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Changhong Jiahua Holdings Limited
(長虹佳華控股有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 8016)

CHANGE OF AUDITOR

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Changhong Jiahua Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.50(4) of the Growth Enterprise Market (“**GEM**”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

RESIGNATION OF AUDITOR

The Board announces that SHINEWING (HK) CPA Limited (“**SHINEWING**”) has resigned as the auditor of the Group with effect from 20 December 2016 as the Company and SHINEWING could not reach an agreement on the annual audit fee for the financial year ending 31 December 2016. SHINEWING confirmed that audit work on the financial statements of the Group for the financial year ending 31 December 2016 has not been commenced.

The Board believes that the change of auditor of the Group will not have any significant impact on the annual audit for the year ending 31 December 2016 and it is also in line with the Group’s corporate governance practice for a change of auditor of the Company after an appropriate period of time given that SHINEWING has been the auditor of the Group since 2007. SHINEWING confirmed that there was no circumstance connected with their resignation which they consider ought to be brought to the attention of the shareholders or creditors of the Company.

The Board and the audit committee of the Company also confirm that there is no disagreement or outstanding matter between the Company and SHINEWING, and there is no other matter or circumstance in connection with the change of auditor of the Group that needs to be brought to the attention of the holders of securities of the Company.

The Board would like to take this opportunity to express its sincere gratitude to SHINEWING for its professional and quality services rendered to the Group in the past years.

APPOINTMENT OF AUDITOR

The Board further announces that, with the recommendation from the audit committee of the Company, Deloitte Touche Tohmatsu has been appointed as the new auditor of the Group with effect from 22 December 2016 to fill the casual vacancy following the resignation of SHINEWING. Deloitte Touche Tohmatsu shall hold office as the auditor of the Group until the conclusion of the next annual general meeting of the Company.

By Order of the Board
CHANGHONG JIAHUA HOLDINGS LIMITED
Zhao Yong
Chairman

22 December 2016

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

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will appear on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for 7 days from the day of its posting thereon and on the website of the Company at <http://www.changhongit.com.hk>.