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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)

RESULTS OF RIGHTS ISSUE

The Directors are pleased to announce that as at 4:00 p.m. on Monday, 3 July 2006, being the latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares, 274 valid acceptances for provisional allotments of the Rights Shares have been received for an aggregate of 251,421,084 Rights Shares (representing approximately 78.32% of the total number of Rights Shares offered under the Rights Issue) and 1,169 valid applications for excess Rights Shares have been received for an aggregate of 117,461,287 excess Rights Shares (representing approximately 36.59% of the total number of Rights Shares offered under the Rights Issue). Accordingly, an aggregate of 368,882,371 Rights Shares, representing approximately 114.92% of the total number of 321,000,000 Rights Shares offered under the Rights Issue, were applied for by the Qualifying Shareholders.

The Rights Issue, which was underwritten on a fully underwritten basis, became unconditional at 4:00 p.m. on Thursday, 6 July 2006. The Rights Issue was over-subscribed and accordingly, the Underwriter does not have any further obligations under the Underwriting Agreement.

Share certificates for the fully-paid Rights Shares will be despatched by ordinary post to those Qualifying Shareholders who have validly applied and paid for the Rights Shares and excess Rights Shares, at their own risks, on Friday, 7 July 2006. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares will also be despatched by ordinary post at their own risks on Friday, 7 July 2006. Dealings in the fully-paid Rights Shares will commence on Tuesday, 11 July 2006.

Reference is made to the announcement of the Company dated 7 April 2006, the circular of the Company dated 17 May 2006 and the prospectus (the “**Prospectus**”) of the Company dated 16 June 2006 in relation to, among other matters, the Rights Issue. Capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus unless otherwise specified herein.

Pursuant to the Rights Issue, the Qualifying Shareholders were entitled to (i) apply for the Rights Shares with assured allotments at the Subscription Price of HK\$0.10 per Rights Share on the basis of three Rights Share for every two Shares held on the Record Date; and (ii) apply for excess Rights Shares at the same Subscription Price per Rights Share.

RESULTS OF THE RIGHTS ISSUE

The Directors are pleased to announce that as at 4:00 p.m. on Monday, 3 July 2006, being the latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares, 274 valid acceptances for provisional allotments of the Rights Shares have been received for an aggregate of 251,421,084 Rights Shares (representing approximately 78.32% of the total number of Rights Shares offered under the Rights Issue) and 1,169 valid applications for excess Rights Shares have been received for an aggregate of 117,461,287 excess Rights Shares (representing approximately 36.59% of the total number of Rights Shares offered under the Rights Issue). Accordingly, an aggregate of 368,882,371 Rights Shares, representing approximately 114.92% of the total number of 321,000,000 Rights Shares offered under the Rights Issue, were applied for by the Qualifying Shareholders.

The Rights Issue, which was underwritten on a fully underwritten basis, became unconditional at 4:00 p.m. on Thursday, 6 July 2006. Based on the results above, the Rights Issue was over-subscribed and accordingly, the Underwriter does not have any further obligations under the Underwriting Agreement.

EXCESS APPLICATION

The Directors have determined that the 69,578,916 Rights Shares available for excess application would be allotted on the following basis:

Number of excess Rights Shares applied for	Number of valid applications	Approximate percentage of allocation based on the total number of excess Rights Shares applied for in this category <i>(Note)</i>
1 to 3,999	361	100%
4,000 to 27,999	673	99.75%
28,000 to 119,999	82	74.88%
120,000 to 2,399,999	49	60.21%
2,403,998	1	57.07%
3,500,000	1	55.09%
14,800,000	1	53.00%
44,722,000	1	51.98%

Note: Preference was given to topping-up odd lots to whole board lots.

Having taken into consideration the suggestions of the Registrar, the excess Rights Shares were allocated at the discretion of the Directors on a fair and equitable basis by reference to the number of excess Rights Shares applied for by each Qualifying Shareholders, but giving preference to topping-up odd lots to whole board lots.

SHAREHOLDING STRUCTURE

To the best of the Directors' knowledge, the shareholding structure of the Company immediately before and after completion of the Rights Issue is as follows:

<i>Shareholders</i>	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Able Success Group Limited (<i>Note 1</i>)	60,500,000	28.27	151,250,000	28.27
National Chain International Limited (<i>Note 2</i>)	57,000,000	26.63	142,500,000	26.63
Other public Shareholders	<u>96,500,000</u>	<u>45.10</u>	<u>241,250,000</u>	<u>45.10</u>
Total:	<u><u>214,000,000</u></u>	<u><u>100.00</u></u>	<u><u>535,000,000</u></u>	<u><u>100.00</u></u>

Notes:

1. These Shares are wholly and beneficially owned by Mr. KW But, a younger brother of Mr. CT But, an executive Director and a substantial Shareholder.
2. These Shares are wholly and beneficially owned by Mr. CT But, an elder brother of Mr. KW But, an executive Director and a substantial Shareholder.

DESPATCH OF SHARE CERTIFICATES AND COMMENCEMENT OF DEALINGS IN RIGHTS SHARES

Share certificates of the Rights Shares will be despatched by ordinary post to those Qualifying Shareholders who have validly applied and paid for the Rights Shares and excess Rights Shares, at their own risks, on Friday, 7 July 2006. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares will also be despatched by ordinary post at the relevant Qualifying Shareholders' own risks on Friday, 7 July 2006. It is expected that dealings in the fully-paid Rights Shares will commence on Tuesday, 11 July 2006.

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

Hong Kong, 6 July 2006

As at the date of this announcement, Mr. But Ching Pui, Mr. But Ka Wai and Mr. But Chai Tong 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.