



China Essence Group Ltd.
嵩天集团有限公司

(Incorporated in the Cayman Islands)
(Company Registration No. CT-152302)

(I) **UPDATE ON HOLDING OF ANNUAL GENERAL MEETING;**
(II) **SECOND QUARTER FINANCIAL STATEMENTS; AND**
(III) **STATUS ON UNAUTHORISED TRANSACTIONS**

The Board of Directors (“**Board**”) of China Essence Group Ltd. (the “**Company**”, along with its subsidiaries, the “**Group**”) refers to the Company’s announcements released on (i) 17 August 2015 in relation to the Company’s approval from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) to extend the deadline for the Annual General Meeting for the financial year ended 31 March 2015 to 31 October 2015 (“**AGM**”); and (ii) 7 September 2015 and 18 September 2015 in relation to the unauthorised transactions by Mr Zhao Libin (“**Mr Zhao**”), the former Executive Chairman and Chief Executive Officer of the Group.

The Board wishes to inform shareholders on the following:

(I) **Holding of AGM**

The Company will not be able to hold its AGM by 31 October 2015 for the following reasons:

- (a) Following the announcement on 7 September 2015 on the discovery of the unauthorised transactions by Mr Zhao in disposing two of the Company’s subsidiaries, sometime in April 2015, the Board has not been able to locate or communicate with Mr Zhao to obtain full details of the transactions, and to obtain full information on the state of affairs of the Company;
- (b) The Company’s joint auditors, BDO Limited and BDO LLP, resigned on 27 July 2015 as the Company was not able to settle outstanding audit fees due to these auditors;
- (c) Moore Stephens CPA Limited, the proposed replacement auditor has withdrawn its letter of engagement following its discovery of the unauthorised transactions by Mr Zhao during the review of the Group as part of its client acceptance procedure; and
- (d) Mr Yap Kong Wai, the Chief Financial Officer of the Company (“**CFO**”) resigned on 9 September 2015 following non-payment of long overdue salaries owed to him by the Company.

(II) **Second Quarter Financial Statements for the period ended 30 September 2015**

The Company is also not able to finalise and announce its second quarter financial statements for the period ended 30 September 2015 as the Company is unable to obtain full information on the state of affairs of the Company from Mr Zhao which has been further compounded with the recent resignations of Executive Directors of the Company and CFO.

(III) **Status on Unauthorised Transactions**

Following the announcements on 7 September 2015 and 18 September 2015, the current Directors had made every attempt to contact Mr Zhao and the then Management (collectively referred to as the “**Previous Management**”) through various channels but to no avail. To-date, despite seeking the assistance of former Directors and Mr Yap Kong Wai, the former CFO



China Essence Group Ltd.
嵩天集团有限公司

through numerous communications, the Board has not been able to contact the Previous Management. Nevertheless, the Board will continue to pursue contacting the Previous Management by exploring other means including seeking assistance from relevant Chinese authorities.

The Company will update shareholders in due course.

On behalf of the Board

Er Kwong Wah
Non-Executive Independent Director
29 October 2015