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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)

ANNOUNCEMENT

The Board has noted the recent increase in the trading volume of the shares in the Company and wish to state that save for the disposal of 6,000,000 shares by Mr. But Ching Pui, an executive Director, and Ms. Leung Wai Ling, a non-executive Director and the spouse of Mr. But Ching Pui, they are not aware of any reason for such increase.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

The board (the “**Board**”) of directors (each a “**Director**”) of Wah Yuen Holdings Limited (the “**Company**”) has noted the recent increase in the trading volume of the shares of the Company and wish to state that it is not aware of any reason for such increase save and except that the Company has been informed by Mr. But Ching Pui, an executive Director, and Ms. Leung Wai Ling, a non-executive Director and the spouse of Mr. But Ching Pui, who together sold, for personal reasons, a total of 6,000,000 shares of the Company (the “**Sale Shares**”) (representing 3% of the existing issued share capital of the Company) at the price of HK\$0.36 per share in the market on 3 March 2005 (the “**Disposal**”). The Sale Shares represented 91.30% of the total number of shares of the Company traded on the Stock Exchange on 3 March 2005.

Immediately before the Disposal, Mr. But Ching Pui and Ms. Leung Wai Ling were holding a total of 6,000,000 shares of the Company, representing 3% of the existing issued share capital of the Company. Immediately after the Disposal, Mr. But Ching Pui and Ms. Leung Wai Ling no longer hold shares of the Company.

To the best knowledge of Mr. But Ching Pui and Ms. Leung Wai Ling, the Sale Shares are sold to independent third parties not connected with the Company, any directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates (as defined under the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange). The closing price per share of the Company as quoted on the Stock Exchange on 3 March 2005 was HK\$0.365.

Save as mentioned above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisation which are discloseable under rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is nor may be of a price-sensitive nature.

Made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
But Ka Wai
Chairman

Hong Kong, 3 March 2005

As at the date of this announcement, Mr. But Ching Pui, Mr. But Ka Wai, Mr. But Chai Tong, Mr. Lai Wing Kuen 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 the independent non-executive Directors.