board Committee and The Independent Financial Adviser

The Independent Board Committee, which comprises Mr. Jonathan Chan Ming Sun, Dr. Gao Xudong and Dr. Meng Qingbin, being all the independent non-executive Directors, has been established by the Board to make a recommendation to the Scheme Shareholders as to (a) whether the Proposal and the Scheme are, or are not, fair and reasonable and (b) whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the SGM. As at the date of this joint announcement, none of the independent non-executive Directors holds any Shares.

The Independent Financial Adviser will be appointed by the Company, with the approval of the Independent Board Committee, in due course to advise the Independent Board Committee on the Proposal and the Scheme. A further announcement will be made after the appointment of the Independent Financial Adviser.

Despatch of the Scheme Document

The Company will send to the Ordinary Shareholders a Scheme Document containing, among other things, (i) further details about the Proposal and the Scheme; (ii) the expected timetable in relation to the Proposal and the Scheme; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Proposal and the Scheme; (iv) a letter from the Independent Board Committee containing its recommendations in respect of the Proposal and the Scheme; and (v) notices to convene the Court Meeting and the SGM, together with the proxy forms in relation thereto, as soon as possible in accordance with the Takeovers Code and other applicable laws and regulations.

Resumption of trading

At the request of the Company, trading in the Ordinary Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 12 September 2025 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Ordinary Shares on the Stock Exchange with effect from 9:00 a.m. on 23 September 2025.

WARNINGS

Ordinary Shareholders and/or potential investors should be aware that the Proposal and the Scheme are subject to the Pre-Conditions being satisfied and all the Conditions being satisfied or validly waived (as applicable). Thus, the Proposal may or may not be implemented and the Scheme may or may not become effective. Ordinary Shareholders and/or potential investors should therefore exercise caution when dealing in Ordinary Shares. Persons who are in doubt as to the action they should take should consult their licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional adviser.

This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any acceptance, rejection or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas Scheme Shareholders will be contained in the Scheme Document.

INTRODUCTION

On 22 September 2025, the Offeror and the Company entered into the Implementation Agreement, pursuant to which the Offeror requested that the Company put forward the Proposal to the Scheme Shareholders which, if approved and implemented, will result in the Company being privatised by the Offeror by way of the Scheme and the withdrawal of the listing of the Ordinary Shares on the Stock Exchange.

If the Scheme becomes effective:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled in exchange for the payment of the Scheme Consideration;
- (b) contemporaneously with the cancellation of the Scheme Shares, the issued share capital of the Company will be maintained at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Ordinary Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled and the credit arising in the books of account of the Company as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Ordinary Shares so allotted and issued to the Offeror;
- (c) the Company's issued Ordinary Shares will be owned as to approximately 59.03% by Fit Generation, approximately 39.87% by the Offeror and approximately 1.10% by Changhong Hong Kong, respectively; and
- (d) the Company will make an application to the Stock Exchange for the withdrawal of the listing of the Ordinary Shares on the Stock Exchange pursuant to Rule 6.15 of the Listing Rules, with effect immediately following the Effective Date.

No offer will be made by the Offeror for the outstanding Preference Shares under Rule 14 of the Takeovers Code, as all of the issued Preference Shares are held by Fit Generation, a controlling shareholder of the Company and an Offeror Concert Party, as at the date of this joint announcement. For the avoidance of doubt, the Preference Shares will not form part of the Scheme Shares which shall comprise the Ordinary Shares held by the Scheme Shareholders only.

The Offeror has appointed Shenwan Hongyuan as its financial adviser in connection with the Proposal.

THE PROPOSAL

The Scheme

Under the Proposal, if the Scheme becomes effective, all the Scheme Shares will be cancelled in exchange for the Scheme Consideration Price of HK\$1.223 per Scheme Share.

Comparisons of value

The Scheme Consideration Price of HK\$1.223 per Scheme Share represents:

- a premium of approximately 32.93% over the closing price of HK\$0.920 per Ordinary Share on the Last Trading Day;
- a premium of approximately 34.25% over the average closing price of approximately HK\$0.911 per Ordinary Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 32.36% over the average closing price of approximately HK\$0.924 per Ordinary Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 38.78% over the average closing price of approximately HK\$0.881 per Ordinary Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 60.17% over the average closing price of approximately HK\$0.764 per Ordinary Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day;
- a premium of approximately 10.28% over the dividend-adjusted audited consolidated net asset value per Ordinary Share of approximately HK\$1.1090 per Share as at 31 December 2024, based on the dividend-adjusted audited consolidated net assets of the Group at 31 December 2024 (being the audited consolidated net assets of the Group of approximately HK\$2,979,155,000 as at 31 December 2024, deducted by the final dividend amounting to HK\$128,526,000 for the year ended 31 December 2024 paid for all the Ordinary Shares and Preference Shares on 20 June 2025) and 2,570,520,000 Ordinary Shares on a fully diluted basis (assuming all the 1,115,868,000 Preference Shares were converted in full) as at the date of this joint announcement; and

- a premium of approximately 1.68% over the unaudited consolidated net asset value per Ordinary Share of approximately HK\$1.2027 per Share as at 30 June 2025, based on the unaudited consolidated net assets of the Group of approximately HK\$3,091,687,000 as at 30 June 2025 and 2,570,520,000 Ordinary Shares on a fully diluted basis (assuming all the 1,115,868,000 Preference Shares were converted in full) as at the date of this joint announcement.

The Offeror will not increase the Scheme Consideration Price. Scheme Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Scheme Consideration Price. The Offeror does not reserve the right to increase the Scheme Consideration Price.

Highest and lowest prices

During the 6-month period ending on the Last Trading Day, the highest closing price of the Ordinary Shares as quoted on the Stock Exchange was HK\$1.000 per Ordinary Share on 19 August 2025, and the lowest closing price of the Ordinary Shares as quoted on the Stock Exchange was HK\$0.650 per Ordinary Share on 17 March 2025 and 7 April 2025, respectively.

Pre-Conditions of the Proposal and the Scheme

The making of the Proposal, and the implementation of the Scheme, is subject to the satisfaction of the non-waivable Pre-Conditions on or before the Long Stop Date, namely, with respect to the applicable outbound direct investment laws and regulations, all necessary and applicable approvals, registrations, filings, reports, authorisations (as the case may be) have been obtained from, completed with and/or made to:

- (a) Mianyang City SASAC;
- (b) Sichuan Provincial Development and Reform Commission;
- (c) Sichuan Provincial Department of Commerce; and
- (d) the State Administration of Foreign Exchange of the PRC, or its local authorities, as the case maybe.

After the satisfaction of the Pre-Conditions, the Scheme will only become effective and binding on the Company and the Scheme Shareholders subject to the fulfillment or valid waiver (if applicable) of the Conditions on or prior to the Long Stop Date.

The Pre-Conditions are not waivable. All references to the Scheme in this joint announcement are references to the possible Scheme which will be implemented if and only if (a) the Pre-Conditions are satisfied and (b) the Conditions are satisfied or validly waived (if applicable).

Changhong Group will submit the filings, applications or registrations (as the case maybe) to obtain the governmental approvals listed above as soon as practicable after the date of this joint announcement. As advised by the PRC legal advisers to the Offeror, the Pre-Conditions are expected to be satisfied in about two to five months after the publication of this joint announcement. If the Pre-Conditions are satisfied on or before the Long Stop Date, the Offeror will issue further announcement(s) as soon as practicable thereafter. If the Pre-Conditions are not satisfied by the Long Stop Date, the Proposal will lapse, the Scheme will not be implemented (unless the Offeror extends the Long Stop Date with the consent of the Company as permitted by the Executive) and the Shareholders will also be notified by a further announcement as soon as practicable thereafter.

The Offeror may request for an extension if the Pre-Conditions are not fulfilled by the Long Stop Date. In determining whether to consent to any request for the extension of the Long Stop Date, the Company will consider whether it is in the best interests of the Company and the Shareholders.

Conditions of the Proposal and the Scheme

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Scheme Shareholders, subject to satisfaction or valid waiver (as applicable) of the following Conditions:

- (a) (i) the approval of the Scheme (by way of poll) by a majority in number of the Scheme Shareholders representing not less than three-fourths in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting; and
- (ii) the approval of the Scheme (by way of poll) by the Disinterested Shareholders holding at least 75% of the votes attaching to the Disinterested Shares that are voted either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Disinterested Shares held by all the Disinterested Shareholders;
- (b) the passing by the Ordinary Shareholders present and voting either in person or by proxy at the SGM of: (i) a special resolution by a majority of not less than three-fourths of the votes cast by such Ordinary Shareholders to approve any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares; and (ii) an ordinary resolution by a simple majority of the votes cast by such Ordinary Shareholders to contemporaneously maintain the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Ordinary Shares (credited as fully paid) as is equal to the number of Scheme Shares cancelled and applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such new Ordinary Shares;
- (c) the sanction of the Scheme (with or without modifications) by the Court and the delivery to the Registrar of Companies of a copy of the Court Order for registration;

- (d) all Authorisations in connection with the Proposal having been obtained from the Relevant Authorities in Bermuda, Hong Kong and/or any other relevant jurisdiction (in each case where such Authorisation is material in the context of the Group as a whole and in the context of the Proposal);
- (e) the Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authority which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto;
- (f) no government, governmental, quasi-governmental, statutory or regulatory, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal, or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms);
- (g) if required, the obtaining of such other necessary consent, approval, permission, waiver or exemption which may be required from any Relevant Authorities or other third parties which are necessary for the performance of the Scheme under applicable laws and regulations, which include but not limit to the approval from the Stock Exchange regarding the withdrawal of listing of the Ordinary Shares on the Stock Exchange;
- (h) since the date of this joint announcement, there having been no material adverse change in the business, financial or trading position or prospects of any member of the Group to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal; and
- (i) since the date of this joint announcement, save for the litigation as disclosed in the announcements of the Company dated 10 September 2025, 10 July 2025, 26 May 2025 and 10 May 2024, there not having been instituted or remaining outstanding any material litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Group is a party (whether as plaintiff or defendant or otherwise) and no such proceedings having been threatened in writing against any such member and no investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member in each case which is material and adverse in the context of the Group taken as a whole or in the context of the Proposal.

Conditions (a) to (e) cannot be waived. The Offeror reserves the right to waive all or any of Conditions (f) to (i), to the extent permissible by relevant laws and regulations, the Listing Rules and the Takeovers Code, either in whole or in respect of any particular matter. The Company does not have the right to waive any of the Conditions.

In respect of Conditions (d) and (e), as at the date of this joint announcement, other than those set out in Conditions (a) to (c) (inclusive), the Offeror is not aware of any Authorisations or consents which are required.

With reference to the Condition (f), as at the date of this joint announcement, each of the Offeror and the Company is not aware of any such action, proceeding, suit, investigation, enquiry, statute, regulation, demand or order.

With reference to the Condition (g), as at the date of this joint announcement, each of the Offeror and the Company is not aware of any such consents which are required.

As at the date of this joint announcement, each of the Offeror and the Company is not aware of any circumstances which may result in Conditions (h) and (i) not being satisfied. The Company shall use its reasonable endeavours to ensure that Conditions (h) and (i) are satisfied.

All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal (including the Scheme) will lapse. If the Scheme is withdrawn, not approved or lapses, the listing of the Ordinary Shares on the Stock Exchange will not be withdrawn.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal.

If the Conditions are satisfied or validly waived (as applicable), the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the SGM. An expected timetable will be provided by further announcement when the Scheme Document is despatched.

As at the date of this joint announcement, none of the Conditions has been fulfilled or waived (as the case may be).

WARNING: Ordinary Shareholders and/or potential investors should be aware that the Proposal and the Scheme are subject to the Pre-Conditions being satisfied and all the Conditions being satisfied or validly waived (as applicable). Thus, the Proposal may or may not be implemented and the Scheme may or may not become effective. Ordinary Shareholders and/or potential investors should therefore exercise caution when dealing in the Ordinary Shares. Persons who are in doubt as to the action they should take should consult their licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional adviser.

FINANCIAL RESOURCES

On the basis of the Scheme Consideration Price of HK\$1.223 per Scheme Share and 580,002,000 Scheme Shares in issue as at the date of this joint announcement, the Scheme Shares are in aggregate valued at HK\$709,342,446 (i.e. the total amount of cash consideration required to effect the Proposal).

The Offeror intends to fund the cash consideration required for the Proposal using the proceeds of external debt financing and/or internal financial resources.

Shenwan Hongyuan, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for the full implementation of the Proposal in accordance with its terms.

IRREVOCABLE UNDERTAKINGS

As at the date of this joint announcement:

- (a) Mr. Zhu is the holder of 115,165,762 Ordinary Shares, representing approximately 7.92% of the Ordinary Shares issued by the Company;
- (b) Mr. Zhao is the holder of 750,000 Ordinary Shares, representing approximately 0.05% of the Ordinary Shares issued by the Company; and
- (c) Ms. Su is the holder of 34,589,636 Ordinary Shares, representing approximately 2.38% of the Ordinary Shares issued by the Company.

On 22 September 2025, each of (i) Mr. Zhu; (ii) Mr. Zhao; and (iii) Ms. Su, entered into the Irrevocable Undertakings in favour of the Offeror, pursuant to which each of them has irrevocably and unconditionally undertaken to the Offeror, amongst other things, that he/she shall exercise the voting rights in respect of the IU Shares at the Court Meeting and the SGM to vote in favour of the Scheme and all necessary resolutions to implement the Proposal as set out in this joint announcement. Each of Mr. Zhu, Mr. Zhao and Ms. Su has also undertaken in the relevant Irrevocable Undertakings, amongst others, that:

- (a) he/she shall not sell, transfer, redeem, repay, charge, create or grant any option or lien over or otherwise dispose of (or permit any such action to occur in respect of) all or any of the IU Shares or any interests therein;
- (b) he/she shall implement the cancellation of the IU Shares under the Scheme in consideration for the Scheme Consideration in accordance with the terms and subject to the conditions to be set out in the Scheme Document;
- (c) to the extent required, he/she shall provide undertakings to the Court to agree to and be bound by the Scheme and to receive the Scheme Consideration for consideration of the IU Shares under the Scheme and to otherwise support the Scheme and provide such undertakings to the Court as are appropriate and necessary for the Scheme to be approved and/or implemented in accordance with the terms and subject to the conditions to be set out in the Scheme Document;

- (d) he/she shall not enter into any agreement or other document which would prevent he/she from exercising the voting rights in respect of the IU Shares in the resolutions relating to the Proposal; and
- (e) he/she shall not take any action or make any statement which may delay, frustrate or otherwise render the Proposal ineffective, or which may otherwise be detrimental to the success of the Proposal.

Each of Mr. Zhu, Mr. Zhao and Ms. Su is not an Offeror Concert Party. Except that (i) Mr. Zhu, Mr. Zhao and Ms. Su were nominated as the Directors by Sichuan Changhong and are directors of the Company and certain subsidiaries of the Company; and (ii) Mr. Zhao is the board secretary, general counsel, chief compliance officer, head of the board office, head of the integrated management department and the head of ESG management office of Sichuan Changhong, and is also a director of several subsidiaries of Sichuan Changhong, each of Mr. Zhu, Mr. Zhao and Ms. Su has no other relationship with the Offeror and its beneficial owner, namely Changhong Group.

The obligations of each of Mr. Zhu, Mr. Zhao and Ms. Su under the relevant Irrevocable Undertakings shall terminate if (a) the Pre-Conditions are not satisfied or any of the Condition is not satisfied or validly waived (as applicable) on or before the Long Stop Date; (b) the Scheme is not approved; (c) the Proposal otherwise lapses or is withdrawn; or (d) the Offeror and each of Mr. Zhu, Mr. Zhao and Ms. Su mutually agree to terminate their respective Irrevocable Undertakings in writing.

SHAREHOLDING STRUCTURE

As at the date of this joint announcement, there were 1,454,652,000 Ordinary Shares and 1,115,868,000 Preference Shares in issue. Each Preference Share is convertible into one fully paid Ordinary Share on a conversion price of HK\$1.00 per Preference Share (subject to adjustment). There would be 2,570,520,000 Ordinary Shares in issue on a fully diluted basis (assuming all the 1,115,868,000 Preference Shares were converted in full) as at the date of this joint announcement.

The Offeror is a direct wholly-owned subsidiary of Changhong Group. As at the date of this joint announcement, Sichuan Changhong is deemed to be interested in (i) 874,650,000 Ordinary Shares (representing approximately 60.13% of the total number of issued Ordinary Shares), among which 16,000,000 Ordinary Shares (representing approximately 1.10% of the total number of issued Ordinary Shares) were held through its wholly-owned subsidiary, Changhong Hong Kong and 858,650,000 Ordinary Shares (representing approximately 59.03% of the total number of issued Ordinary Shares) were held through Fit Generation, which is wholly-owned by Changhong Hong Kong; and (ii) 1,115,868,000 Preference Shares (representing 100% of the total number of issued Preference Shares), which were held by Fit Generation. In addition, Changhong Group is the single largest shareholder of Sichuan Changhong, which holds approximately 23.22% of the entire issued share capital of Sichuan Changhong and has de facto control over the composition of the majority of the board of Sichuan Changhong.

As at the date of this joint announcement, the Scheme Shares, comprising 580,002,000 Ordinary Shares, represent approximately 39.87% of the issued Ordinary Shares.

The table below sets out the shareholding structure of the Company as at the date of this joint announcement and immediately upon the Scheme becoming effective:

	As at the date of this joint announcement		As at the date of this joint announcement (assuming the Preference Shares were fully converted)		Upon the Scheme becoming effective (assuming the Preference Shares were fully converted)	
	Number of Ordinary Shares	% of the total Ordinary Shares	Number of Ordinary Shares	% of the total Ordinary Shares	Number of Ordinary Shares (Note 1)	% of the total Ordinary Shares
Offeror ⁽¹⁾	—	—	—	—	580,002,000	22.57
Offeror Concert Parties not subject to the Scheme						
— Fit Generation ⁽²⁾	858,650,000	59.03	1,974,518,000	76.81	1,974,518,000	76.81
— Changhong Hong Kong ⁽³⁾	16,000,000	1.10	16,000,000	0.62	16,000,000	0.62
Sub-total: Offeror and Offeror Concert Parties	874,650,000	60.13	1,990,518,000	77.43	2,570,520,000	100.00
Disinterested Shareholders						
— Mr. Zhu ⁽⁴⁾	115,165,762	7.92	115,165,762	4.48	—	—
— Mr. Zhao ⁽⁵⁾	750,000	0.05	750,000	0.03	—	—
— Ms. Su ⁽⁶⁾	34,589,636	2.38	34,589,636	1.35	—	—
— Other Disinterested Shareholders	429,496,602	29.52	429,496,602	16.71	—	—
Sub-total: Disinterested Shareholders	580,002,000	39.87	580,002,000	22.57	—	—
Total	1,454,652,000	100.00	2,570,520,000	100.00	2,570,520,000	100.00

Notes:

- (1) The Offeror is a company incorporated in Hong Kong and directly wholly-owned by Changhong Group.
- (2) 858,650,000 Ordinary Shares were directly held by Fit Generation. Fit Generation also held 1,115,868,000 Preference Shares, each of which is convertible into one Ordinary Share on the conversion price of HK\$1.00 per Preference Share (subject to adjustment). According to a written confirmation executed as a deed by Fit Generation and Changhong Hong Kong in favor of the Offeror on 22 September 2025, (i) Fit Generation has undertaken that, among others, it shall not exercise the conversion right in connection with the Preference Shares to convert any of them into an Ordinary Share before the Long Stop Date; and (ii) each of Fit Generation and Changhong Hong Kong has undertaken that, among others, it shall not sell, transfer or otherwise dispose of any Preference Share or Ordinary Share before the Long Stop Date.
- (3) 16,000,000 Ordinary Shares were directly held by Changhong Hong Kong. As Fit Generation is wholly owned by Changhong Hong Kong, Changhong Hong Kong is deemed to be interested in the Ordinary Shares held by Fit Generation for the purpose of the SFO.
- (4) 115,165,762 Ordinary Shares were directly held by Mr. Zhu, who is an executive Director, the chairman of the Board and the president of the Company.
- (5) 750,000 Ordinary Shares were directly held by Mr. Zhao, who is an executive Director.
- (6) 34,589,636 Ordinary Shares were directly held by Ms. Su, who is an executive Director and a vice president of the Company.

By reason of being the financial adviser to the Offeror, Shenwan Hongyuan and persons controlling, controlled by or under the same control as Shenwan Hongyuan are presumed to be acting in concert with the Offeror in accordance with class 5 of the definition of “acting in concert” in the Takeovers Code. As at the date of this joint announcement, members of the Shenwan Hongyuan group do not legally or beneficially own, control or have direction over any Shares (excluding the Shares held on behalf of non-discretionary investment clients).

SCHEME SHARES, COURT MEETING AND SGM

Only Scheme Shareholders whose names appear on the register of members of the Company as at the Meeting Record Date may attend and vote at the Court Meeting to approve the Scheme. As at the date of this joint announcement, (a) the Offeror does not own, control or has direction over the Company; and (b) the Offeror Concert Parties were interested in 874,650,000 Ordinary Shares, representing approximately 60.13% of the issued Ordinary Shares. None of the Ordinary Shares held by the Offeror Concert Parties will be voted at the Court Meeting as they are not Scheme Shareholders. The Offeror will undertake to the Court to be bound by the Scheme, so as to ensure that it will comply with and be subject to the terms and conditions of the Scheme. Only the votes of the Disinterested Shareholders will be taken into account in determining if Condition (a)(ii) as disclosed in the section headed “Conditions of the Proposal and the Scheme” is satisfied. As at the date of this joint announcement, all Scheme Shares are Disinterested Shares.

All Ordinary Shareholders whose names appear in the register of members of the Company as at the Meeting Record Date will be entitled to attend and vote on the resolutions to be proposed at the SGM to approve and give effect to any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares and to contemporaneously maintain the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new Ordinary Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled and applying the credit arising in the books of account of the Company as a result of the cancellation of the Scheme Shares in paying up in full at par the new Ordinary Shares so allotted and issued to the Offeror.

The Offeror Concert Parties have indicated that they will vote in favour of the resolutions to be proposed at the SGM. Upon the Scheme becoming effective, the Company will be owned as to approximately 59.03% by Fit Generation, approximately 39.87% by the Offeror and approximately 1.10% by Changhong Hong Kong, respectively.

FINANCIAL ADVISER TO THE OFFEROR, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Offeror has appointed Shenwan Hongyuan as its financial adviser in connection with the Proposal.

The Independent Board Committee, which comprises Mr. Jonathan Chan Ming Sun, Dr. Gao Xudong and Dr. Meng Qingbin, being all the independent non-executive Directors, has been established by the Board to make a recommendation to the Scheme Shareholders as to (a) whether the Proposal and the Scheme are, or are not, fair and reasonable and (b) whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the SGM. As at the date of this joint announcement, all the independent non-executive Directors do not own any Shares.

Members of the Independent Board Committee will give their views on whether the Proposal and the Scheme are, or are not, fair and reasonable and in the interests of the Ordinary Shareholders as a whole after considering the advice of the Independent Financial Adviser to the Independent Board Committee.

The Independent Financial Adviser will be appointed by the Company with the approval of the Independent Board Committee in due course to advise the Independent Board Committee on the Proposal and the Scheme. A further announcement will be made after the appointment of the Independent Financial Adviser.

REASONS FOR AND BENEFITS OF THE PROPOSAL

The Offeror is of the view that the terms of the Proposal are attractive and beneficial to the Scheme Shareholders and the Company. The reasons and benefits of the Proposal are elaborated as follows:

Benefits of the Proposal to the Scheme Shareholders:

- (a) *An excellent exit opportunity for the Scheme Shareholders to realize their investments at an attractive premium*

The Proposal offers the Scheme Shareholders to exit at an attractive premium compared to the market price of the Ordinary Shares prior to the Last Trading Day. As disclosed in the paragraph headed “Value Comparison” in the section headed “The Proposal” above, the Scheme Consideration Price represents a premium of approximately 32.93% over the closing price of the Ordinary Shares on the Last Trading Day of HK\$0.920 per Ordinary Share, and a premium of approximately 34.25%, 32.36%, 38.78% and 60.17% over the average closing prices of the Ordinary Shares for the 10, 30, 90 and 180 trading days up to (and including) the Last Trading Day of HK\$0.911, HK\$0.924, HK\$0.881 and HK\$0.764 per Ordinary Share respectively. It also represents a premium of approximately 10.28% over the dividend-adjusted audited consolidated net asset value per Ordinary Share of approximately HK\$1.109 per Share as at 31 December 2024. If the Proposal is implemented, it will provide the Scheme Shareholders with a valuable opportunity to immediately realize their investments in the Company at a price with both a premium to the market price of the Ordinary Shares as well as the audited

net asset value per Ordinary Share, thereby achieving a one-time substantial gain. The Scheme Shareholders may then reallocate the proceeds from the sale of the Scheme Shares to other investment opportunities as they see fit.

(b) An opportunity to fully realise the investments in a low-liquidity environment

Due to the persistently low trading volume of the Ordinary Shares over the past few years, it has been difficult for the Scheme Shareholders to liquidate their investment without adversely affecting the price of the Ordinary Share. The average daily trading volumes of the Ordinary Shares over the 12-month, 24-month, and 36-month periods up to and including the Last Trading Day were 577,370 Ordinary shares, 421,361 Ordinary shares, and 344,110 Ordinary shares, respectively, representing approximately 0.04%, 0.03%, and 0.02% of the total number of issued Ordinary Shares as at the Last Trading Day. Therefore, if the Proposal is implemented, it will provide the Scheme Shareholders with a rare immediate opportunity to fully realize their investments and provide cash that can be reinvested in other more liquid investment opportunities.

(c) Realising gains in uncertain market conditions

The Proposal allows the Scheme Shareholders to withdraw their investments and exchange them for cash during periods of significant market fluctuations caused by global geopolitical tensions and a volatile investor sentiment. Under such uncertain global investment environment, the Proposal provides a clear path with certainty for the Scheme Shareholders to fully realize their investment holdings in the Ordinary Shares and obtain liquidity.

Reasons of making the Proposal to the Company:

(a) Loss of the advantages of being a listed company and limited fund raising functions due to low share price and limited liquidity

The Ordinary Shares have been traded at relatively low valuation with limited trading volume, which does not reflect the industry position of the Company and fails to convey the true value of the Company to the market. Since its listing on the Main Board of the Stock Exchange, the Company has not raised any funds through equity issuance, and its ability to raise funds from the equity market has been significantly restricted. This is mainly due to the fact that the Company's trading price of Ordinary Shares has remained low for an extended period, making it impossible to obtain a market-based pricing that reflects its true value through equity financing. Equity financing at a low price, in particular below the net asset value per Share, would also not be in the best interests of the Company and Shareholders as a whole.

(b) Reduction of costs and expenses associated with maintaining the listing status of the Company

The Proposal (if implemented, will result in the privatisation of the Company) is expected to reduce the administrative costs and management resources required to maintain the listing status of Company and comply with the regulatory requirements. The savings in costs and management resources will be better utilised to achieve long-term business development of the Company and maintain its market leadership/business competitiveness.

(c) Increased flexibility for the Company to implement long-term strategies for growth

From the perspective of managing a listed company, the implementation of the Proposal will enable the Offeror and the Company to make strategic decisions focused on long-term growth and benefits, free from the regulatory constraints, market expectations, and share price volatility pressures faced by a Hong Kong listed company.

OFFEROR'S INTENTION IN RELATION TO THE GROUP

The Offeror intends to allow the Company to continue its existing business without interruption and has no specific plans to make any significant changes to the Company's business after the successful privatisation of the Company. After the successful completion of the Proposal, the Offeror will continue to be committed to the development of the Company, taking into account various factors (including, but not limited to, customer needs, market conditions, legal and regulatory requirements, and business needs).

INFORMATION ON THE OFFEROR AND THE OFFEROR CONCERT PARTIES

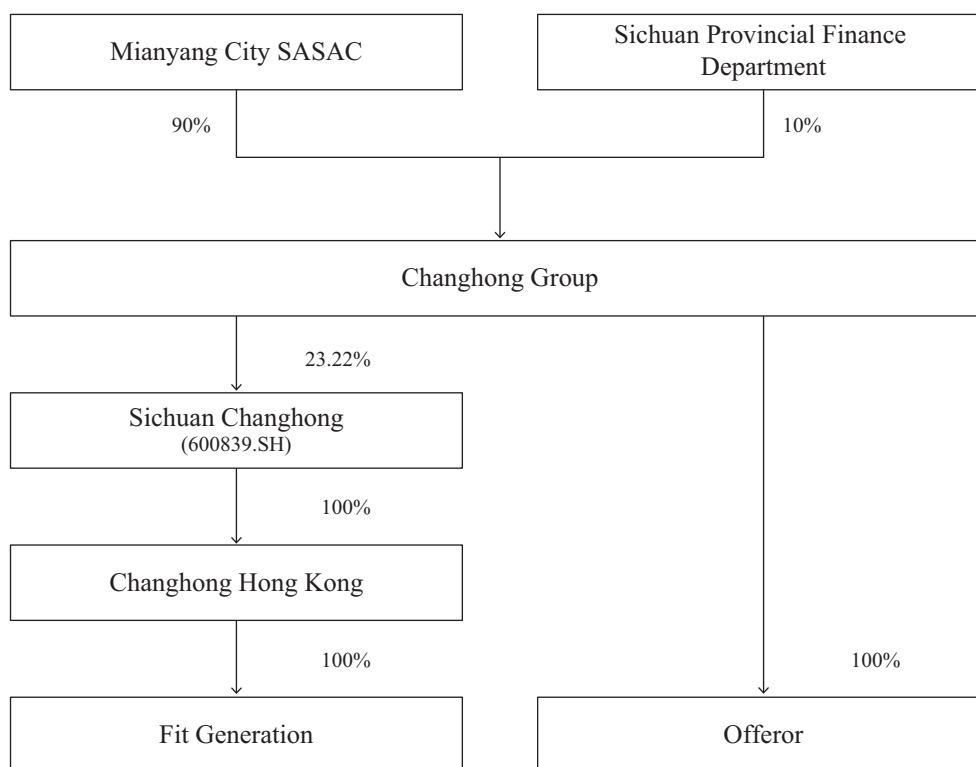
The Offeror is a company incorporated in Hong Kong with limited liability. As at the date of this joint announcement, it is a special purpose vehicle directly owned by Changhong Group (which is held as to 90% by Mianyang City SASAC and 10% by Sichuan Provincial Finance Department).

Fit Generation is a company incorporated in the British Virgin Islands with limited liability. As at the date of this joint announcement, it is wholly owned by Changhong Hong Kong.

Changhong Hong Kong is a company incorporated in Hong Kong with limited liability. As at the date of this joint announcement, it is wholly owned by Sichuan Changhong.

Being the single largest shareholder of Sichuan Changhong, Changhong Group has de facto control over the composition of the majority of the board of Sichuan Changhong. Therefore, Sichuan Changhong is a subsidiary of Changhong Group. In turn, Changhong Group has control over Fit Generation and Changhong Hong Kong, including the Ordinary Shares held by Fit Generation and Changhong Hong Kong.

Set out below is the simplified shareholding structure of the Offeror and the Offeror Concert Parties.



INFORMATION OF THE GROUP

The Company is an exempted company incorporated in Bermuda with limited liability, the Ordinary Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3991). The Company is an investment holding company and the Group is principally engaged in the distribution of ICT consumer products and ICT corporate products mainly in the PRC.

Set out below is the summary of the unaudited consolidated financial information of the Group for the six months ended 30 June 2025 as extracted from the interim report of the Company for the six months ended 30 June 2025 and the audited consolidated financial information of the Group for the two years ended 31 December 2024 as extracted from the annual report of the Company for the year ended 31 December 2024.

	For the year ended 31 December		For the six months ended 30 June	
	2023	2024	2024	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	37,170,632	39,986,349	19,286,174	21,168,691
Profit for the year/period attributable to the owners of the Company	360,540	379,266	164,484	181,192

The audited consolidated net assets of the Group as at 31 December 2024 was approximately HK\$2,979,155,000 and the unaudited consolidated net assets as at 30 June 2025 was approximately HK\$3,091,687,000.

WITHDRAWAL OF LISTING OF THE ORDINARY SHARES

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

The Company will make an application to the Stock Exchange for the withdrawal of the listing of the Ordinary Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect immediately after the Effective Date. The Scheme Shareholders will be notified by way of a public announcement of the exact dates of the last day of dealing in the Ordinary Shares and on which the Scheme and the withdrawal of the listing of the Ordinary Shares will become effective. A detailed timetable will be set out in the Scheme Document, which will also contain, among other things, further details of the Scheme. The listing of the Ordinary Shares on the Stock Exchange will not be withdrawn if the Scheme is not approved or does not become effective before the Long Stop Date.

If the Scheme is withdrawn or not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

COSTS OF THE SCHEME

Pursuant to Rule 2.3 of the Takeovers Code, if the Scheme is not approved and the Proposal is either not recommended by the Independent Board Committee, or is not recommended as fair and reasonable by the Independent Financial Adviser, all costs and expenses incurred by the Company and the Offeror in connection with the Scheme will be borne by the Offeror.

If the Proposal is recommended by the Independent Board Committee, and is recommended as fair and reasonable by the Independent Financial Adviser, the Company and the Offeror have agreed that each party will bear their own costs, charges and expenses.

DESPATCH OF SCHEME DOCUMENT

The Company will send to the Shareholders a Scheme Document containing, among other things, further details about the Scheme, a letter of advice from the Independent Financial Adviser to the Independent Board Committee, the recommendations of the Independent Board Committee and notices to convene the Court Meeting and the SGM as soon as possible in accordance with the requirements under the Takeovers Code, the Listing Rules and applicable laws and regulations.

OVERSEAS SCHEME SHAREHOLDERS

The making and implementation of the Proposal to the Scheme Shareholders who are not residents in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Any Scheme Shareholders who are not residents in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with the necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any acceptance by the overseas Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including Shenwan Hongyuan, the financial adviser to the Offeror in relation to the Proposal, that those laws and regulatory requirements have been complied with.

In the event that the receipt of the Scheme Document by overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such Scheme Shareholders.

TAXATION ADVICE

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Proposal. It is emphasised that none of the Offeror, the Company, Shenwan Hongyuan or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of the implementation of the Proposal.

DISCLOSURE OF DEALINGS

Respective associates (as defined under the Takeovers Code) of the Company and the Offeror (including shareholders holding 5% or more of any class of relevant securities issued by the Company or the Offeror) are reminded to disclose their dealings in the securities of the Company. In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

OTHER ARRANGEMENTS

The Offeror confirms that, as at the date of this joint announcement:

- (a) save for the Irrevocable Undertakings, neither the Offeror nor any of the Offeror Concert Parties has received any irrevocable commitment to vote for the Proposal;
- (b) there is no outstanding derivative in respect of securities in the Company entered into by the Offeror or any of the Offeror Concert Parties;
- (c) there are no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of the Offeror which might be material to the Proposal;
- (d) save for the Implementation Agreement, there are no agreements or arrangements to which the Offeror (nor any of the Offeror Concert Parties) is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposal;
- (e) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror (or any of the Offeror Concert Parties) has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold;
- (f) save for the Scheme Consideration, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any of the Offeror Concert Parties to the Scheme Shareholders or any party acting in concert with the Scheme Shareholders in connection with the cancellation of the Scheme Shares;
- (g) save for the Irrevocable Undertakings, there is no understanding, arrangement, agreement or special deal between the Offeror or any of the Offeror Concert Parties on the one hand, and the Scheme Shareholders or any party acting in concert with the Scheme Shareholders on the other hand; and
- (h) save for the Irrevocable Undertakings, there is no understanding, arrangement, agreement or special deal between any shareholder of the Company and (A) the Offeror and any of the Offeror Concert Parties or (B) the Company, its subsidiaries or associated companies.

RESUMPTION OF TRADING

At the request of the Company, trading in the Ordinary Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 12 September 2025 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Ordinary Shares on the Stock Exchange with effect from 9:00 a.m. on 23 September 2025.

DEFINITIONS

In this joint announcement, the following expressions have the meaning set out below unless the context requires otherwise:

“acting in concert”	has the meaning given to it under the Takeovers Code and “concert party” or “concert parties” shall be construed accordingly
“associates”	has the meaning given to it under the Takeovers Code
“Authorisations”	all necessary authorisations, registrations, filings, rulings, consents, permissions and approvals in connection with the Proposal
“Board”	the board of Directors from time to time
“Changhong Group”	Sichuan Changhong Electronics Holding Group Co., Ltd. (四川長虹電子控股集團有限公司), a company established in the PRC, which is held as to 90% by Mianyang City SASAC and 10% by Sichuan Provincial Finance Department
“Changhong Hong Kong”	Changhong (Hong Kong) Trading Limited (長虹(香港)貿易有限公司), a company incorporated in Hong Kong with limited liability. It is wholly owned by Sichuan Changhong, an indirect controlling shareholder of the Company and an Offeror Concert Party
“Companies Act”	the Companies Act 1981 (as amended) of Bermuda
“Company”	Changhong Jiahua Holdings Limited (長虹佳華控股有限公司), a company incorporated in Bermuda with limited liability, the Ordinary Shares of which are currently listed on the Stock Exchange (Stock Code: 3991)
“Conditions”	the conditions of the Proposal, details of which are set out in the section headed “Conditions of the Proposal and the Scheme” in this joint announcement
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Court”	the Supreme Court of Bermuda
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Court Order”	the order of the Court pursuant to section 99(2) of the Companies Act sanctioning the Scheme

“Director(s)”	the director(s) of the Company
“Disinterested Shares”	Ordinary Shares other than those held by the Offeror and the Offeror Concert Parties and comprising all Scheme Shares
“Disinterested Shareholders”	holders of Disinterested Shares
“Effective Date”	the date on which the Scheme becomes effective in accordance with its terms
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate for the time being of the Executive Director
“Fit Generation”	Fit Generation Holding Limited, a company incorporated in the British Virgin Islands with limited liability. It is wholly owned by Changhong Hong Kong and is a direct controlling shareholder of the Company and an Offeror Concert Party
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“ICT”	information and communication technology
“Implementation Agreement”	the agreement entered into between the Offeror and the Company on 22 September 2025 pursuant to which, among other things, the Offeror requested the Company to put forward the Scheme to the Scheme Shareholders and the Company agreed to do so on the terms set out therein
“Independent Board Committee”	the independent board committee of the Company comprising Mr. Jonathan Chan Ming Sun, Dr. Gao Xudong and Dr. Meng Qingbin, being all the independent non-executive Directors, formed for the purpose of advising the Scheme Shareholders in respect of the Proposal and the Scheme
“Independent Financial Adviser”	the independent financial adviser which will be appointed to advise the Independent Board Committee on the Proposal and the Scheme
“Irrevocable Undertaking(s)”	the irrevocable undertaking(s) given by each of Mr. Zhu, Mr. Zhao and Ms. Su, each dated 22 September 2025, in favour of the Offeror as set out in the section headed “Irrevocable Undertakings” of this joint announcement

“IU Shares”	the Ordinary Shares held by Mr. Zhu, Mr. Zhao and Ms. Su
“Last Trading Day”	11 September 2025, being the last trading day of the Ordinary Shares prior to their suspension in trading on the Stock Exchange pending the publication of this joint announcement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	20 September 2026 or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Court may direct
“Meeting Record Date”	the record date for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlements of the Ordinary Shareholders to attend and vote at the SGM
“Mr. Zhao”	Mr. Zhao Qilin (趙其林), an executive Director
“Mr. Zhu”	Mr. Zhu Jianqiu (祝劍秋), an executive Director, the chairman of the Board and the president of the Company
“Ms. Su”	Ms. Su Huiqing (蘇惠清), an executive Director and a vice president of the Company
“Mianyang City SASAC”	State-owned Assets Supervision and Administration Commission of the Mianyang City
“Offeror”	HONGTU INVESTMENT CO., LIMITED (虹圖投資有限公司), a company incorporated in Hong Kong with limited liability, which is wholly owned by Changhong Group
“Offeror Concert Party(ies)”	the persons acting, or presumed to be acting, in concert with the Offeror in relation to the Company (including Fit Generation, Changhong Hong Kong, Sichuan Changhong and Changhong Group)
“Ordinary Share(s)”	the ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Ordinary Shareholder(s)”	the holder(s) of the Ordinary Shares
“Pre-Condition(s)”	the pre-condition(s) to making of the Proposal and implementation of the Scheme, as set out in the section headed “Pre-conditions of the Proposal and the Scheme” in this joint announcement

“Preference Share(s)”	the non-redeemable restricted voting convertible preference shares of HK\$0.025 each in the share capital of the Company
“Proposal”	the proposed privatisation of the Company by the Offeror by way of the Scheme and the withdrawal of the listing of the Ordinary Shares from the Stock Exchange, in each case, on the terms and subject to the Pre-Conditions and Conditions set out in this joint announcement
“Record Date”	the record date for the purpose of determining entitlements of the Scheme Shareholders under the Scheme to receive the Scheme Consideration
“Registrar of Companies”	the Registrar of Companies in Bermuda
“Relevant Authorit(ies)”	means appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions (including the Executive, the Stock Exchange, the Court and the Registrar of Companies)
“Scheme”	the scheme of arrangement under section 99 of the Companies Act involving, among other things, the cancellation of all the Scheme Shares, with or subject to any modification, addition or condition approved or imposed by the Court
“Scheme Consideration”	the cash consideration to be paid to the Scheme Shareholders, being the Scheme Consideration Price for every Scheme Share cancelled
“Scheme Consideration Price”	HK\$1.223 for every Scheme Share cancelled
“Scheme Document”	the document to be despatched to the Shareholders containing among other things, details of the Scheme, a letter of advice from the Independent Financial Adviser to the Independent Board Committee, the recommendations of the Independent Board Committee and notices to convene the Court Meeting and SGM
“Scheme Share(s)”	all Ordinary Shares in issue and such further Ordinary Share(s) as may be issued prior to the Record Date, other than those held by the Offeror and the Offeror Concert Parties
“Scheme Shareholder(s)”	the registered holder(s) of the Scheme Share(s)
“SFC”	the Securities and Futures Commission of Hong Kong

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened for the purpose of considering, and if thought fit approving, all necessary resolutions to implement the Proposal, or any adjournment thereof
“Share(s)”	the Ordinary Share(s) and Preference Share(s)
“Shareholder(s)”	the registered holder(s) of the Share(s) whose name(s) appear on the register of members of the Company
“Sichuan Changhong”	Sichuan Changhong Electric Co., Limited (四川長虹電器股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600839.SH), which is principally engaged in the electrical appliance business
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Shenwan Hongyuan”	Shenwan Hongyuan Capital (H.K.) Limited, a corporation licensed to carry out type 1 (dealing on securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in respect of the Proposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC as amended from time to time
“%”	per cent.

By order of the board of
Hongtu Investment Co., Limited
Shen Yunan
Sole Director

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

Hong Kong, 22 September 2025

As at the date of this joint announcement, the sole director of the Offeror is Mr. Shen Yunan.

As at the date of this joint announcement, the directors of Changhong Group are Mr. Liu Jiang, Mr. Yang Jun, Mr. Heng Guoyu, Mr. Yang Xiubiao, Dr. Guo Bing, Mr. Feng Jian, Mr. Dan Ding, Dr. Yan Pengyu and Dr. Chen Lei.

The sole director of the Offeror and the directors of Changhong Group jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the executive Directors of the Company 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, Dr. Gao Xudong and Dr. Meng Qingbin.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than the information relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of Changhong Group and the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.