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WAH YUEN HOLDINGS LIMITED

華園控股有限公司

(incorporated in the Cayman Islands with limited liability)
(stock code: 2349)

ANNOUNCEMENT

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to Rule 13.10 of the Rules Governing the Listing of Securities in the Stock Exchange (the “**Listing Rules**”).

The board (the “**Board**”) of directors (each a “**Director**”) of Wah Yuen Holdings Limited (the “**Company**”) has noted the recent fluctuation in the price of the shares of the Company (the “**Shares**”) and wish to state that it is not aware of any reason for such fluctuation save and except that the Company is now conducting a preliminary negotiation regarding the acquisition of a company engaging principally in manufacturing and selling of health food (the “**Possible Investment**”), it is not aware of any reasons for such fluctuation.

The Possible Investment, if materialised will constitute a notifiable transaction. As at the date of hereof, no terms and conditions of the Possible Investment have been agreed. The Company will comply with the Listing Rules in the event that the Possible Investment materialises.

Save for the above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, and neither is the Board aware of any matter discloseable under the general obligation of disclosure imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

As the Possible Investment may or may not materialise, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

Made by the order of the Board, the Directors collectively and individually accept responsibility for the accuracy of this announcement.

By Order of the Board

But Ka Wai

Chairman

Hong Kong, 18 June 2007

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.