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WAI YUEN TONG MEDICINE HOLDINGS LIMITED
(位元堂藥業控股有限公司) *

(Incorporated in Bermuda with limited liability)

(Stock Code: 897)

ANNOUNCEMENT
RULE 13.09 OF THE LISTING RULES

The Directors noted the increase in the price and trading volume of shares in the Company today and wish to state that the Directors are not aware of any reason for such increase except that the Company is negotiating with the Potential Purchaser in relation to a possible disposal of a property, which may constitute a notifiable transaction for the Company. However, the Board wishes to inform the public and the shareholders of the Company that there is neither concrete plan nor concrete timetable on the disposal as at the date of this announcement. Further announcement will be made as and when appropriate and necessary.

As the negotiation is still on-going and no legally-binding agreement has been reached between the parties, the Proposed Disposal may or may not proceed. **Shareholders and investors shall exercise caution in 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 directors (the “Directors”) of Wai Yuen Tong Medicine Holdings Limited (the “Company”) noted that increase in the price and trading volume of shares in the Company today and wish to state that the Directors are not aware of any reason for such increase except that the Company is negotiating with a potential purchaser (the “Potential Purchaser”) in relation to a possible disposal of a property, which may constitute a notifiable transaction for the Company (the “Proposed Disposal”). The Potential Purchaser is a party who is independent of and not connected with the Company, the directors, chief executives and substantial shareholders of the Company and its subsidiaries and their respective associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). However, the Board wishes to inform the public and the shareholders of the Company that there is neither concrete plan nor concrete timetable on the disposal as at the date of this announcement. Further announcement will be made as and when appropriate and necessary.

Save as disclosed above, the board of Directors (the “Board”) confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules, neither the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

As the negotiation is still on-going and no legally-binding agreement has been reached between the parties, the Proposed Disposal may or may not proceed. **Shareholders and investors shall exercise caution in dealing in the shares of the Company.**

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

By Order of the Board
Wai Yuen Tong Medicine Holdings Limited
Chan Chun Hong, Thomas
Managing Director

Hong Kong, 18 December 2006

** For identification purpose only*

As at the date of this announcement, the Board comprises:

Executive Directors: Tang Ching Ho, Chan Chun Hong Thomas

Independent Non-executive Directors: Leung Wai Ho, Siu Man Ho Simon, Yuen Chi Choi and Cho Wing Mou.

Please also refer to the published version of this announcement in The Standard.