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宇陽控股（集團）有限公司
EYANG HOLDINGS (GROUP) CO., LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 117)

FURTHER UPDATE ON PROGRESS ON FULFILLMENT OF RESUMPTION CONDITIONS

Reference is made to (i) the announcement of EYANG Holdings (Group) Co., Limited (the “**Company**”) dated 28 March 2013 in relation to the suspension of trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and (ii) the announcement of the Company dated 16 May 2013 in relation to the resumption conditions imposed on the Company by the Stock Exchange (the “**Resumption Conditions**”) and update on the developments after suspension of trading (the “**Last Update**”).

Since the Last Update as announced by the Company on 16 May 2013, the Company has been undertaking the following steps aiming to fulfil the Resumption Conditions and to resume trading in its shares on the Stock Exchange as soon as practicable:

- (i) The resolution for the voluntary winding-up of Hong Kong Weichang NER Co., Limited (“**Wei Chang**”) was passed by NER Management Limited as the sole shareholder of Wei Chang on 28 June 2013. This effectively carved out Wei Chang from the structure of the Company and its subsidiaries (the “**Group**”), thus allowing the Group to continue its business and operations whilst limiting its exposure to matters relating to Wei Chang.
- (ii) Pan-China (H.K.) CPA Limited (“**Pan-China**”) was appointed as the Company’s internal control consultant on 28 June 2013 to carry out an extensive review of internal control issues of the Group covering financial reporting, risk management, IT management, human resources, internal audit, corporate governance, etc. for the period from January 2012 to June 2013. This review exercise aims to (i) identify the internal control and financial reporting deficiencies that are inherent in the Group; (ii) recommend remedial and improvement measures that should be implemented by the Group to enhance its internal control and financial reporting systems; and (iii) follow up with the Company and re-evaluate the enhanced internal control and financial reporting systems of the Company subsequent to the implementation of the remedial and improvement measures to ensure that the Company has put in place adequate financial reporting procedures and internal control systems to meet its Listing Rules obligations.

As at the date of this announcement, Pan-China is in the course of undertaking actions (i) and (ii) described above and revising its draft report on the deficiencies identified and the corresponding remedial and improvement measures. The internal control report, after being finalised, will be submitted to the Special Committee of the Company for consideration. It is contemplated that the draft internal control review report (excluding the follow up review) would be completed by end of September 2013.

- (iii) The Company has been actively identifying candidates with suitable experience, qualifications, characters and record of good reputation to be members of the board of directors of the Company (the “**Board**”) or senior management.

On 7 May 2013, Mr. Jing Wen Ping (“**Mr. Jing**”) and Mr. Liang Rong (“**Mr. Liang**”) were appointed as an executive director of the Company (the “**Director**”) and an independent non-executive Director respectively. The Company believes that Mr. Jing has the potential to play a pivotal role in the Company’s top management whilst Mr. Liang, being a former executive vice president and former director cum president of Konka Group Co. Ltd., is able to provide the Company with good advice on its future development. Biographical details of Mr. Jing and Mr. Liang can be found in the announcement of the Company dated 7 May 2013.

In an annual general meeting of the Company held on 18 September 2013, Mr. Xu Chuncheng, who was responsible for overseeing the financial function of Wei Chang, has retired from the office of executive Director and resigned as chief financial officer of the Company; and Mr. Wang Ye (“**Mr. Wang**”) and Mr. Mak Ka Wing, Patrick (“**Mr. Mak**”) were elected as an executive Director and an independent non-executive Director respectively. The Company believes that Mr. Wang’s experience in production management enables the Company to strengthen its competitiveness in its principal MLCC business whilst Mr. Mak’s experience in the legal profession and in the directorship of various listed companies assists the Company in enhancing its internal control and compliance in the legal and regulatory aspects. Biographical details of Mr. Wang and Mr. Mak can be found in the circular of the Company dated 20 August 2013. On the same date, Mr. Liao Jie, who was a director of Wei Chang, tendered his resignation as an executive Director with effect from 18 September 2013.

The Company will continue to identify and engage suitable candidates to be members of the Board or senior management so as to further enhance its management integrity.

- (iv) Audit work on the financial results of the Group for the year ended 31 December 2012 is in progress. It is expected that the audit work being conducted by the auditors will be completed by end of November 2013.

The Company will continue to work closely with its advisors to take all necessary steps in fulfilling the Resumption Conditions, with the aim of resuming trading in the shares of the Company on the Stock Exchange as soon as practicable. The Company will keep shareholders informed of the progress from time to time.

Trading in the shares of the Company will remain suspended until further notice.

By Order of the Board
EYANG Holdings (Group) Co., Limited
Chen Weirong
Chairman

Hong Kong, 25 September 2013

As at the date of this announcement, the Board comprises Mr. Chen Weirong, Mr. Jin Wenping and Mr. Wang Ye as Executive Directors, Mr. Cheng Wusheng, Mr. Zhang Zhilin and Mr. Chen Hao as Non-executive Directors and Mr. Pan Wei, Mr. Liu Huanbin, Mr. Chu Kin Wang, Peleus, Mr. Liang Rong and Mr. Mak Ka Wing, Patrick as Independent Non-executive Directors.