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## **SHUN CHEONG HOLDINGS LIMITED**

**順昌集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 650)**

**RESIGNATION OF EXECUTIVE DIRECTORS, EXECUTIVE CHAIRMAN,  
MANAGING DIRECTOR,  
NON-EXECUTIVE DIRECTOR, AND  
INDEPENDENT NON-EXECUTIVE DIRECTORS  
AND  
APPOINTMENT OF THE CHAIRMAN OF THE BOARD  
AND  
CHANGE OF AUDITORS**

Reference is made to the Composite Document, the announcement dated 12 August 2016 issued by the Offeror and the announcement dated 26 August 2016 jointly issued by the Company and the Offeror. The Offer closed at 4 p.m. on 26 August 2016.

As disclosed in the Company's announcement dated 5 August 2016, certain new Directors were appointed with effect from 5 August 2016 after the Composite Document was despatched on 5 August 2016.

The Board of the Company announces that with effect from 26 August 2016:

1. Ms. Cao Jing has resigned as an executive director and the executive chairman of the Company;
2. Mr. Zhang Shaohua has resigned as an executive director and the managing director of the Company;
3. Mr. Mo Tianquan has resigned as a non-executive director of the Company;
4. Mr. Ye Jianping has resigned as an independent non-executive director of the Company;

\* *For identification purposes only*

5. Mr. Derek Myles Palaschuk has resigned as an independent non-executive director of the Company; and
6. Mr. Wang Jingbo has been appointed as the Chairman of the Board.

The Board also announces that SHINEWING resigned as the auditors of the Company on 26 August 2016 at the request of the Board and following such resignation, KPMG has been appointed as the auditors of the Company with effect from 26 August 2016 to fill the casual vacancy and to hold office until the conclusion of the AGM to be held on 28 September 2016.

Reference is made to the composite offer and response document dated 5 August 2016 (the “**Composite Document**”) jointly issued by the Company and Titan Gas Technology Investment Limited (the “**Offeror**”), the announcement dated 12 August 2016 issued by the Offeror and the announcement dated 26 August 2016 jointly issued by the Company and the Offeror. Capitalised terms used herein shall have the same meaning as defined in the Composite Document, unless stated otherwise.

#### **RESIGNATION OF EXECUTIVE DIRECTORS, EXECUTIVE CHAIRMAN, MANAGING DIRECTOR, NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Offer closed at 4 p.m. on 26 August 2016. As disclosed in the Company’s announcement dated 5 August 2016, certain new Directors were appointed with effect from 5 August 2016 after the Composite Document was despatched on 5 August 2016.

The Board of the Company announces that, due to their personal endeavours and/or desire to devote more time to their other commitments, Ms. Cao Jing (“**Ms. Cao**”) has resigned as an executive director and the executive chairman of the Company, Mr. Zhang Shaohua (“**Mr. Zhang**”) has resigned as an executive director and the managing director of the Company, Mr. Mo Tianquan (“**Mr. Mo**”) has resigned as a non-executive director of the Company, Mr. Ye Jianping (“**Mr. Ye**”) has resigned as an independent non-executive director of the Company, and Mr. Derek Myles Palaschuk (“**Mr. Palaschuk**”) has resigned as an independent non-executive director of the Company, all of which with effect from 26 August 2016.

Ms. Cao, Mr. Zhang, Mr. Mo, Mr. Ye, and Mr. Palaschuk (together, the “**Departing Directors**”) have confirmed that they have no disagreement with the Board, and there are no matters with respect to their resignations that need to be brought to the attention of the shareholders of the Company.

The Board would like to express its appreciation to the Departing Directors for their contributions to the Company.

#### **APPOINTMENT OF THE CHAIRMAN OF THE BOARD**

The Board is please to announce that Mr. Wang Jingbo has been appointed as the Chairman of the Board with effect from 26 August 2016.

## CHANGE OF AUDITORS

The Board also announces that SHINEWING (HK) CPA Limited (“SHINEWING”) resigned as the auditors of the Company on 26 August 2016 at the request of the Board and following such resignation, the Board has appointed KPMG as the auditors of the Company with effect from 26 August 2016 to fill the casual vacancy. KPMG shall hold office until conclusion of the annual general meeting of the Company to be held on 28 September 2016 (the “AGM”).

The change of the auditors of the Company is a commercial decision of the Company and the Board is of the view that a Big Four international audit firm would be more appropriate to cater for the Group’s business development strategies. KPMG was the reporting auditors of 錫林郭勒盟宏博礦業開發有限公司 which is now the only operating subsidiary of the Company and having regard to the resources and experience of KPMG, the Board considers that it is in the best interests of the Company and the Shareholders as a whole to appoint KPMG as the new auditors of the Company.

SHINEWING would like to draw the attention to the fact that the auditors’ report dated 30 June 2016 (the “**Auditors’ Report**”) issued on the consolidated financial statements of the Company for the year ended 31 March 2016 was disclaimed in respect of the material uncertainty relating to the going concern basis of the Company. Details of the abovementioned were set out in the Auditors’ Report. SHINEWING has confirmed that it did not commence any audit work in the financial statements of the Company and its subsidiaries for the financial year ending 31 March 2017.

Other than the above matters, SHINEWING has confirmed that there are no circumstances connected with its resignation that it considers need to be brought to the attention of the Shareholders or creditors of the Company.

The management has noted the material uncertainty relating to the going concern of the Company raised as mentioned above. Reference is made to the announcement of the Company dated 29 July 2016 in relation to, inter alia, completion of the Transactions. As mentioned in the Company’s circular dated 29 June 2016 (the “**Circular**”), after taking into account the existing and available financial resources available to the Group and completion of the Transactions, the Directors are of the view that, following completion of the Transactions, the Group has sufficient working capital to meet at least 125% of its requirements in the 12 months from the date of the Circular.

The Board confirms that there are no circumstances in connection with the change of auditors which it considers should be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its gratitude for SHINEWING’s services rendered to the Company.

By Order of the Board  
**SHUN CHEONG HOLDINGS LIMITED**  
**Wang Jingbo**  
*Chairman and Chief Executive Officer*

Hong Kong, 26 August 2016

*As at the date hereof, the Board comprises seven directors, of whom two are executive directors, namely Mr. Wang Jingbo (Chairman and Chief Executive Officer), and Mr. Lee Khay Kok; two are non-executive directors, namely Lin Dongliang and Mr. Shong Hugo; and three are independent non-executive directors, namely Prof. Chen Zhiwu, Mr. Shi Cen, and Mr. Chau Shing Yim David.*