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WAH YUEN HOLDINGS LIMITED

華園控股有限公司

(incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

The Directors have noted the recent increase in the trading volume of the Shares and wish to state that save for the disposal today of 6,000,000 Shares on the market by NCI Limited, the controlling shareholder of the Company, they are not aware of any reason for such increase. Immediately after the said disposal, the shareholding of NCI Limited will drop from approximately 31.5% to approximately 28.5%.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The directors (“**Directors**”) of Wah Yuen Holdings Limited (the “**Company**”) have noted the recent increase in the trading volume of the shares of the Company (the “**Shares**”) and wish to state that they are not aware of any reasons for such increase save for the following.

The Directors have been notified by National Chain International Limited (“**NCI Limited**”), the controlling shareholder of the Company, that NCI Limited has today disposed of 6,000,000 Shares (representing approximately 3% of the total issued ordinary share capital of the Company) which were disposed on the market at price per Share of HK\$0.55.

Immediately before the transaction and according to the record of the Company, NCI Limited was interested in 63,000,000 Shares representing approximately 31.5% in the Company’s ordinary share capital and immediately after the disposal, NCI Limited was interested in 57,000,000 Shares representing approximately 28.5% in the Company’s ordinary share capital.

After the said disposal, Able Success Group Limited will be the only controlling shareholder (as defined in the Rules Governing the Listing of the Securities on the Stock Exchange) of the Company with approximately 31.5% shareholding interest in the Company’s ordinary share capital.

Save as disclosed above, the Directors are not aware of any negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement or any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement which is or may be of a price-sensitive nature.

This announcement is made by the order of the board of Directors who individually and jointly accept responsibility for the accuracy of this announcement.

By Order of the Board
Lai Wing Kuen
Director

Hong Kong, 17 February 2004