



Wah Yuen Holdings Limited 華園控股有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2349)

CHANGE OF AUDITORS

The Board wishes to announce that HLB resigned as the auditors of the Group with effect from 15 December 2006 and HLM will be appointed as the auditors of the Group following the resignation of HLB to fill the casual vacancy.

The board of director (the “**Board**”) of Wah Yuen Holdings Limited (the “**Company**”) wishes to announce that on 15 December 2006, Messrs. Hodgson Impey Cheng (“**HLB**”), Certified Public Accountants, the Company’s existing auditors has tendered its resignation as auditors of the Company and its subsidiaries (collectively, the “**Group**”) with immediate effect due to the fact that the Company and HLB could not reach an agreement on the auditors’ remuneration for the financial year ended 31 December 2006. Following the resignation of HLB, Messrs. HLM & Co. (“**HLM**”), Certified Public Accountants, will be appointed as the auditors of the Group to fill the casual vacancy arising from the resignation of HLB.

In its letter of resignation to the Company, HLB confirmed that there were no circumstances or matters that need to be brought to the attention of the shareholders or creditors of the Company in relation to the change of auditors.

The Board confirms that there was no disagreement between the Company and HLB and there was no circumstances connected to HLB’s retirement which should be brought to the attention of the shareholders or creditors of the Company.

HLB has not yet commenced any audit work on the Group’s accounts for the year ended 31 December 2006 and such audit work would be undertaken by HLM upon its appointment. The Board does not consider the proposed change of auditors will affect the release of the Company’s annual results for the year ended 31 December 2006.

By order of the Board
Wah Yuen Holdings Limited
But Ka Wai
Chairman

Hong Kong, 18 December 2006

As at the date of this announcement, Mr. But Ching Pui, Mr. But Ka Wai and Mr. But Chai Tong are executive Directors; Ms. Leung Wai Ling and Mr. Ngai Chun Kong, Stephen are non-executive Directors; and Mr. Cheung Yu Yan, Tommy, Mr. Ip Shing Tong, Francis and Mr. Ku Siu Fung, Stephen are the independent non-executive Directors.

Please also refer to the published version of this announcement in The Standard.