



WAH YUEN HOLDINGS LIMITED 華園控股有限公司

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Wah Yuen Holdings Limited (the “**Company**”) will be held at 2nd Floor, On Shing Industrial Building, Nos. 2-16 Wo Liu Hang Road, Fo Tan, Shatin, New Territories, Hong Kong on Monday, 5 June 2006 at 9:30 a.m. to consider and, if thought fit, passing the following ordinary resolution to be taken by way of poll:

“**THAT:**

- (a) the Rights Issue (as defined below) be and are hereby approved;

For the purpose of this resolution, “**Rights Issue**” means the proposed issue by way of rights of not less than 321,000,000 rights shares (the “**Rights Shares**”) and not more than 339,000,000 Rights Shares at a subscription price of HK\$0.10 per Rights Shares to the shareholders (the “**Qualifying Shareholders**”) of the Company whose names appear on the register of members of the Company on the date by reference to which entitlement under the Rights Issue will be determined (other than those shareholders (the “**Excluded Shareholders**”) with registered addresses outside Hong Kong whom the directors (the “**Directors**”) of the Company, after making relevant enquiry, consider their exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place) in the proportion of three Rights Shares for every two shares then held and otherwise pursuant to and subject to the fulfillment or waiver of the conditions and terms set out in the underwriting agreement (the “**Underwriting Agreement**”) (a copy of which have been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification) dated 4 April 2006 and made between TIS Securities (HK) Limited, being the underwriter, the Company, Mr. But Ka Wai and Mr. But Chai Tong; and

- (b) the Directors be and are hereby authorised to allot and issue the Rights Shares pursuant to the Rights Issue notwithstanding the same may be offered, allotted or, issued otherwise than pro rata to the Qualifying Shareholders and, in particular, the Directors may make such exclusions or other arrangements in relation to Excluded Shareholders as they deem necessary or expedient having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong; and

- (c) the Directors be and are hereby authorised to do all acts and things in connection with the allotment and issue of the Right Shares, the implementation of the Rights Issue and the Underwriting Agreement, the exercise or enforcement of any of the Company's rights under the Underwriting Agreement and to make and agree to make such variations of the terms of the Underwriting Agreement as they may in their discretion consider to be appropriate and desirable and in the best interests of the Company."

Yours faithfully
For and on behalf of
the board of Directors of
Wah Yuen Holdings Limited
But Ka Wai
Chairman

Hong Kong, 17 May 2006

Registered office:
Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
British West Indies

*Head office and principal place of
business in Hong Kong:*
2nd Floor
On Shing Industrial Building
Nos. 2-16 Wo Liu Hang Road
Fo Tan, Shatin
New Territories
Hong Kong

Notes:

1. In case of a recognised clearing house, it may authorise such person(s) as it thinks fit to act as its representative(s) at the meeting and vote in its stead.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's branch registrars in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. In the case of joint holders of shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
4. Delivery of the form of proxy appointing a proxy will not preclude a member from attending and voting in person at the EGM or adjourned meeting.
5. The voting on the resolution will be conducted by way of poll.

As at the date of this announcement, Mr. But Ching Pui, Mr. But Ka Wai, Mr. But Chai Tong and Mr. Chu Kin Wah 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 independent non-executive Directors.

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