

LEROI HOLDINGS LIMITED

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利來控股有限公司

LEROI HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 221)

FURTHER POSTPONEMENT IN THE RELEASE OF THE AUDITED FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2004

Further postponement in the release of the audited final results for the year ended 31st March, 2004

The announcement of the Audited Final Results is further postponed from 21st September, 2004 to on or around 25th October, 2004 and it is expected that the Annual Report will be despatched to the shareholders of the Company on or around 29th October, 2004.

The delay in publication of the Audited Final Results and despatch of the Annual Report constitute breaches of Rules 13.49(1) and (2) and Rule 13.46(2)(a) of the Listing Rules respectively. Moreover, as it is currently expected that the AGM will be held on a date around the end of November 2004 and by doing so, the Company will also be in breach of Rule 13.46(2)(b) of the Listing Rules because the date to which the Annual Report was made up, i.e. 31st March, 2004, represents a date falling more than six months before the aforesaid date for the holding of the AGM. The Stock Exchange reserves its right to take appropriate action against the Company regarding the aforesaid breaches of the Listing Rules.

Suspension of trading

At the request of the Company, trading in the shares of the Company was suspended with effect from 9:30 a.m. on Friday, 27th February, 2004 and will remain suspended pending the publication of announcement(s) to clarify the newspaper articles in relation to the allegation in respect of suspected share price manipulation and share placement.

Reference is made to the announcements of the Company dated 30th July, 2004 and 25th August, 2004 in relation to the postponement in the release of the audited final results (the "Audited Final Results") of the Group for the year ended 31st March, 2004.

Reasons for further postponement in the release of the audited final results for the year ended 31st March, 2004

As stated in its announcement (the "Announcement") dated 25th August, 2004, the Company expected that the Audited Final Results would have been published in the newspapers on or around 21st September, 2004 and it was expected that the annual report of the Company for the year ended 31st March, 2004 (the "Annual Report") will be despatched on or around 27th September, 2004. It was disclosed in the Announcement that the postponement of the publication of the Audited Final Results was due to, among others, additional time required to obtain certain financial information in respect of trade receivables from the Group's franchisees in the PRC for the year ended 31st March, 2004 and the subsequent period up to and including 31st August, 2004. As additional time is required to obtain the same information from certain franchisees of the Group in the PRC, particularly those from certain franchisees which have terminated their franchisee agreements, the publication of the Audited Final Results and the despatch of the Annual Report will therefore be further postponed. For reference purpose, during the five months after 31st March, 2004, a total of 45 franchisees in the PRC have terminated their agreements with the Group whilst there was a total of 20 new franchisees in the PRC. As such, the Group has approximately 67 franchisees as at 31st August, 2004.

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The Company is in breach of Rules 13.49(1) and (2) and Rule 13.46(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), which require the Audited Final Results to be published and the Annual Report to be despatched to the Company's shareholders within four months of the Company's year end of 31st March, i.e. on or before 31st July, 2004. According to its articles of association, the Company is required to hold an annual general meeting (the "AGM") each year within a period of not more than 15 months after holding of the last preceding annual general meeting. The last AGM was held on 28th August, 2003 and therefore the latest date to hold the AGM for this year is 27th November, 2004. In view of the above, the Company will also be in breach of Rule 13.46(2)(b) of the Listing Rules because the date to which the Annual Report was made up, i.e. 31st March, 2004, represents a date falling more than six months before the aforesaid date for the holding of the AGM. The postponement in the release of the Audited Final Results, delay in the despatch of the Annual Report and the Annual Report being made up to more than six months from the expected date of the AGM do not constitute breaches to the provision of the Company's articles of associations. The Stock Exchange of Hong Kong Limited (the "Stock Exchange") reserves its right to take appropriate action against the Company in respect of the aforesaid breaches of the Listing Rules.

The meeting of the board of directors (the "Directors") of the Company to consider and to approve the Audited Final Results is expected to be held on or around 21st October, 2004 and the Audited Final Results is expected to be published in the newspapers on or around 25th October, 2004. The Company expects to despatch the Annual Report to its shareholders on or around 29th October, 2004. The Directors have not dealt in the shares of the Company since one month prior to 31st July, 2004, being the deadline for the publication of the Audited Final Results and will not deal in the shares of the Company before the publication of the Audited Final Results.

Suspension of trading

At the request of the Company, trading in the shares of the Company was suspended with effect from 9:30 a.m. on Friday, 27th February, 2004 and will remain suspended pending the publication of announcement(s) to clarify the newspaper articles in relation to the allegation in respect of suspected share price manipulation and share placement.

By Order of the Board
Yeung Sau Han, Agnes
Executive Director

Hong Kong, 23rd September, 2004

As at the date of this announcement, Mr. So Chi Hiu, Ms. Yeung Sau Han, Agnes, Mr. Ng Cheuk Fan, Keith and Mr. Lim Kwok Choi are the executive Directors of the Company, and Mr. Lok Shing Kwan, Sunny and Mr. Wong Wing Hang, Henry are the independent non-executive Directors of the Company.

Please also refer to the published version of this announcement in International Herald Tribune dated 24 September 2004.