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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)

RESIGNATION OF AUDITORS

The board of directors (the “**Board**”) of EYANG Holdings (Group) Co., Limited (the “**Company**”) announces that the Board and the audit committee of the Company (the “**Audit Committee**”) received a letter dated 11 December 2012 from Ernst & Young (the “**Letter**”) tendering its resignation as the auditors of the Company and its subsidiaries (the “**Group**”) with immediate effect. Set out below is the extract of the Letter detailing the reasons for Ernst & Young’s resignation.

“ We commenced the audit work on the Company’s consolidated financial statements for the year ending 31 December 2012 (the “2012 Financial Statements”) as scheduled. We obtained information provided by the management and noted that the mobile phone business segment continues to be significant for the year ending 31 December 2012. Based on our observations and inquiries, we noted that the weaknesses of certain key internal controls as identified during the 2011 audit have not been fully remediated. Although the management advised us that they are in the process of improving the internal controls which will be in place soon, we have concerns whether we will be able to perform and complete adequate audit procedures in relation to the mobile phone business segment on the 2012 Financial Statements. In addition, we also take into consideration other factors including the professional risks associated with the audit, the level of audit fees and our available internal resources in the light of current work flows.”

Other than the forgoing, Ernst & Young has confirmed to the Company that there are no circumstances concerning its resignation which it considers need to be brought to the attention of shareholders of the Company. The Company is currently in the process of identifying a suitable replacement to fill the vacancy following the resignation of Ernst & Young. A further announcement relating to the appointment of new auditors will be made by the Company as soon as practicable.

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

Hong Kong, 12 December 2012

As at the date of this announcement, the Board comprises Mr. Chen Weirong, Mr. Liao Jie and Mr. Xu Chunchung as Executive Directors, Ms. Shuang Mei, Mr. Cheng Wusheng, Mr. Zhang Zhilin and Mr. Chen Hao as Non-executive Directors and Mr. Pan Wei, Mr. Liu Huanbin and Mr. Chu Kin Wang, Peleus as Independent Non-executive Directors.