



HUA YI COPPER HOLDINGS LIMITED

華藝礦業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 0559)

PROPOSED CHANGE OF AUDITORS

The Board announces that Deloitte has resigned as auditors of the Group with effect from 21 August 2008. The Board proposes to appoint Shu Lun Pan Horwath Hong Kong CPA Limited as the new auditors of the Group to fill the casual vacancy arising from the resignation of Deloitte, subject to confirmation and approval by the shareholders of the Company at the SGM.

A circular containing details of the proposed change of auditors and a notice convening the SGM will be despatched to shareholders of the Company in due course.

The board of directors (the “**Board**”) of Hua Yi Copper Holdings Limited (the “**Company**”) announces that as the Company and Deloitte Touche Tohmatsu (“**Deloitte**”) have not been able to reach an agreement in relation to the terms of engagement, in particular the level of the auditor fee, in respect of the Company’s audit for the financial year ended 30 June 2008, Deloitte resigned as auditors of the Company and its subsidiaries (the “**Group**”) with effect from 21 August 2008.

The Company has received a letter of resignation from Deloitte dated 21 August 2008, in which it is stated that, in reaching a conclusion whether to continue to act for their audit clients, Deloitte has taken into account many factors including the professional risk associated with the audit, the level of audit fees and their available internal resources in the light of the current work flows. In the case of the Company, Deloitte has also taken into account certain weaknesses in the internal controls in respect of the delay in the Company’s provision of underlying documentation relating to certain deposit transactions entered into by the Company as identified at the time of the recent review of the interim results of the Group for the six months ended 31 December 2007 (the “**Relevant Period**”). The interim results of the Group for the Relevant Period were reviewed by the Audit Committee of the Company prior to their publication, and were in compliance with the applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in respect thereof.

Save for the above, Deloitte has confirmed that there were no circumstances connected with its resignation which should be brought to the attention of the shareholders of the Company. The Board and the Audit Committee of the Company also confirm that there are no circumstances in respect of the change of auditors which they consider should be brought to the attention of the shareholders of the Company.

The Board would like to express its appreciation for the professional services of Deloitte to the Group in the past years.

* For identification purposes only

The Board has resolved to appoint Shu Lun Pan Horwath Hong Kong CPA Limited as the new auditors of the Group to fill the casual vacancy arising from the resignation of Deloitte, subject to confirmation and approval by the shareholders of the Company at a special general meeting of the Company (the “SGM”) to be convened by the Company for such purpose.

A circular containing details of the proposed change of auditors and a notice convening the SGM will be despatched to shareholders of the Company in due course.

Notwithstanding the change of auditors, the Board does not expect any interruption in the announcement of the Group’s financial results for the year ended 30 June 2008 in compliance with the requirements under rule 13.46(1) of the Listing Rules.

By order of the Board
Hua Yi Copper Holdings Limited
Chau Lai Him
Chairman and Managing Director

Hong Kong, 2 September 2008

As at the date of this announcement, the board of directors of the Company comprises Mr. Chau Lai Him, Mr. Chu Yuk Kuen, Mr. Chan Sio Keong and Mr. Chan Kwan Hung being the executive directors and Mr. Chung Kam Kwong, Mr. Lee Kin Keung and Mr. Lo Chao Ming being the independent non-executive directors.