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三盛控股

Sansheng Holdings (Group) Co. Ltd.

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三盛控股（集團）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2183)

CHANGE OF AUDITORS

This announcement is made by Sansheng Holdings (Group) Co. Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that KPMG has tendered its resignation as the auditor of the Company with effect from 13 May 2022. Set out below is an extract of the letter of resignation from KPMG dated 13 May 2022 (the “**Letter**”):

“1. Pledged deposit and guarantee

During the course of our audit of the consolidated financial statements of the Company and its subsidiaries (“the Group”) for the year ended 31 December 2021, we sent a bank confirmation in February 2022 relating to a deposit in the sum of RMB1 billion that a subsidiary of the Group placed with a commercial bank in mainland China and a follow-up bank confirmation in March 2022. Both confirmations were returned to us from the bank and there was an inconsistency identified. One returned confirmation stated that the deposit was unrestricted and a current deposit while the other returned confirmation stated that the deposit was a structured deposit and pledged as a guarantee for an entity of which its association to the Group is not clear to us. Whilst management has provided certain agreements in respect of the pledge and guarantee to us, they have not provided a satisfactory explanation on the nature of the transaction and the reason for the inconsistency in the two returned confirmations.

2. Litigations with Mr Lin Rongdong

On 4 March 2022, the Company announced that it and certain subsidiaries of the Company were in the process of handling litigations filed by Mr Lin Rongdong. The company further announced on 31 March 2022 that shareholdings of certain subsidiaries of the Company were frozen by the Qingdao Court at the application of Mr Lin Rongdong.

In February 2022, management informed us of the above litigations and in March 2022, they further informed us that Mr Lin Rongdong and Mr Lin Rongbin signed a memorandum in 2010 stating that Mr Lin Rongdong had a 50% interest in “Sansheng Group”.

Up to the date of this letter, management has not provided us a legal analysis or supporting documents on the impact of the litigations, including but not limited to whether the litigations and frozen shareholdings of certain subsidiaries of the Group could lead to early repayment or default of bank and other loans of the Group, and if so, the analysis of such impact to the operations of the Group.

The above matters were communicated in our letter dated 30 March 2022 and our meeting with the Audit Committee on 31 March 2022 in which we also advised you to consider the Group’s reporting and disclosure obligations and the actions to be taken on a timely basis including an independent investigation into the pledged deposit and guarantee. Our further letter dated 8 April 2022, reiterated our request for explanations, supporting documents, and an independent investigation.”

Reference is made to the announcement of the Company dated 29 April 2022 (the “**April Announcement**”) in relation to, among others, further delay in publication of the audited annual results of the Group for the year ended 31 December 2021 (the “**2021 Audited Annual Results**”). As disclosed in the April Announcement, due to the continuing spread of COVID-19 in Mainland China and Hong Kong in recent months, there were quarantine measures and lockdown restrictions at the Group’s headquarters and offices, which had reduced the overall communication efficiency of the Group and hindered the abilities of the Group’s management and staff to provide further information and materials to the auditor of the Company. KPMG was unable to commit to the timetable proposed by the management of the Group for publication of the 2021 Audited Annual Results, or to comment on the estimated time of publication of the 2021 Audited Annual Results as set out in the April Announcement.

Save as disclosed above, the Board is not aware of any matter in connection with the resignation of KPMG that needs to be brought to the attention of the shareholders or creditors of the Company.

The Board further announces that it has resolved, having regard to the recommendation from the audit committee of the Company, to approve the appointment of Yongtuo Fuson CPA Limited (“**Yongtuo Fuson**”) as the new auditor of the Company to fill the casual vacancy following the resignation of KPMG and to hold office until the conclusion of the next annual general meeting of the Company. The Company understands that Yongtuo Fuson will commence audit works on the consolidated financial statements of the Group for the year ended 31 December 2021 after satisfactory completion of its client acceptance procedures.

The Board would like to express its gratitude to KPMG for its services rendered to the Company for the past years. The Board would also like to extend its warm welcome to Yongtuo Fuson on its appointment as the auditor of the Company.

The Company will make further announcement(s) in response to the matters set out in the Letter above.

SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 10:57 a.m. on 16 May 2022, and will remain suspended.

By order of the Board
Sansheng Holdings (Group) Co. Ltd.
Chairman
Lin Rongbin

Hong Kong, 16 May 2022

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Lin Rongbin and Ms. Cheng Xuan; two non-executive Directors, namely Mr. Zhang Jingui and Mr. Zhou Tao, David; and three independent non-executive Directors, namely Mr. Pan Dexiang, Mr. Yuan Chun and Mr. Zhu Hongchao.