



Ministry of Water Resources invested in Wah Yuen under plan Providing Stable Support for Business Development

【1 February 2008 – Hong Kong】 Wah Yuen Holdings Limited (“Wah Yuen Holdings” or “the Group”, stock code:2349) announces that China Environmental Water Holdings Limited (“CEWH”), a wholly-owned subsidiary of the Group, entered into the non-legally binding Memorandum of Understandings (the “MOUs”) with China National Administration Centre for Seabuckthorn Development and Beijing Shan He Lin Environment Planning & Design Centre in relation to the Possible Acquisition on 31 January 2008, proposed acquiring equity interest of Conseco Seabuckthorn Co., Limited (“Seabuckthorn Company”) from both parties. Since China National Administration Centre for Seabuckthorn Development and Beijing Shan He Lin Environment Planning & Design Centre are both wholly-owned by Ministry of Water Resources of the People’s Republic of China (“Ministry of Water resources”), upon completion of the acquisition, Ministry of Water Resources will become one of the shareholders of Wah Yuen Holdings. Through the plan of additional new shares being issued, it will mark as important milestone for Ministry of Water Resources to be invested in Hong Kong listed company.

Under the MOUs, it is proposed that China Environment Water Holdings Limited will acquire separately 18% and 22% equity interest of the Seabuckthorn Company from China National Administration Centre for Seabuckthorn Development and Beijing Shan He Lin Environment Planning & Design Centre. CEWH originally held 50% shares of the Seabuckthorn Company. Last year, the Group acquired 100% shares of CEWH successively and invested HKD 40 Million in Investment Management (Beijing) Co., Ltd. (“Jiang Hai Century”) for acquiring 10% shares,



which made the Group to hold 60% shares of the Seabuckthorn Company. Upon the completion of the Possible Acquisition, Wah Yuen Holdings will wholly own the Seabuckthorn Company.

The consideration for the Possible Acquisition shall be approximately HK\$160,000,000, and it may be settled the Group through issuing consideration shares or other financial instruments at the price of which shall not be more than HK\$1.23 per share.

The Seabuckthorn Company is principally engaged in water and ecological environment construction; exploitation of biological reusable resources; production of seabuckthorn raw material, beverage and products; sale of products made in the PRC. The Seabuckthorn Company is also engaged in forestry, CDM, and agricultural and environmental protection. Ministry of Water Resources will become one of the shareholders of the Group through the Possible Acquisition, providing great support for the future development of the Group and create a more stable foundation for the seabuckthorn business of the Group.

