



**OCEAN GRAND HOLDINGS LIMITED**

**海域集團有限公司\***

*(incorporated in Bermuda with limited liability)*

(Stock Code: 1220)

## **PROPOSED CHANGE OF AUDITORS**

The Board wishes to announce that the Board proposes to appoint Messrs PricewaterhouseCoopers as the new auditors of the Company and its subsidiaries subject to the approval of the shareholders of the Company to fill the casual vacancy following the resignation of Messrs Moores Rowland Mazars on 17 January 2006.

A circular containing details of the change of auditors and a notice convening a special general meeting will be despatched to the shareholders of the Company as soon as possible.

The board of directors (the “Board”) of Ocean Grand Holdings Limited (the “Company”) wishes to announce that **Messrs Moores Rowland Mazars (“MRM”)** have resigned as auditors of the Company and its subsidiaries (the “Group”) with effect from 17 January 2006 and the Board proposes to appoint **Messrs PricewaterhouseCoopers (“PwC”)** as the new auditors of the Group subject to the approval of the shareholders of the Company at the special general meeting to be held at Unit 3203, 32nd Floor, Admiralty Centre, Tower 1, 18 Harcourt Road, Hong Kong on 14 February 2006 at 10:00 a.m. to fill the casual vacancy following MRM’s resignation and to hold office until the conclusion of the next annual general meeting of the Company.

It is the Group’s policy to maintain a high standard of corporate governance. It is good corporate governance that a company should review the engagement of the current auditors after an appropriate period of time to help to ensure auditors’ independence and objectivity in financial reporting. As part of the policy, the Board has a regular review process on the engagement of auditors. MRM have been the external auditors of the Group for the last five financial years and the Board believes that the change of auditors to PwC is in line with good governance and practice. Since MRM is unable to reach an agreement on the audit fee for the period from 1 January 2005 to 31 March 2006, MRM resigned as auditors of the Group on 17 January 2006. With the change of auditors, the Board believes that the Group is also able to realise cost savings in professional fees.

MRM confirmed that there were no circumstances connected with their resignation which they considered should be brought to the attention of the shareholders or creditors of the Company. The Board confirms that there are no circumstances in respect of the change of auditors which should be brought to the attention of the shareholders of the Company.

MRM completed the audit for the financial statements of the Group for the year ended 31 December 2004. MRM have not yet commenced any audit work on the financial statements of the Group for the period from 1 January 2005 to 31 March 2006. On 19 January 2006, MRM have issued a professional clearance letter to PwC in which MRM confirmed that they are not aware of any professional or other reason why PwC should not accept the appointment as auditors of the Group.

A circular containing details of the change of auditors of the Company will be despatched with a notice of the special general meeting to the shareholders of the Company as soon as possible. A further announcement will be made once the appointment of PwC as auditors of the Company is approved by the shareholders of the Company.

The Board, including all the executive directors (being Mr Yip Kim Po, FHKIoD, Chairman; Mr Hui Ho Ming, Herbert, JP, FHKIoD, Deputy and Vice Chairman; Mr Kwan Man Wai; Mr Kwan Yan; Mr Li Lee Cheung and Ms Yip Wan Fung) and independent non-executive directors (being Mr Choy Tak Ho; Mr Chau Po Fan and Mr Lee Kwan Ho, Vincent Marshall) has been involved in the process and recommend shareholders of the Company to vote in favour of the resolution to be proposed at the special general meeting regarding the appointment of PwC as the new auditors of the Company.

The Board would like to thank MRM for their services and support in the past.

By Order of the Board  
**Yip Kim Po**  
**FHKIoD**  
*Chairman*

Hong Kong, 20 January 2006

As at the date of this announcement, the Board comprises six executive directors, namely Mr Yip Kim Po, FHKIoD (Chairman), Mr Hui Ho Ming, Herbert, JP, FHKIoD (Deputy and Vice Chairman), Mr Kwan Man Wai, Mr Kwan Yan, Mr Li Lee Cheung and Ms Yip Wan Fung, and three independent non-executive directors, namely Mr Choy Tak Ho, Mr Chau Po Fan and Mr Lee Kwan Ho, Vincent Marshall.

*\* For identification purposes only*

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