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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Reference is made to the announcement (the “**Announcement**”) and Annual Report 2017 (the “**Annual Report 2017**”) of Changhong Jiahua Holdings Limited (the “**Company**”) dated 23 March 2018 in relation to the annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2017. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

QUALIFIED OPINION

In addition to the information provided in the Announcement and the Annual Report 2017, the board of directors of the Company (the “**Board**”) wishes to provide further information in relation to the qualified opinion (the “**Qualified Opinion**”) of the Company’s auditor (the “**Auditor**”) in respect of the financial statements set out in the Announcement and the Annual Report 2017 as follows:

As disclosed in the section headed “Basis for Qualified Opinion” on pages 24 of the Announcement and on pages 56 to 57 of the Annual Report 2017, the books and accounting records of Changhong Overseas Development Limited (“**CHOD**”) as at 1 January 2016 were found to be incomplete, which caused the Auditor to qualify their audit opinion on the consolidated financial statements in respect of the year ended 31 December 2016. Thus, the qualification was not focused on the financial information for the year ended 31 December 2017, but was focused on the financial information for the year ended 31 December 2016, being the comparative figures for the financial information for the year ended 31 December 2017.

In 2015, the management of the Company reported to the Board that a former employee of CHOD was suspected to have misappropriated certain assets of CHOD (the “**Incident**”) and the Incident was reported to the Hong Kong Police on 14 June 2015. An independent committee has been established to investigate the Incident. On 14 December 2016, the Company entered into an agreement with a third party to transfer the entire equity interests in CHOD (the “**Disposal of CHOD**”). For further details of the investigation of the Incident and the Disposal of CHOD, please refer to the Company’s announcements dated 19 June 2015, 20 July 2015, 19 October 2015 and 14 December 2016.

As the qualification was focused on the comparative financial figures for 2017 and CHOD was disposed to an independent third party on 14 December 2016 and as a result of which the Company no longer has any equity interests in CHOD, the Company believes that similar qualified opinion will not be issued in the Group’s financial statements for the year ending 31 December 2018.

Audit committee’s and Management’s views

There is no disagreement between the views of the audit committee and the management of the Company and those of the Auditor on the Qualified Opinion issued by the Auditor.

The above additional information does not affect other information contained in the Announcement and the Annual Report 2017 and the content of the Announcement and the Annual Report 2017 remains unchanged.

By Order of the Board
Changhong Jiahua Holdings Limited
Zhao Yong
Chairman

Hong Kong, 27 April 2018

As at the date of this announcement, the Company’s executive directors are Mr. Zhao Yong, Mr. Zhu Jianqiu, Mr. Li Jin, Mr. Yang Jun 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 GEM Listing Rules 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will appear on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the day of its posting thereon and on the website of the Company at www.changhongit.com.hk.