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WAH YUEN HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

Stock code: 2349

POSSIBLE ACQUISITION OF A HEALTH FOOD COMPANY

On 13 November 2007 after trading hours, the Company entered into the Framework Agreement with the Vendor in relation to the Possible Acquisition of the entire equity interest in the Target which is principally engaged in the sale of health food products in the PRC.

The Possible Acquisition may or may not proceed. Shareholders and Investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that on 13 November 2007 after trading hours, the Company entered into the Framework Agreement with the Vendor in respect of the Possible Acquisition of the entire equity interest in the Target.

The Framework Agreement does not constitute legally binding commitment between the Company and the Vendor as to the Possible Acquisition but is legally binding as to other obligations under the Framework Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owner are third parties independent of the Company and its connected person (as defined under the Listing Rules).

The Target is principally engaged in the sale of health food products in the PRC.

The consideration and detail terms of the Possible Acquisition is subject to the negotiation and execution of a formal sale and purchase agreement ("Formal Agreement") between the parties. There is no commitment on the Company to acquire the Target at this stage.

Under the Framework Agreement, the Vendor has given the Company an exclusive right for a period of sixty days from the date of the Framework Agreement (“Long Stop Date”) to finalise the Formal Agreement and during such period the Vendor shall not approach, negotiate with, enter into agreement with or disclose to other parties in relation to the transfer of the equity interest in the Target. In consideration for the granting of such exclusive right, a refundable earnest money of RMB2 million (equivalent to approximately HK\$2.08 million) (“Earnest Money”) will be payable by the Company to the Vendor within five working days from the date of the Framework Agreement. If the parties do not enter into the Formal Agreement on or before the Long Stop Date, the Vendor shall forthwith return the Earnest Money to the Company.

The Possible Acquisition, if materialises, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Further announcement will be made by the Company as and when appropriate.

The Possible Acquisition may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Board”	the Board of directors of the Company
“connected persons”	has the meaning ascribed to it in the Listing Rules
“Company”	Wah Yuen Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Framework Agreement”	the framework agreement dated 13 November 2007 made between the Vendor and the Company relating to the Possible Acquisition
“Target”	上海華源藍科生物制品營銷有限公司 (Shanghai Worldbest Lanke Biological Product Sales Co. Ltd.) a company incorporated in the PRC and is wholly owned by the Vendor

“Possible Acquisition”	The possible acquisition of the entire equity interest in the Target by the Company from the Vendor
“PRC”	The People’s Republic of China
“Shareholders”	holders of ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	上海華源藍科健康產品股份有限公司 (Shanghai Worldbest Lanke Health Food Products Co. Ltd.)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

The English translation of Chinese names is included for information purpose only and should not be regarded as their official English translation.

For the purpose of illustration in this announcement, figures in Renminbi are translated into Hong Kong dollars at the approximate exchange rate of RMB1.04 to HK\$1.00.

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

Hong Kong, 13 November 2007

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