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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)

RESULT OF EXTRAORDINARY GENERAL MEETING AND DESPATCH OF PROSPECTUS

The Directors are pleased to announce that the resolution as set out in the notice of EGM was duly passed by the Independent Shareholders at the EGM held on 5 June 2006.

The Prospectus Documents containing further information regarding, among other things, the Rights Issue, including information on dealing in and transfers and acceptances of the Rights Shares and other information in respect of the Group are expected to be despatched to the Qualifying Shareholders on 16 June 2006. The Prospectus is also expected to be despatched to the Excluded Shareholders, for their information only, on the same day.

Reference is made to the announcement (the “**Announcement**”) of the Company dated 7 April 2006 and the circular (the “**Circular**”) of the Company dated 17 May 2006 in relation to the Rights Issue. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular unless otherwise specified herein.

RESULT OF EGM

The EGM was held on 5 June 2006 to consider the resolution approving the Rights Issue. The Directors are pleased to announce that the resolution set out in the notice of EGM contained in the Circular was duly passed by the Independent Shareholders at the EGM.

At the EGM, the ordinary resolution to approve the Rights Issue was duly passed by way of poll by the Independent Shareholders present in the EGM. Mr. KW But and Mr. CT But, being the controlling Shareholders, and their respective associates were abstained from voting and were not counted towards the quorum in respect of the resolution.

As at the date of the EGM, the total number of Shares in issue was 214,000,000 Shares. The Board confirmed that Mr. KW But and Mr. CT But, holding an aggregate of 117,500,000 Shares (representing approximately 54.91% of the issued share capital of the Company), had abstained from voting on the resolution. Accordingly, a total of 96,500,000 Shares (representing approximately 45.09% of the issued share capital of the Company) were held by the Independent Shareholders who were entitled to attend and vote for or against the resolution at the EGM. There was no Shares entitling the Independent Shareholders to attend and vote only against the resolution at the EGM.

The chairman of the EGM had demanded for voting on the resolution by poll. The Board is pleased to announce that the resolution was duly passed by the Independent Shareholders by way of poll at the EGM. There were 14,004,000 votes for the resolution (representing 99.09% of the total votes). There were 128,000 votes against the resolution (representing 0.91% of the total votes).

Tengis Limited, the branch share registrar of the Company in Hong Kong, was appointed as the scrutineer for the vote-taking at the EGM.

The Underwriter, Mr. KW But and Mr. CT But have confirmed that no dealings in the securities of the Company have been made by the Underwriter, Mr. KW But, Mr. CT But and parties acting in concert with them during the period between the date of the Announcement and the date of this announcement.

DESPATCH OF PROSPECTUS

The Prospectus Documents containing further information regarding, among other things, the Rights Issue, including information on dealing in and transfers and acceptances of the Rights Shares and other information in respect of the Group are expected to be despatched to the Qualifying Shareholders on 16 June 2006. The Prospectus is also expected to be despatched to the Excluded Shareholders, for their information only, on the same day.

The latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares is expected at 4:00 p.m. on Monday, 3 July 2006.

Dealings in the Rights Shares in nil-paid form will take place from Tuesday, 20 June 2006 to Wednesday, 28 June 2006 (both dates inclusive). If any of the conditions of the Rights Issue is not fulfilled on or before Thursday, 6 July 2006 (or such later time and/or date as the Company and the Underwriter may agree), or the Underwriting Agreement is terminated, the Rights Issue will not proceed and the Rights Issue will lapse.

Any person contemplating buying or selling the Shares from the date of the Announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in the Rights Shares in their nil-paid form between Tuesday, 20 June 2006 and Wednesday, 28 June 2006 (both dates inclusive), bears the risk that the Rights Issue may not become unconditional and may not proceed.

Any Shareholder or other persons contemplating to deal in the Shares or nil-paid Rights Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled.

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

Hong Kong, 5 June 2006

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; Mr. 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.