

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Changhong Jiahua Holdings Limited

長虹佳華控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 3991)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

UNAUDITED INTERIM RESULTS

The board of directors of the Company (the “**Board**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 June 2025 together with the unaudited comparative figures for the corresponding period in 2024 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the six months ended 30 June 2025

| | <i>Note</i> | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
|---|-------------|--|--|
| Revenue | 3 | 21,168,691 | 19,286,174 |
| Cost of sales | | (20,519,053) | (18,642,526) |
| Gross profit | | 649,638 | 643,648 |
| Other income | | 43,349 | 35,462 |
| Research and development expenses | | (17,602) | (12,226) |
| Administrative expenses | | (89,527) | (85,480) |
| Impairment loss on trade receivables, net | | (42,949) | (33,972) |
| Exchange loss, net | | (11,098) | (14,300) |
| Distribution and selling expenses | | (210,179) | (208,466) |
| Finance costs | | (104,942) | (145,580) |

| | | 2025 | 2024 |
|---|--------------|------------------------|-----------------|
| | <i>Notes</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | | (Unaudited) | (Unaudited) |
| Profit before tax | 5 | 216,690 | 179,086 |
| Income tax expense | 6 | (35,498) | (14,602) |
| Profit for the period attributed to owners of the Company | | 181,192 | 164,484 |
| Other comprehensive expense | | | |
| <i>Item that will not be reclassified to profit or loss:</i> | | | |
| Exchange differences arising from translation of consolidated financial statements to presentation currency | | 59,866 | (29,548) |
| Total comprehensive income for the period attributable to owners of the Company | | 241,058 | 134,936 |
| Earnings per share | | | |
| Basic and diluted (<i>HK cents</i>) | 7 | 7.05 | 6.40 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

| | | 30 June 2025 | 31 December 2024 |
|---|--------------|-------------------------|---------------------|
| | <i>Notes</i> | HK\$'000 | HK\$'000 |
| | | (Unaudited) | (Audited) |
| NON-CURRENT ASSETS | | 2,665 | 2,934 |
| Plant and equipment | | 430 | 430 |
| Intangible assets | | 22,748 | 25,601 |
| Right-of-use assets | | 20,410 | 25,494 |
| Deferred tax assets | | 44,022 | 43,357 |
| Financial asset at fair value through profit or loss | | 33,745 | 34,989 |
| | | 124,020 | 132,805 |
| CURRENT ASSETS | | | |
| Inventories | | 3,913,815 | 5,582,487 |
| Trade receivables | 8 | 5,239,554 | 4,460,739 |
| Bills receivables at fair value through other comprehensive income | | 283,889 | 174,219 |
| Prepayments, deposits and other receivables | | 326,958 | 391,364 |
| Amounts due from related companies | | 46,084 | 34,699 |
| Refundable trade deposits | | 875,440 | 1,128,433 |
| Pledged bank deposits | | 2,114,040 | 5,602,464 |
| Cash and cash equivalents | | 1,257,718 | 561,776 |
| | | 14,057,498 | 17,936,181 |
| CURRENT LIABILITIES | | | |
| Trade and bills payables | 9 | 4,977,310 | 5,194,413 |
| Bills payables under supplier chain financing | 9 | 2,333,710 | 5,865,134 |
| Other payables | | 553,949 | 474,401 |
| Tax payables | | 10,317 | 17,510 |
| Borrowings | 10 | 2,749,991 | 2,723,459 |
| Amount due to related companies | | 18,500 | 24,063 |
| Contract liabilities | | 425,644 | 765,228 |
| Lease liabilities | | 11,327 | 12,130 |
| | | 11,080,748 | 15,076,338 |
| NET CURRENT ASSETS | | 2,976,750 | 2,859,843 |

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|--|--|--|
| TOTAL ASSETS LESS CURRENT LIABILITIES | 3,100,770 | 2,992,648 |
| NON-CURRENT LIABILITIES | | |
| Lease liabilities | 9,083 | 13,493 |
| NET ASSETS | 3,091,687 | 2,979,155 |
| CAPITAL AND RESERVES | | |
| Share capital | 36,366 | 36,366 |
| Convertible preference shares | 27,897 | 27,897 |
| Reserves | 3,027,424 | 2,914,892 |
| TOTAL EQUITY | 3,091,687 | 2,979,155 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL

Changhong Jiahua Holdings Limited (the “**Company**”) was incorporated in Bermuda with limited liability.

The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is Unit 1412, 14/F., West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries (together with the Company, the “**Group**”) are set out in Note 4 below.

The functional currency of the Company is Renminbi (“**RMB**”) and the condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”). As the Company is a public company with its shares listed on the Stock Exchange with most of its investors located in Hong Kong, the directors of the Company consider that HK\$ is preferable in presenting the operating result and financial position of the Group.

Sichuan Changhong Electric Co., Limited (“**Sichuan Changhong**”), a company incorporated in the People’s Republic of China (the “**PRC**”) with its shares listed on the Shanghai Stock Exchange, has obtained the control over the board of directors of the Company since 2012. Sichuan Changhong Electronics Holding Group Co., Ltd. (“**Sichuan Changhong Holding**”, a company established in the PRC and 90% owned by the State-owned Assets Supervision and Administration Commission of the Mianyang city government) is the single largest shareholder of Sichuan Changhong, which held 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. In the opinion of the directors of the Company, Sichuan Changhong Holding, Sichuan Changhong, Changhong (Hong Kong) Trading Limited and Fit Generation Holding Limited (“**Fit Generation**”) remain as a group of controlling shareholders as at 30 June 2025. The Company’s immediate holding company is Fit Generation, a private company incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements of the Group and selected explanatory notes has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance, including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The condensed consolidated results for the six months ended 30 June 2025 have not been reviewed or audited by the external auditors of the Company but have been reviewed by the audit committee of the Company.

The accounting policies adopted are consistent with those followed in the preparation of the 2024 Consolidated Financial Statements, except for the amendments and interpretations of HKFRS Accounting Standards issued by HKICPA which have become effective in this period as detailed in the notes of the 2024 Consolidated Financial Statements.

3. REVENUE

The principal activities of the Group are the provision of professional integrated Information and Communication Technology (“ICT”) solutions and services, and distribution of ICT consumer products, ICT corporate products, smartphones, own brand products and related parts and components.

The amounts of each significant category of revenue recognised in revenue for the six months ended 30 June 2025 and 2024 are as follows:

| | For the six months ended | |
|------------------------|---------------------------------|--------------------|
| | 30 June | |
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Revenue | | |
| ICT Consumer Products | 8,471,250 | 8,495,043 |
| ICT Corporate Products | 8,378,265 | 6,774,592 |
| Others | 4,319,176 | 4,016,539 |
| | <u>21,168,691</u> | <u>19,286,174</u> |

4. SEGMENT INFORMATION

Information reported to the executive directors or the management of the Company, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group’s reportable and operating segments under HKFRS 8 are as follows:

- (a) ICT Consumer Products — distribution of ICT consumer products which include mainly personal computers, digital products and IT accessories.
- (b) ICT Corporate Products — distribution of ICT corporate products which include mainly storage products, minicomputers, networking products, personal computer servers, intelligent building management system products and unified communications and contact centre products.
- (c) Others — distribution of smartphones and development of its own brand products including but not limited to intelligent terminals, sales of warranty packages and professional integrated ICT solutions and provision of ICT services.

Segment profit represents the profit earned by each segment without allocation of other income, research and development expenses, finance costs, exchange gain/loss, net as well as unallocated head office and corporate administrative expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's revenue and results by reportable and operating segment for the six months ended 30 June 2025 and 2024:

| For the six months ended 30 June 2025 | | | | |
|---------------------------------------|------------------|------------------|------------------|-------------------|
| | ICT | ICT | | |
| | Consumer | Corporate | Others | Total |
| | Products | Products | | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Revenue | | | | |
| External sales | <u>8,471,250</u> | <u>8,378,265</u> | <u>4,319,176</u> | <u>21,168,691</u> |
| Segment profit | <u>129,547</u> | <u>221,864</u> | <u>45,099</u> | <u>396,510</u> |
| Other income | | | | 43,349 |
| Research and development expenses | | | | (17,602) |
| Administrative expenses | | | | (89,527) |
| Exchange loss, net | | | | (11,098) |
| Finance costs | | | | <u>(104,942)</u> |
| Profit before tax | | | | <u>216,690</u> |
| For the six months ended 30 June 2024 | | | | |
| | ICT | ICT | | |
| | Consumer | Corporate | Others | Total |
| | Products | Products | | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Revenue | | | | |
| External sales | <u>8,495,043</u> | <u>6,774,592</u> | <u>4,016,539</u> | <u>19,286,174</u> |
| Segment profit | <u>122,649</u> | <u>241,359</u> | <u>37,202</u> | <u>401,210</u> |
| Other income | | | | 35,462 |
| Research and development expenses | | | | (12,226) |
| Administrative expenses | | | | (85,480) |
| Exchange loss, net | | | | (14,300) |
| Finance costs | | | | <u>(145,580)</u> |
| Profit before tax | | | | <u>179,086</u> |

Geographical information

The following provides an analysis of the Group's sales by geographical market for the six months ended 30 June 2025 and 2024, based on the origin of the operations:

| | For the six months ended 30 June | |
|----------------|---|--------------------------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Mainland China | 20,906,633 | 19,007,151 |
| Other regions | 262,058 | 279,023 |
| | <u>21,168,691</u> | <u>19,286,174</u> |

5. PROFIT FOR THE PERIOD

The Group's profit for the period has been arrived at after charging for the six months ended 30 June 2025 and 2024:

| | For the six months ended 30 June | |
|--|---|----------------------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Cost of inventories sold | 20,519,053 | 18,642,526 |
| Depreciation of property plant and equipment | 553 | 923 |
| Depreciation of right-of-use assets | 5,932 | 5,974 |
| Staff cost including directors' emolument | | |
| — Salary and related staff cost | 149,465 | 151,923 |
| — Retirement benefits scheme contribution | 42,165 | 41,654 |
| Exchange loss, net | <u>11,098</u> | <u>14,300</u> |

6. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Bermuda, the Company is not subject to any income tax in the Bermuda.

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the profits tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, except as disclosed below, the tax rates of the subsidiaries in PRC are 25% for both periods.

For the six months ended 30 June 2025 and 2024, Changhong IT Information Products Co., Ltd., Changhong IT Digital Technology Co., Ltd., Changhong IT Duolayouhuo E-commerce Co., Ltd, and Sichuan Changhong Information Service Co., Ltd., operating in the PRC, have been qualified as the “Encouraged Enterprises” under “The Catalogue of Encouraged Industries in Western Regions” (the “**Catalogue**”), as their main business is one of the encouraged business in the Catalogue and the revenue from their main business accounts for more than the required percentage of their total revenue, and enjoyed the reduced preferential EIT rate of 15%. Accordingly, the profits derived by the aforesaid subsidiaries are subject to 15% EIT rate.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

| | For the six months ended | |
|--|---------------------------------|--------------------|
| | 30 June | |
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Earnings | | |
| Profit for the period attributable to owners of the Company | 181,192 | 164,484 |
| | 2025 | 2024 |
| | '000 | '000 |
| Number of shares | | |
| Weighted average number of ordinary shares and convertible preference shares for the purpose of basic and diluted earnings per share | 2,570,520 | 2,570,520 |

As there were no potentially dilutive shares during the six months ended 30 June 2025 and 30 June 2024, the diluted earnings per share was same as basic earnings per share.

8. TRADE RECEIVABLES

The Group allows a credit period ranging from 0 to 180 days to its third party trade customers. Before accepting any new customer, the Group assesses the potential customer’s credit quality and defines credit limits by customer. Credit limits attributed to customers are reviewed twice a year.

The following is an aged analysis of trade receivables measured at amortised cost, net of allowance for doubtful debts, based on invoice dates at the end of the reporting period which approximated the respective revenue recognition dates:

| | As at 30 June 2025 <i>HK\$'000</i> (Unaudited) | As at 31 December 2024 <i>HK\$'000</i> (Audited) |
|----------------|--|--|
| Within 30 days | 1,419,410 | 1,111,255 |
| 31–60 days | 802,571 | 775,144 |
| 61–90 days | 413,331 | 417,505 |
| 91–180 days | 986,218 | 601,759 |
| 181–365 days | 565,574 | 512,339 |
| Over 1 year | 1,052,450 | 1,042,737 |
| | <u>5,239,554</u> | <u>4,460,739</u> |

9. TRADE AND BILLS PAYABLES/BILLS PAYABLES UNDER SUPPLIER CHAIN FINANCING

| | As at 30 June 2025 <i>HK\$'000</i> (Unaudited) | As at 31 December 2024 <i>HK\$'000</i> (Audited) |
|---|--|--|
| Trade and bills payables | 4,977,310 | 5,194,413 |
| Bills payables under supplier chain financing | 2,333,710 | 5,865,134 |
| | <u>7,311,020</u> | <u>11,059,547</u> |

The ageing analysis of trade payables, based on date of receipt of goods, is as follows:

| | As at 30 June 2025 <i>HK\$'000</i> (Unaudited) | As at 31 December 2024 <i>HK\$'000</i> (Audited) |
|----------------|--|--|
| Within 30 days | 699,781 | 520,984 |
| 31–60 days | 523,312 | 428,416 |
| 61–90 days | 75,507 | 100,414 |
| 91–180 days | 198,081 | 142,300 |
| 181–365 days | 144,082 | 113,739 |
| Over 1 year | 116,805 | 84,330 |
| | <u>1,757,568</u> | <u>1,390,183</u> |

The credit period on purchase of goods is ranging from 30 to 120 days (2024: 30 to 120 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

10. BORROWINGS

The following provides an analysis of the Group's borrowings:

| | As at 30 June 2025 <i>HK\$'000</i> (Unaudited) | As at 31 December 2024 <i>HK\$'000</i> (Audited) |
|----------------------------|--|--|
| Bank borrowings, unsecured | <u>2,749,991</u> | <u>2,723,459</u> |

The range of effective interest rates (which are also equal to contracted interest rates) due in the Group's borrowings for the six months ended 30 June 2025 is fixed from 0.9981% to 4.6727% (2024: 2.64% to 5.2481%).

11. DIVIDEND

| | For the six months ended 30 June 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|--|-------------------------|
| Dividends recognised as distribution during the periods: | | |
| 2024 Final — HK\$0.05 (2024: 2023 Final — HK\$0.05) per share | <u>128,526</u> | <u>128,526</u> |

The Board does not recommend the payment of any dividend for the six months ended 30 June 2025 (2024: Nil).

CHAIRMAN’S STATEMENT

Dear Shareholders,

During the six months ended 30 June 2025, in times of slackening global economic growth along with the intertwining of a myriad of risks, the Group continued to operate steadily, achieving stable growth in turnover and profit.

BUSINESS REVIEW

In the first half of 2025, with continuous geopolitical conflicts, rampant trade protectionism and turbulent international financial market, the outlook of the global economy showed significant deterioration. In face of the sophisticated and ever-changing domestic and international situations, China implemented more constructive macro policies to continue pushing forward, maintaining a development momentum with steady growth and steady improvement. During the first half of the year, given the adverse business environment and changes in industry landscape, the Group insisted in the operational approach of “creating ecological value and being a partner for high-quality growth”. Building on the healthy development of smart distribution services, the Group expedited deep transformation from chain of thought to ecological thinking. By using digital intelligence technology as its means, the diversified and professional service capabilities for the smart distribution services continued to improve, which helped create and enhance ecological value. Meanwhile, the Group facilitated deeper collaboration with ecological partners to carry out strategic layout and further development as well as cultivate new advantages in the fields of cloud applications, metaverse, cybersecurity, low-altitude economy and digital marketing.

In the first half of 2025, the Group recorded a revenue of about HK\$21,168.69 million, up by 9.76% over the same period of the previous fiscal year; gross margin in the first half of 2025 was 3.07%, down by about 0.27 percentage point from the same period of the previous fiscal year, mainly due to fierce market competition. The profit attributable to shareholders in the first half of 2025 was approximately HK\$181.19 million, up by about 10.16% over the same period of the previous fiscal year and the basic earnings per share was approximately HK\$7.05 cents, up by HK\$0.65 cents from HK\$6.40 cents in the same period of the previous fiscal year.

During the period, the Group continuously consolidated fundamental management, reinforced its digital and intelligent systems infrastructure and business process transformation and optimization, built an intelligent business system, improved operational efficiency, enabled business innovation, and strived to provide customers with intelligent services with increased efficiency and convenience. The Group continued to reinforce risk management and control, adhered to strict inventory management, credit management and receivable management, allocated funds in a reasonable manner, and accelerated cash flow to ensure the safety and efficiency of working capital. With persistent cost control by the Group, research and development expenses increased compared with the same period last year, which was mainly attributable to the increase in research and development staff. Distribution and selling expenses increased compared with the same period last year, primarily due to a rise in operating expenditures on e-commerce business operation, while finance costs decreased due to the decrease of interest rate of bank borrowings.

For the six months ended 30 June 2025, the revenue and profits of the three operating segments of the Group were analyzed as follows (RMB exchange rate fluctuations may affect the number/percentage of segments):

ICT consumer products distribution business: Due to the close cooperation with core manufacturers, this business segment seized the opportunities of AI product iteration and the national policies to boost consumption to actively develop superior products, strengthen its penetration to lower-tier channels, enhance online store operations, deepen integrated online-offline retail models, and enable the PC business to maintain leading market share. With big data and AI technologies as its core driving force, this segment continued to improve its comprehensive digital intelligence service platform, enabling high-efficient connection with industry ecology and deriving new business opportunities. The business's turnover decreased by 0.28% to HK\$8,471.25 million compared with the same period last year due to exchange rate conversion, while its profit increased by 5.62% to HK\$129.55 million due to structural change on products.

ICT corporate products distribution business: This segment seized the market opportunities arising from the explosive growth in AI field to increase its investment in technologies and continue to build cloud ecological service platform and integrated solutions platform, and expand and facilitate deeper cooperation with brands in the areas including application deployment on big AI models, next-generation intelligent computing center, cloud services, cybersecurity, digital marketing, etc., aiming to provide customers with high quality digital products, application solutions and differentiated technical services, and continue to increase business value. The business's turnover increased by 23.67% to HK\$8,378.27 million compared with the same period last year, while its profit decreased by 8.08% to HK\$221.86 million due to fierce market competition.

Other businesses: As a result of continuous upgrade and empowerment of upstream and downstream services by the smart phone business, the business segment's turnover increased by 7.53% to HK\$4,319.18 million compared with the same period last year, while its profit increased by 21.23% to HK\$45.10 million.

OUTLOOK

Looking forward to the second half of 2025, with geopolitical conflicts continuing in many districts, and the intensified trade tension, the global policies and environment have become more uncertain, resulting in higher pressure and challenges against global economic recovery. China will join forces with fiscal policies and currency policies, focus on boosting domestic demand, adjust industry structure through precise policy implementation, develop new quality productivity and cultivate new points for economic growth, targeting to provide driving force for the stable development of China's economy. For the second half of 2025, adhering to its operational approach of “creating ecological value and being a partner for high-quality growth”, the Group will strengthen its position as a technology service enterprise, utilizing innovation as its driving force, digital intelligence technology as its means, and intelligent distribution services as its foundation. It will expand into emerging industry ecologies such as cloud applications, the metaverse, cybersecurity, and the low-altitude economy, continue to advance service innovation and value creation so as to help partners maximize ecological value, achieve win-win, high-quality growth, and deliver greater contributions to shareholders.

ZHU Jianqiu
Chairman

12 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL SUMMARY

- Revenue for the six months ended 30 June 2025 was approximately HK\$21,168.69 million (2024: HK\$19,286.17 million), representing an increase of 9.76% as compared with the previous period.
- Profit for the six months ended 30 June 2025 was approximately HK\$181.19 million (2024: HK\$164.48 million), representing an increase of 10.16% as compared with the previous period.
- Total comprehensive income for the six months ended 30 June 2025 was approximately HK\$241.06 million (2024: HK\$134.94 million). This increase was mainly due to the fluctuations in the RMB exchange rate.

LIQUIDITY AND FINANCIAL RESOURCES

For the period under review, the Group's financial and liquidity positions remained healthy and stable. As at 30 June 2025, the Group's total interest-bearing borrowings amounted to approximately HK\$2,749.99 million and its cash and bank balances amounted to approximately HK\$3,371.76 million. Net current assets of the Group was approximately HK\$2,976.75 million. The net gearing ratio (total net debt/total shareholders' equity) of the Group as at 30 June 2025 was 3.59 times. The management is confident that the Group's financial resources is sufficient for its daily operations.

PLEDGE OF ASSETS

The Group did not have any mortgage or charge over its fixed assets as at 30 June 2025 (2024: Nil).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES AND RELATED HEDGES

The Group's monetary assets and liabilities and transactions are principally denominated in Renminbi, Hong Kong dollars and United States dollars. As the spread of exchange rate of Renminbi is locked and the exchange rate between Hong Kong dollars and United States dollars is pegged, the Group believes its exposure to exchange risk is minimal. The Group will continue to monitor the situation and assess whether any hedging arrangement is necessary.

As at 30 June 2025, the Group did not have any foreign currency investments which have been hedged by currency borrowings and other hedging instruments.

TREASURY POLICY

Cash and bank deposits of the Group are either in Renminbi, Hong Kong dollars and United States dollars. The Group conducts its core business transaction mainly in Renminbi, Hong Kong dollars and United States dollars. The Group did not use any derivative instruments to hedge its foreign currency exposure as the Group considered its foreign currency exposure is insignificant.

TRANSFER OF FINANCIAL ASSETS

As at 30 June 2025 and 31 December 2024, the Group (i) endorsed certain bills receivable for the settlement of trade and other payables; and (ii) discounted certain bills receivable to banks for raising of cash. In the opinion of the directors of the Company, the Group has transferred the significant risks and rewards relating to these bills receivable, and the Group's obligations to the corresponding counterparties were discharged in accordance with the commercial practice in the PRC and the risk of default in payment of the endorsed and discounted bills receivable is low because all endorsed and discounted bills receivable are issued and guaranteed by the reputable banks in the PRC. As a result, the relevant assets and liabilities were not recognized in the consolidated financial statements. The maximum exposure to the Group that may result from the default of these endorsed and discounted bills receivable at the end of each reporting period are as follows:

| | As at 30 June 2025 HK\$'000 (Unaudited) | As at 31 December 2024 HK\$'000 (Audited) |
|--|--|--|
| Settlement of trade and other payables | 74,177 | 132,139 |
| Discounted bills for raising of cash | 2,003,174 | 1,803,800 |
| Outstanding endorsed and discounted bills receivables with recourse | 2,077,351 | 1,935,939 |

The outstanding endorsed and discounted bills receivables are aged within 185 days at the end of the reporting period (2024: 360 days).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any significant investments, acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2025, the Group had no material capital commitments and no future plans for material investments or capital assets.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events that might affect the Group after the reporting period up to the date of this announcement.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2025, the total number of the Group's staff was 1,359 (as at 30 June 2024: 1,552). The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group provides retirement benefit for its employees in Hong Kong in the form of mandatory provident fund, and pays social pension insurance and housing provident fund for its employees in China in accordance with the local laws and regulations.

DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended 30 June 2025 (2024: Nil).

The payment of a final dividend of HK\$0.05 per ordinary share and preference share for the year ended 31 December 2024, totaling approximately HK\$128.53 million, had been resolved at the annual general meeting of the Company held on 23 May 2025 and the payment was made on 20 June 2025.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the corporate governance code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules which sets out corporate governance principles and code provisions (the “**Code Provisions**”). Throughout the six months period ended 30 June 2025, the Company has complied with all the Code Provisions as set out under the CG Code, except the following deviations:

Code Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. As Mr. ZHU Jianqiu serves as both the chairman of the Board and the president, such practice deviates from code provision C.2.1 of the CG Code. Although the roles of chairman of the Board and president are performed by the same individual, all major decisions have been made in consultation with members of the Board as well as senior management. The Board comprises three independent non-executive Directors who offer different independent perspectives. Therefore, the Board is of the view that there is adequate balance of power and safeguards in place.

DIRECTOR’S SECURITIES TRANSACTIONS

The Company has adopted the model code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (“**Model Code**”) as its own code of conduct regarding Directors’ dealings in securities of the Company.

Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the Model Code during the six months ended 30 June 2025.

REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025 has not been reviewed or audited by the auditor of the Company but has been reviewed by the audit committee of the Company.

PUBLICATION OF INTERIM RESULTS AND 2025 INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.changhongit.com). The 2025 interim report will be published on the websites of the Stock Exchange and the Company in September 2025.

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

Hong Kong, 12 August 2025

As at the date of this announcement, the executive Directors are Mr. Zhu Jianqiu, Mr. Zhao Qilin, Ms. Mao Haoyun, 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.