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LEROI HOLDINGS LIMITED

利來控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 221)



WANG ON GROUP LIMITED

(宏安集團有限公司) *

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)



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)

(i) MAJOR AND CONNECTED
TRANSACTIONS IN RELATION TO
ACQUISITIONS OF PORK BUSINESS AND
PROPERTIES FROM CONNECTED PERSON;
(ii) POSSIBLE CONTINUING CONNECTED
TRANSACTION; AND
(iii) RESUMPTION OF TRADING

DISCLOSEABLE TRANSACTIONS –
DISPOSALS OF PORK BUSINESS AND
PROPERTIES

DISCLOSEABLE AND
CONNECTED TRANSACTION – PROVISION OF
FINANCIAL ASSISTANCE TO AN ASSOCIATE

Financial adviser to LeRoi Holdings Limited



KINGSTON CORPORATE FINANCE LIMITED

**Independent Financial Adviser to the Independent Board Committee and
Independent Shareholders of LeRoi Holdings Limited**



Baron Capital Limited

UNUSUAL MOVEMENT IN SHARE PRICE AND TRADING VOLUME IN LEROI

The LeRoi Board noted the decrease in the trading price and the increase in trading volume of the Company's shares on 26 January 2007 and wish to state that save for the Transactions mentioned in this announcement, there are no negotiations or agreements relating to intended acquisitions or realizations discloseable under Rule 13.23 of the Listing Rules, neither is the LeRoi Board aware of any matter discloseable under the general obligations imposed by Rule 13.09 of the Listing Rules, which may be of a price-sensitive nature.

THE FIRST PURCHASE

On 26 January 2007, WOCM (an indirect wholly-owned subsidiary of Wang On) and All Access (an indirect wholly-owned subsidiary of LeRoi) entered into the First Sale and Purchase Agreement pursuant to which All Access has conditionally agreed to acquire and WOCM has conditionally agreed to dispose of the entire issued share capital of Greatest Wealth and a related shareholder's loan in the principal amount of HK\$2.0 million at a total consideration of HK\$8.0 million. The consideration will be payable in cash upon completion of the First Sale and Purchase Agreement. LeRoi intends to finance the consideration with the Financial Assistance from Gain Better, a substantial shareholder of LeRoi which will comply with the strict compliance of the Listing Rules. Greatest Wealth currently operates 10 retail stalls selling fresh pork meat and related produce in the wet markets owned and operated by Wang On.

THE SECOND PURCHASE

On 26 January 2007, Suitbest (an indirect wholly-owned subsidiary of Wang On) and Garwell (an indirect wholly-owned subsidiary of LeRoi) entered into the Second Sale and Purchase Agreement pursuant to which Garwell has conditionally agreed to acquire and Suitbest has conditionally agreed to dispose of the entire issued share capital of Allied Victory and a related shareholder's loan. As at the date of this announcement, the sole assets held by Allied Victory are mainly comprised of the Properties (as herein defined) which are located in Kowloon and are currently leased to tenants who are independent of and not connected with Wang On and its connected persons (as defined in the Listing Rules). Allied Victory has also made a commitment to purchase the New Properties (as herein defined) which are located in Kowloon, at a total consideration of HK\$4.65 million.

In view of the purchase commitment made by Allied Victory, the consideration payable by Garwell under the Second Purchase will be subject to whether the purchase of the New Properties can be completed before the Completion Date. In the event that Allied Victory fails to complete the purchase of the New Properties on or before the Completion Date, the consideration will be approximately HK\$5.3 million (included the shareholder's loan of the principal amount of HK\$5.08 million). In the event that the purchase of the New Properties is completed on or before the Completion Date, the consideration will be approximately HK\$10.2 million (included the shareholder's loan in the principal amount of HK\$9.98 million). The consideration will be payable in cash upon completion of the Second Sale and Purchase Agreement. LeRoi intends to finance the consideration with the Financial Assistance from Gain Better, a substantial shareholder of LeRoi which will comply with the strict compliance of the Listing Rules.

THE LICENSING

Greatest Wealth leases the Retail Spaces from Majorluck (an indirect wholly-owned subsidiary of Wang On) for the operation of its pork retailing business. After completion of the First Purchase, Greatest Wealth will continue to lease the Retail Spaces from Majorluck under the existing License Agreements or new License Agreements in the event that the existing License Agreements have expired. The license fee under the existing License Agreements is HK\$343,078 per month (i.e. HK\$4,116,936 per annum), inclusive of rates and management fees.

FINANCIAL ASSISTANCE

On 26 January 2007, LeRoi and Gain Better, an indirect wholly-owned subsidiary of WYT entered into the Loan Agreement under which Gain Better will grant to LeRoi an unsecured loan facility with a limit of up to HK\$35,000,000. Pursuant to the Loan Agreement, LeRoi has an option to drawdown at any time within 3 years after the date of obtaining the approval of the Independent WYT Shareholders at WYT SGM, on one or more occasions, amounts in the multiple of HK\$500,000 at an interest rate of 6.5% per annum. The LeRoi Board has confirmed that the purpose of this facility is for settling the consideration under the Transactions and for the routine business operations of LeRoi and its subsidiaries.

The LeRoi Board has confirmed that the purpose of this facility is for settling the consideration under the Transactions and for the routine business operations of LeRoi and its subsidiaries. The Loan Agreement was determined after arm's length negotiations between LeRoi and Gain Better. The LeRoi Directors consider that the provision of the unsecured loan facility is in the interests of LeRoi and its shareholders as a whole, and the terms of the Loan Agreement are on normal commercial terms, which are fair and reasonable as far as the shareholders of LeRoi are concerned.

The WYT Directors consider that the provision of the Financial Assistance and the terms of the Loan Agreement are fair and reasonable and in the interest of WYT and its shareholder as a whole.

GENERAL

For LeRoi, Wang On (holds 49% of the shareholding interests in WYT which indirectly holds 25.32% of the shareholding interests in LeRoi as at the date of this announcement) is a connected person of LeRoi by virtue of it being an indirect substantial shareholder of LeRoi, and therefore the Transactions constitute the connected transactions of LeRoi under Chapter 14A of the Listing Rules. The First Purchase in aggregate with the Second Purchase also constitute a major acquisition of LeRoi under Chapter 14 of the Listing Rules. In addition, the Licensing constitutes a possible continuing connected transaction under Rule 14A.34 of the Listing Rules. Since the Licensing is conditional on the completion of First Purchase and Majorluck is a connected person of LeRoi as defined in the Listing Rules, the Licensing constitutes a possible continuing connected transaction under Rule 14A.34 of the Listing Rules.

According to the Listing Rules, the Transactions are subject to the Independent LeRoi Shareholders' approval at the LeRoi EGM, voting by way of poll. Wang On and its associates are required to abstain from voting on the relevant resolutions in respect of the Transactions at the LeRoi EGM. The Licensing constitutes a continuing connected transaction and is exempt from the independent shareholders' approval requirement under the Listing Rules but will be subject to the annual review requirement and the reporting requirement under Rules 14A.37 to 14A.41 and Rules 14A.45 and 14A.46 of the Listing Rules respectively.

An independent board committee will be established to advise the Independent LeRoi Shareholders in relation to the terms of the Transactions. Baron has been appointed as the independent financial adviser to advise the independent board committee of LeRoi and the Independent LeRoi Shareholders in respect of the terms of the First Purchase and the Second Purchase.

A circular containing, among other things, (i) further details of the transactions contemplated under the First Purchase and the Second Purchase; (ii) the Valuation Reports prepared by the independent Valuer Savills and Valuer Vigers; (iii) the letter of recommendation from the independent board committee of LeRoi; (iv) the letter from Baron to the independent board committee of LeRoi and the Independent LeRoi Shareholders; and (v) a notice of the LeRoi EGM, will be despatched to the shareholders of LeRoi as soon as practicable.

For Wang On, the Transactions constitute a discloseable transaction under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the transactions contemplated under the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement will be despatched to the shareholders of Wang On as soon as practicable.

For WYT, since WYT proposes to provide the Financial Assistance to LeRoi for the benefit of Wang On, a connected person of WYT, in relation to a series of transactions as disclosed herein under the First Purchase and the Second Purchase, the Financial Assistance constitutes a discloseable transaction and connected transaction of WYT under Rule 14.06(2) and Rule 14A.13(3) of the Listing Rules.

According to the Listing Rules, the Financial Assistance is subject to the Independent WYT Shareholders' approval at the WYT SGM, voting by way of poll. Wang On and its associates are required to abstain from voting on the relevant resolutions in respect of the Financial Assistance at the WYT SGM.

An independent board committee of WYT will be established to advise the Independent WYT Shareholders on the Financial Assistance and an independent financial adviser will be appointed to advise the independent board committee of WYT and the Independent WYT Shareholders in this respect.

A circular containing, among other things, (i) further details of the transactions contemplated under the Financial Assistance; (ii) the letter of recommendation from the independent board committee of WYT; (iii) the letter from the independent financial adviser to the independent board committee of WYT and the Independent WYT Shareholders; and (iv) a notice of the WYT SGM, will be despatched to the shareholders of WYT as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING

At the request of LeRoi, trading in the shares of LeRoi on the Stock Exchange was suspended from 9:30 a.m. on Monday, 29 January 2007 pending the release of this announcement. Applications have been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on Monday, 5 February 2007.

UNUSUAL MOVEMENT IN SHARE PRICE AND TRADING VOLUME IN LEROI

The LeRoi Board noted the decrease in the trading price and the increase in trading volume of the shares of LeRoi on 26 January 2007 and wish to state that save for the Transactions mentioned in this announcement, there are no negotiations or agreements relating to intended acquisitions or realizations discloseable under Rule 13.23 of the Listing Rules, neither is the LeRoi Board aware of any matter discloseable under the general obligations imposed by Rule 13.09 of the Listing Rules, which may be of a price-sensitive nature.

SALE AND PURCHASE OF PORK BUSINESS

The First Purchase

Date: 26 January 2007

Parties:

Vendor: WOCM, an indirect wholly-owned subsidiary of Wang On and a connected person of LeRoi and All Access

Purchaser: All Access, an indirect wholly-owned subsidiary of LeRoi and an indirect associate of Wang On and not a connected person of Wang On (as defined in the Listing Rules)

Subject to be acquired

Pursuant to the First Sale and Purchase Agreement, All Access has conditionally agreed to acquire and WOCM has conditionally agreed to dispose of the entire issued share capital, being 100 shares, of Greatest Wealth and a related shareholder's loan in the principal amount of HK\$ 2.0 million at a total consideration of HK\$ 8.0 million. Greatest Wealth currently operates 10 retail stalls selling fresh pork meat and related produce in the wet markets owned and operated by Wang On.

Consideration and payment terms

The total consideration of HK\$8.0 million (including the shareholder's loan) will be payable in cash on completion of the First Purchase. Upon completion of the First Sale and Purchase Agreement, the consideration will be payable with financial assistance by WYT, a substantial shareholder of LeRoi which will comply with the strict compliance of the Listing Rules. In the event that WYT fails to obtain Independent WYT Shareholders' approval in relation to the Financial Assistance at the WYT SGM, LeRoi will be allowed to settle the abovementioned consideration within 3 years, at an interest rate of 6.5% per annum, from the date of completion of the Transactions.

The consideration was determined after arm's length negotiation between WOCM and All Access with reference to, among other things, i) the unaudited profits before tax of Greatest Wealth of approximately HK\$1.09 million for the eight months ended 30 November 2006; ii) unexploited market potential of the pork business; and (ii) approximately 7 times average price-earning ratio of 4 similar companies (which are principally engaged in the food retailing business) listed on the Stock Exchange. The LeRoi Directors are in the view that the consideration paid for the acquisition of Greatest Wealth be reasonable as compared with some companies which operate similar business.

The LeRoi Directors and the Wang On Directors consider the terms under the First Sale and Purchase Agreement to be fair and reasonable and to be in the interests, respectively, of LeRoi (and its shareholders as a whole) and of Wang On (and its shareholders as a whole).

Conditions precedent of the First Sale and Purchase Agreement

Completion of the transactions under the First Sale and Purchase Agreement is conditional upon, among others:

1. no change, effect, event, occurrence, state of facts or development that could reasonably be expected to be materially adverse to the business, financial condition or results of operations or prospects of Greatest Wealth having occurred between 30 November 2006 and the Completion Date;
2. the shareholders of LeRoi approving in an extraordinary general meeting the First Sale and Purchase Agreement and other transactions contemplated by or incidental thereunder in accordance with the requirements of the Listing Rules;
3. a certified copy of resolution of the directors of All Access and WOCM resolving to approve, respectively the sale and purchase of the 100 shares of Greatest Wealth and a related shareholder's loan in the principal amount of HK\$ 2.0 million to All Access;
4. WOCM assigning the shareholder's loan in the principal amount of HK\$ 2.0 million to All Access under a deed of assignment between WOCM, Greatest Wealth and All Access;
5. all licenses relating to the Retail Spaces being renewed (as the case may be), validly held and maintained by Greatest Wealth at the time of completion of the First Sale and Purchase Agreement; and
6. there being no breach of the warranties, representations and indemnities made by WOCM to All Access under the First Sale and Purchase Agreement.

If any of the above conditions has not been fulfilled on or before 26 March 2007 (or such later date as agreed between the parties), the First Sale and Purchase Agreement shall terminate and cease to be of any further effect save in respect of claims arising out of any antecedent breach of the First Sale and Purchase Agreement.

Completion

Completion shall take place on the Completion Date. Thereafter, Greatest Wealth will cease to be an indirect wholly-owned subsidiary of Wang On and become an indirect wholly-owned subsidiary of LeRoi.

Information on Greatest Wealth

Greatest Wealth, an indirect wholly-owned subsidiary of Wang On, is principally engaged in operating 10 retail stalls selling fresh pork meat and related produce in the wet markets owned and operated by Wang On. These 10 stalls are located in districts in the New Territories of Hong Kong. Wang On manages and operates wet markets in Hong Kong and leases retail stalls or spaces to wet market retailers. It also operates wet market retailing through and only through Greatest Wealth in selling fresh pork meat and related produce. Greatest Wealth leases the Retail Spaces from Majorluck for the operation of its pork retailing business. After completion of the First Purchase, Greatest Wealth will continue to lease the Retail Spaces from Majorluck under the existing License Agreements or new License Agreements in the event that the existing License Agreements have expired. The existing License Agreements entered into between Greatest Wealth and Majorluck constitute a possible continuing connected transaction of LeRoi, details of which are shown in the section “Reasons for the License Agreements” below.

Greatest Wealth recorded audited net profits before and after tax of HK\$263,959 and HK\$217,771 for the year ended 31 March 2005 and HK\$486,984 and HK\$398,173 respectively for the year ended 31 March 2006. For the eight months ended 30 November 2006, the unaudited profits before and after tax was approximately HK\$ 1,090,000 and HK\$900,000 respectively. The growth of the net profits after tax of approximately 126% from HK\$398,173 for the year ended 31 March 2006 to HK\$900,000 for the period ended 30 November 2006 was mainly due to efficient cost control measures implemented by the management of Wang On.

The audited net assets of Greatest Wealth were HK\$1,487,409 and HK\$1,885,582 as at 31 March 2005 and 31 March 2006 respectively. The unaudited net assets as at 30 November 2006 decreased to approximately HK\$100 as a result of dividend payments made during the period.

Undertaking by Wang On

Wang On has undertaken to LeRoi that it will, in the future after the completion of the First Purchase refrain from operating pork retailing stalls in Hong Kong wet markets, which may compete with the pork retailing business of Greatest Wealth, and that it will give the first right of refusal to the LeRoi Group in operating any business similar to that of Greatest Wealth whenever such opportunities arise to Wang On in the future.

Management experience of LeRoi

The existing management of LeRoi has considerable experience in managing different business, and in view of two newly appointed executive directors who have over 15 years’ experience in commercial business, the present management of LeRoi has sufficient manpower and experience to manage the new business.

One of the newly appointed executive directors, Mr. Chan Chun Hong Thomas has substantial experiences in corporate management and development and has expertise in property investment, management and sub-licensing of Chinese wet markets, shopping centres and car parks, pharmaceutical and health products related business. He is currently also the executive director of Wang On (the ultimate holding company of Greatest Wealth) and is in charge of the overall management and decision making of Greatest Wealth. In view of Mr. Chan’s overall working experiences, he is fit for managing the new business of wet market retailing and property investment.

Another newly appointed executive director, Mr. Cheung Wai Kai Alvin has over 10 years' experience in handling and managing the wet market retail business and properties management business of Wang On Group. He is one of the chief figures who will oversee the wet market business and the property management business of LeRoi. In addition, he has considerable experience in dealing with the Housing Authority and The Link Real Estate Investment Trust.

Having considered the above, the LeRoi Directors are of the view that the existing management of LeRoi has sufficient talent and experience to manage the new business.

SALE AND PURCHASE OF PROPERTIES

The Second Purchase

Date: 26 January 2007

Parties:

Vendor: Suitbest, an indirect wholly-owned subsidiary of Wang On and a connected person of LeRoi and Garwell

Purchaser: Garwell, an indirect wholly-owned subsidiary of LeRoi and an indirect associate of Wang On and not a connected person of Wang On (as defined in the Listing Rules)

Subject to be acquired

Pursuant to the Second Sale and Purchase Agreement, Garwell has conditionally agreed to acquire and Suitbest has conditionally agreed to dispose of the entire issued share capital, being 2 shares, of Allied Victory and a related shareholder's loan. As at the date of this announcement, the sole assets held by Allied Victory are mainly comprised of the Properties which are located in Kowloon of Hong Kong and are currently leased to tenants who are independent of and not connected with Wang On and its connected persons (as defined in the Listing Rules). Allied Victory has also made a commitment to purchase the New Properties which are located in Kowloon of Hong Kong, for a total consideration of HK\$4.65 million. The New Properties are currently used for residential purposes and are subject to existing tenancy agreements. The consideration to be paid for each of the New Properties is approximately HK\$2.66 million and approximately HK\$1.99 million respectively, giving a total consideration of approximately HK\$4.65 million.

Consideration and payment terms

In view of the purchase commitment made by Allied Victory, the consideration payable by Garwell under the Second Sale and Purchase Agreement will be subject to whether the purchase of the New Properties can be completed before the Completion Date.

In the event that Allied Victory fails to complete the purchase of the New Properties on or before the Completion Date, the consideration will be approximately HK\$5.3 million (included the shareholder's loan in the principal amount of HK\$5.08 million). In the event that the purchase of the New Properties is completed on or before the Completion Date, the consideration will be approximately HK\$10.2 million (included the shareholder's loan in the principal amount of HK\$9.98 million). The increase in the shareholder's loan from HK\$5.08 million to HK\$9.98 million is mainly due to the purchase of the New Properties. The consideration under the Second Sale and Purchase Agreement will be payable with financial assistance by WYT, a substantial shareholder of LeRoi which will comply with the strict compliance of the Listing Rules. In the event that WYT fails to obtain Independent WYT Shareholders' approval in relation to the Financial Assistance at the WYT SGM, LeRoi will be allowed to settle the abovementioned consideration within 3 years, at an interest rate of 6.5% per annum, from the date of completion of the Transactions.

The considerations above were determined after arm's length negotiation between Suitbest and Garwell with reference to the valuation as at 26 January 2007 prepared by Valuer Savills in respect of the Properties at a value of HK\$5.3 million (for Properties) and HK\$10.2 million (for the Properties and the New Properties). The LeRoi Directors and the Wang On Directors consider the terms under the Second Sale and Purchase Agreement to be fair and reasonable and to be in the interests, respectively, of LeRoi (and its shareholders as a whole) and of Wang On (and its shareholders as a whole).

Conditions precedent of the Second Sale and Purchase Agreement

Completion of the transactions under the Second Sale and Purchase Agreement is conditional upon, among others:

1. no change, effect, event, occurrence, state of facts or development that could reasonably be expected to be materially adverse to the business, financial condition or results of operations or prospects of Allied Victory having occurred between 30 November 2006 and the Completion Date;
2. the shareholders of LeRoi approving in an extraordinary general meeting the Second Sale and Purchase Agreement and other transactions contemplated in or incidental thereunder in accordance with the requirements of the Listing Rules;
3. a certified copy of a resolution of the directors of Garwell and Suitbest resolving to approve, respectively, the sale and purchase of the 2 shares of Allied Victory and a related shareholder's loan in the principal amount of HK\$5.08 or HK\$9.98 million, as the case may be;
4. Suitbest assigning the shareholder's loan in the principal amount of HK\$5.08 million or HK\$9.98 million, as the case may be, to Garwell under a deed of assignment between Suitbest, Allied Victory and Garwell;
5. Suitbest procuring the issuance of the Valuation Report; and
6. there being no breach of the warranties, representations and indemnities made by Suitbest to Garwell under the Second Sale and Purchase Agreement.

If any of the above conditions has not been fulfilled on or before 26 March 2007 (or such later date as may be agreed between the parties), the Second Sale and Purchase Agreement shall terminate and cease to be of any further effect save in respect of claims arising out of any antecedent breach of the Second Sale and Purchase Agreement.

Completion

Completion shall take place on the Completion Date. Thereafter, Allied Victory will cease to be an indirect wholly-owned subsidiary of Wang On and become an indirect wholly-owned subsidiary of LeRoi.

Information on Allied Victory

Allied Victory, an indirect wholly-owned subsidiary of Wang On, is an investment holding company and its principal assets include the Properties and, subject to the completion of the sale and purchase of the New Properties, the New Properties. The Properties and the New Properties are described below:

Address	Status
<i>Properties</i>	
1. 7/F., No. 33 Wong Chuk Street, Kowloon, Hong Kong	Leasing out
2. 7C, Dun Tak Mansion, 33-35 Dundas Street, Kowloon, Hong Kong	Vacant under renovation
3. 9/F., Yu Chao Building, 10 Shek Kip Mei Street, Kowloon, Hong Kong	Leasing out
4. 8/F., 253 Tai Nan Street, Shamshuipo, Kowloon, Hong Kong	Leasing out
<i>New Properties</i>	
5. Room 137, 7/F., International Building, 137 Sai Yee Street, Mongkok, Kowloon, Hong Kong	Purchase to be completed on 28 February 2007
6. Room 137A and 137B, 8/F., International Building, 137 Sai Yee Street, Mongkok, Kowloon, Hong Kong	Purchase to be completed on 28 February 2007

Allied Victory holds the legal and beneficial title to the Properties as at the date of this announcement and will hold the legal and beneficial title to the New Properties subject upon completion of such purchase. The Properties acquired and the New Properties to be acquired are from independent third parties not connected with the Wang On Group and the LeRoi Group and their respective connected persons (as defined in the Listing Rules). Properties (1), (3) and (4) are currently leased to independent third parties with terms ranging from one year to two years and the aggregate monthly gross rental income generated for Allied Victory amounts to about HK\$28,400.

Since Allied Victory commenced its business in October 2006, no audited financial figures are available as at the date of this announcement. The unaudited net liabilities of Allied Victory as at 30 November 2006 was HK\$6,852 and the unaudited net loss of Allied Victory was HK\$6,854 for the period ended 30 November 2006.

REASONS FOR THE TRANSACTIONS

The LeRoi Group is principally engaged in the trading of fashion apparel to the market in the PRC.

The Wang On Group is principally engaged in property development, property investment, management and sub-licensing of wet markets, shopping centres, car parks and retail business in Hong Kong. It also has interests in the pharmaceutical business through its investments in Wai Yuen Tong Medicine Holdings Limited, a company listed on the Stock Exchange.

As stated in the paragraphs under sections “Sale and Purchase of Pork Business” and “Sale and Purchase of Properties” of this announcement, the shares of Greatest Wealth and Allied Victory are currently indirectly held by Wang On. Greatest Wealth recorded audited net profits before and after tax of HK\$486,984 and HK\$398,173 respectively for the year ended 31 March 2006 and Allied Victory generates monthly gross rental income of about HK\$28,400 from three of the Properties which are leased to independent third parties.

LeRoi recorded turnovers of HK\$21.54 million and HK\$78.8 million for the six months ended 30 September 2006 and the year ended 31 March 2006 respectively. The net losses for the respective period were HK\$1.08 million and HK\$39.4 million.

For Wang On Group, the Transactions are expected to realize a total gain of approximately HK\$2.17 million in respect of which (i) approximately HK\$1.95 million will be from the disposal of Greatest Wealth (the pork business) and (ii) approximately HK\$220,000 will be from the disposal of Allied Victory (the property business). The proceeds from the Transactions will be used for the core businesses of Wang On which is property investment, management and sub-licensing of Chinese wet market.

The LeRoi Directors consider that after completion of the acquisitions of Greatest Wealth and Allied Victory, the LeRoi Group can diversify into new areas of business which are wet market retailing and property investment. Hong Kong comprises more than 20 districts. As Greatest Wealth currently operates only 10 stalls in 5 districts of the New Territories of Hong Kong, there is better potential for Greatest Wealth to increase the number of stalls in the remaining districts. Having considered the profit margin to be earned by Allied Victory and the market potential not yet exploited by Greatest Wealth, the LeRoi Directors are of the view that the pork business of Greatest Wealth will be profitable and the rental receiving by Allied Victory will provide steady cash flow in the long run. Nevertheless, but in light of the increasing competition and continuous loss-making from the fashion apparel business of LeRoi Group, the LeRoi Directors believe that the acquisitions of Greatest Wealth and Allied Victory can i) strengthen the revenue stream of the LeRoi Group; ii) reduce the risk in reliance on a single line of business; and iii) mitigate the continuous loss-making in the fashion apparel business. The LeRoi Directors are of the view that the LeRoi Group has sufficient management experience and expertise in the proposed new areas of business.

The Wang On Directors are of the view that Wang On Group will be able to focus more of its resources on its core business upon completion of the Transactions. In addition, given that the considerations for the acquisitions of Greatest Wealth and Allied Victory were determined with reference to the audited and latest management account profit figures of Greatest Wealth and the fair market price of the Properties and New Properties determined by Valuer Savills. The LeRoi Directors and the Wang On Directors consider the terms under the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement to be fair and reasonable and to be in the interests of, respectively, of LeRoi (and its shareholders as a whole) and of Wang On (and its shareholders as a whole).

THE LICENSING

License Agreements

Parties

Licensor: Majorluck, an indirect wholly-owned subsidiary of Wang On

Licensee: Greatest Wealth, an indirect wholly-owned subsidiary of Wang On (before completion of the First Purchase) and to be an indirect wholly-owned subsidiary of LeRoi (upon completion of the First Purchase) and not a connected person of Wang On (as defined in the Listing Rules)

Licensed Property: The Retail Spaces with a total lettable area of approximately 3,037 sq.ft and located at the following:

Retail Spaces Address:	Expiry Date
1. Stall No. FT25, G/F., Fu Tung Shopping Centre, New Territories	31 January 2007
2. Shop No. C51, The Market G/F., Chung On Shopping Centre, Chung On Estate, Ma On Shan, Shatin, New Territories	31 January 2007
3. Stall No. C53, G/F., Chung On Shopping Centre, Chung On Estate, Ma On Shan, Shatin, New Territories	31 January 2007
4. Stall No. C56, G/F., Chung On Shopping Centre, Chung On Estate, Ma On Shan, Shatin, New Territories	31 January 2007
5. Stall No. H29, The Market G/F., Hau Tak Shopping Centre, Tseung Kwan O, New Territories	31 January 2007
6. Stall No. H40, The Market G/F., Hau Tak Shopping Centre, Tseung Kwan O, New Territories	31 January 2007
7. Stall No. H67, The Market G/F., Hau Tak Shopping Centre, Tseung Kwan O, New Territories	31 January 2007
8. Stall No. K13, Kai Tin (Allmart) Chinese Market, G/F., Kai Tin Shopping Centre, Kai Tin Estate, New Territories	15 March 2008
9. Stall No. K66 & K67, Kai Tin (Allmart) Chinese Market, G/F., Kai Tin Shopping Centre, Kai Tin Estate, New Territories	15 March 2008
10. Stall No. TS43, G/F., Tin Shing Shopping Centre, Tin Shing Court, Tin Shui Wai, New Territories	31 October 2008

License fee: HK\$343,078 per month (i.e. HK\$4,116,936 per annum), inclusive of rates and management fees.

Maximum aggregate annual value for the License Agreements

The annual amount payable by Greatest Wealth to Majorluck under the existing License Agreements (inclusive of rates and management fees) for each of the two financial years ending 31 March 2008 will be approximately HK\$4,532,000 and HK\$5,000,000 respectively. The caps above are determined with reference to the valuation as at 26 January 2007 prepared by Valuer Vigers in respect of the Retail Spaces which provides a valuation of HK\$4,532,000.

Renewal of license agreements

The LeRoi Directors have confirmed that some of the License Agreements have expired on 31 January 2007 (the “Expired License Agreements”) and that new License Agreements have yet to be entered into between Greatest Wealth and Majorluck for a fixed term.

The Expired License Agreements have expired in conjunction with the expiry of the relevant head tenancy agreement (which also expired on 31 January 2007) under which Majorluck leases the relevant premises from the Housing Authority. Having made enquiries with the Housing Authority, the Wang On Directors have confirmed to the LeRoi Directors that the existing tenancy agreement between Majorluck and the Housing Authority will continue on a monthly basis until such time as (i) the parties enter into a new tenancy agreement, (ii) 1 month after the Housing Authority gives notice to Majorluck of its intention to terminate or (iii) the parties agree to terminate on a specified date.

The LeRoi Board and the Wang On Board noted that provided the existing monthly periodic tenancy agreement between Majorluck and the Housing Authority is not terminated, Majorluck is entitled to sub-lease the relevant Retail Spaces to Greatest Wealth on a monthly basis and on the same terms as the Expired License Agreements. Upon the finalisation of the new head tenancy agreement with the Housing Authority for a normal term of 2 years, Majorluck will enter into new license agreements with Greatest Wealth for a fixed term. The Wang On Directors have also confirmed to the LeRoi Directors that they will procure Majorluck to i) finalise and enter into a new tenancy agreement with the Housing Authority and ii) enter into new license agreements to replace the Expired License Agreements before completion of the First Purchase or no later than March 2007.

Reasons for the License Agreements

The Retail Spaces are currently used by Greatest Wealth for the operation of its pork retailing business. Greatest Wealth leases the Retail Spaces from Majorluck under the License Agreements for an aggregate monthly license fee of HK\$343,078 (inclusive of rates and management fees). Upon completion of the First Purchase and the transfer of the shares in Greatest Wealth (including all rights under the License Agreements) to All Access, Greatest Wealth will continue to lease the Retail Spaces from Majorluck.

The LeRoi Directors are of the view that the License Agreements were entered into after arm’s length negotiation between Greatest Wealth and Majorluck on normal commercial terms and are fair and reasonable and in the interests of the shareholders of LeRoi as a whole.

FINANCIAL ASSISTANCE

The Loan Agreement

Date: 26 January 2007

Parties:

Lender: Gain Better, an indirect wholly-owned subsidiary of WYT

Borrower: LeRoi, an indirect associate of WYT

Facility amount: A maximum aggregate principal amount of up to HK\$35,000,000

Facility period: at any time during the period commencing on 29 January 2007 and ending on but excluding the earlier of (i) the date falling 3 years after the date of the Loan Agreement or such later date as Gain Better may agree in writing; and (ii) the date on which the loan facility is terminated under the provisions of the Loan Agreement.

Interest rate: 6.5% per annum on the amount drawn under the loan facility shall be paid by LeRoi at the maturity date of the Loan Agreement.

Pursuant to the Loan Agreement, the loan facility can be drawn by LeRoi on the date after obtaining the approval of the Independent WYT Shareholders at WYT SGM in a multiple of HK\$500,000. LeRoi shall repay the aggregate principal amount drawn together with interests on or before the date falling 36 months after the date of the Loan Agreement, or such later date (if any) as Gain Better and LeRoi may agree in writing. The loan facility will be financed by the internal resources of the WYT Group.

Reasons for Entering into the Loan Agreement

As at the date of this announcement, Gain Better, an indirect wholly-owned subsidiary of WYT, holds approximately 25.32% of the shareholding interests in LeRoi. The WYT Directors consider that since LeRoi is an associate company of WYT, providing the Financial Assistance to LeRoi will facilitate the business development of the LeRoi Group and may in turn improve returns to the WYT Group in the long run. Gain Better has been informed by LeRoi that the loan facility is intended to be utilized by LeRoi to settle the consideration under the Transactions and for the routine business operations and general working capital of LeRoi Group.

The LeRoi Board has confirmed that the purpose of this facility is for settling the consideration under the Transactions and for the routine business operations of LeRoi and its subsidiaries. The Loan Agreement was determined after arm's length negotiations between LeRoi and Gain Better. The LeRoi Directors consider that the provision of the unsecured loan facility is in the interests of LeRoi and its shareholders as a whole, and the terms of the Loan Agreement are on normal commercial terms, which are fair and reasonable as far as the shareholders of LeRoi are concerned.

The WYT Directors consider that the provision of the Financial Assistance and the terms of the Loan Agreement are fair and reasonable and in the interest of WYT and its shareholder as a whole.

GENERAL

The WYT is principally engaged in the production and sale (i) traditional Chinese medicine which includes Chinese medicinal products sold under the brand name of "Wai Yuen Tong" and a range of products manufactured by selected medicinal materials with traditional prescription, mainly in the PRC and Hong Kong; and (ii) western pharmaceutical products under the brand name of "Madame Pearl's".

For LeRoi, Wang On (holds 49% of the shareholding interests in WYT which indirectly holds 25.32% of the shareholding interests in LeRoi as at the date of this announcement) is a connected person of LeRoi by virtue of it being an indirect substantial shareholder of LeRoi and therefore the Transactions constitute the connected transactions of LeRoi under Chapter 14A of the Listing Rules. The First Purchase in aggregate with the Second Purchase also constitute a major acquisition of LeRoi under Chapter 14 of the Listing Rules. Since the Licensing is conditional on the completion of First Purchase and Majorluck is a connected person of LeRoi as defined in the Listing Rules, the Licensing constitutes a possible continuing connected transaction under Rule 14A.34 of the Listing Rules.

According to the Listing Rules, the Transactions are subject to the Independent LeRoi Shareholders' approval at the LeRoi EGM, voting by way of poll. Wang On and its associates are required to abstain from voting on the relevant resolutions in respect of the Transactions at the LeRoi EGM. The Licensing constitutes a continuing connected transaction and is exempt from the independent shareholders' approval requirement under the Listing Rules but will be subject to the annual review requirement and the reporting requirement under Rules 14A.37 to 14A.41 and Rules 14A.45 and 14A.46 of the Listing Rules respectively.

An independent board committee will be established to advise the Independent LeRoi Shareholders in relation to the terms of the Transactions. Baron has been appointed as the independent financial adviser to advise the independent board committee of LeRoi and the Independent LeRoi Shareholders in respect of the terms of the First Purchase and the Second Purchase.

A circular containing, among other things, (i) further details of the transactions contemplated under the First Purchase and the Second Purchase; (ii) the Valuation Reports prepared by the independent Valuer Savills and Valuer Vigers; (iii) the letter of recommendation from the independent board committee of LeRoi; (iv) the letter from Baron to the independent board committee of LeRoi and the Independent LeRoi Shareholders; and (v) a notice of the LeRoi EGM, will be despatched to the shareholders of LeRoi as soon as practicable.

For Wang On, the Transactions constitute a discloseable transaction under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the transactions contemplated under the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement will be despatched to the shareholders of Wang On as soon as practicable.

For WYT, since WYT proposes to provide the Financial Assistance to LeRoi for the benefit of Wang On, a connected person of WYT, in relation to a series of transactions as disclosed herein under the First Purchase and the Second Purchase, therefore the Financial Assistance constitutes a discloseable transaction and connected transaction of WYT under Rule 14.06(2) and Rule 14A.13(3) of the Listing Rules.

According to the Listing Rules, the Financial Assistance is subject to the Independent WYT Shareholders' approval at the WYT SGM, voting by way of poll. Wang On and its associates are required to abstain from voting on the relevant resolutions in respect of the Financial Assistance at the WYT SGM.

An independent board committee of WYT will be established to advise the Independent WYT Shareholders on the Financial Assistance and an independent financial adviser will be appointed to advise the independent board committee of WYT and the Independent WYT Shareholders in this respect.

A circular containing, among other things, (i) further details of the transactions contemplated under the Financial Assistance; (ii) the letter of recommendation from the independent board committee of WYT; (iii) the letter from the independent financial adviser to the independent board committee of WYT and the Independent WYT Shareholders; and (iv) a notice of the WYT SGM, will be despatched to the shareholders of WYT as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING

At the request of LeRoi, trading in the shares of LeRoi on the Stock Exchange was suspended from 9:30 a.m. on Monday, 29 January 2007 pending the release of this announcement. Applications have been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on Monday, 5 February 2007.

DEFINITIONS

“All Access”	All Access Limited, an indirect wholly-owned subsidiary of LeRoi and a company incorporated in the British Virgin Islands with limited liability
“Allied Victory”	Allied Victory Investment Limited, an indirect wholly-owned subsidiary of Wang On and a company incorporated in Hong Kong with limited liability
“associate(s)”	has the meaning ascribed thereto in the Listing Rules

“Baron”	Baron Capital Limited, which is a licensed corporation under the Securities and Futures Ordinance (SFO) permitted to carry on types 1 (dealing in securities) and 6 (advising on corporate finance) regulated activities (as defined in the SFO) and the independent financial adviser to the independent board committee of LeRoi and the Independent LeRoi Shareholders
“Business Day”	means a day other than Saturday, Sunday or public holiday in Hong Kong
“Completion Date”	the first Business Day after the day on which the last conditions precedent under the First Sale and Purchase Agreement or the Second Sale and Purchase Agreement, as the case may be, is satisfied (or such other date as may be agreed between the parties)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Financial Assistance”	the financial assistance provided by WYT, through its indirect wholly-owned subsidiary to LeRoi under the Loan Agreement
“First Purchase”	the purchase of entire issued share capital of Greatest Wealth and a related shareholder’s loan in accordance with the terms and conditions of the First Sale and Purchase Agreement
“First Sale and Purchase Agreement”	the conditional sale and purchase agreement dated as of 26 January 2007 entered into between WOCM and All Access in respect of the sale and purchase of the entire issued share capital of Greatest Wealth and a related shareholder’s loan
“Gain Better”	Gain Better Investments Limited, an indirect wholly-owned subsidiary of WYT and a company incorporated in the British Virgin Islands, directly held 25.32% interests in LeRoi
“Garwell”	Garwell Investments Limited, an indirect wholly-owned subsidiary of LeRoi and a company incorporated in the British Virgin Islands with limited liability
“Greatest Wealth”	Greatest Wealth Limited, an indirect wholly-owned subsidiary of Wang On and a company incorporated in Hong Kong with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“House Authority”	Hong Kong Housing Authority
“Independent LeRoi Shareholders”	shareholders of LeRoi, other than Wang On and its associates and those who are required to abstain from voting under the Listing Rules and their respective associates (if any)
“Independent WYT Shareholders”	shareholders of WYT, other than Wang On and its associates and those who are required to abstain from voting under the Listing Rules and their respective associates (if any)
“LeRoi”	LeRoi Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“LeRoi Board”	the board of directors of LeRoi
“LeRoi Directors”	the directors of LeRoi, including the independent non-executive directors of LeRoi

“LeRoi EGM”	the extraordinary general meeting of LeRoi to be convened for considering and, if though fit, approving, among other matters, the First Sale and Purchase Agreement and the Second Sale and Purchase Agreement and the transactions contemplated thereunder
“LeRoi Group”	LeRoi and its subsidiaries
“Licensing”	Leasing of the Retail Spaces by Greatest Wealth from Majorluck in accordance with the License Agreements
“License Agreements”	the 10 existing license agreements entered into between Greatest Wealth as licensee and Majorluck as licensor in respect of the Retail Spaces
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated as of 26 January 2007 entered into between Gain Better and LeRoi pursuant to which Gain Better agreed to provide the loan facility to LeRoi upon and subject to the terms and conditions contained therein
“Majorluck”	Wang On Majorluck Limited or Majorluck Limited, as the case may be, both of which are indirect wholly-owned subsidiaries of Wang On and companies incorporated in Hong Kong with limited liability
“New Properties”	Room 137, 7/F., International Building, 137 Sai Yee Street, Mongkok, Kowloon, Hong Kong Room 137A and 137B, 8/F., International building, 137 Sai Yee Street, Mongkok, Kowloon, Hong Kong
“PRC”	the People’s Republic of China
“Properties”	1. 7/F., No. 33 Wong Chuk Street, Kowloon Hong Kong 2. 7C, Dun Tak Mansion, 33-35 Dundas Street, Kowloon, Hong Kong 3. 9/F., Yu Chao Building, 10 Shek Kip Mei Street, Kowloon, Hong Kong 4. 8/F., 253 Tai Nan Street, Shamshuipo, Kowloon, Hong Kong
“Retail Spaces”	10 retail stalls, currently leased from Majorluck to Greatest Wealth for the operation of its pork retailing business
“Second Purchase”	the purchase of entire issued share capital of Allied Victory and a related shareholder’s loan in accordance with the terms and conditions of the Second Sale and Purchase Agreement
“Second Sale and Purchase Agreement”	the conditional sale and purchase agreement dated as of 26 January 2007 entered into between Suitbest and Garwell in respect of the sale and purchase of the entire issued share capital of Allied Victory and a related shareholder’s loan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“Suitbest”	Suitbest Investments Limited, an indirect wholly-owned subsidiary of Wang On and a company incorporated in the British Virgin Islands with limited liability

“Transactions”	the sale and purchase of the entire issued share capital of Greatest Wealth and a related shareholder’s loan and the sale and purchase of the entire issued share capital of Allied Victory and a related shareholder’s loan
“Valuation Reports”	the valuation report on the Properties and New Properties prepared by Valuer Savills on or before completion of the Second Purchase; and the valuation report on the Retail Spaces prepared by Valuer Vigers
“Valuer Savills”	Savills Valuation and Professional Services Limited, an independent professional valuer
“Valuer Vigers”	Vigers Appraisal & Consulting Limited, an independent professional valuer
“Wang On”	Wang On Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Wang On Board”	the board of directors of Wang On
“Wang On Directors”	the directors of Wang On, including the independent non-executive directors of Wang On
“Wang On Group”	Wang On and its subsidiaries
“WOCM”	Wang On Commercial Management Limited, an indirect wholly-owned subsidiary of Wang On and a company incorporated in the British Virgin Islands with limited liability
“WYT”	Wai Yuen Tong Medicine Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“WYT Board”	the board of Directors of WYT
“WYT Directors”	the directors of WYT, including the independent non-executive directors of WYT
“WYT Group”	WYT and its subsidiaries
“WYT SGM”	a special general meeting of WYT to be convened for considering and, if thought fit, approving, amongst other matters, the Financial Assistance
“HK\$”	Hong Kong dollars, being the lawful currency of Hong Kong
“sq.ft”	square feet
“sq.m.”	square meters
“%”	per cent.

By Order of the LeRoi Board
LeRoi Holdings Limited
Ng Cheuk Fan, Keith
Director

By Order of the Wang On Board
Wang On Group Limited
Chan Chun Hong, Thomas
Managing Director

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

Hong Kong, 2 February 2007

As at the date of this announcement, the LeRoi Board comprises of Mr. Hung Man Sing, Mr. Chan Chun Hong Thomas, Mr. Cheung Wai Kai Alvin and Mr. Ng Cheuk Fan Keith being the executive Directors and Mr. Sin Ka Man Kenneth being the independent non-executive Director.

As at the date of this announcement, the Wang On Board comprises of Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong Thomas being the executive Directors and Dr. Lee Peng Fei Allen, Mr. Wong Chun Justein, Mr. Siu Yim Kwan Sidney and Mr. Siu Kam Chau being the independent non-executive Directors.

As at the date of this announcement, the WYT Board comprises of Mr. Tang Ching Ho, Mr. Chan Chun Hong Thomas being the executive Directors and Mr. Leung Wai Ho, Mr. Yuen Chi Choi, Mr. Siu Man Ho Simon and Mr. Cho Wing Mou being the independent non-executive Directors.

** For identification purpose only*

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