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## YAU LEE HOLDINGS LIMITED

有利集團有限公司<sup>#</sup>

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00406)**

### ANNOUNCEMENT IN RELATION TO THE DEVELOPMENT OF A NEW HOTEL

This announcement is made by the Company pursuant to rule 13.09 of the Listing Rules.

The Board is pleased to announce that the Company has received confirmation from the Buildings Department that its proposal to convert part of its new property development located at 23-45 Sharp Street East and 11-13 Yiu Wa Street, Causeway Bay, Hong Kong into a new hotel is fundamentally acceptable and that the building plans have been approved.

**Further announcements will be made as and when considered appropriate or necessary in respect of any material developments regarding the project and/or any material change in the information contained in this announcement.**

This announcement is made by the Company pursuant to rule 13.09 of the Listing Rules to provide Shareholders with information which may be price-sensitive in nature.

#### INTRODUCTION

The Board is pleased to announce that the Buildings Department issued its approval on 26 August 2004 confirming that the Company's proposal in relation to certain alterations and additional works to be carried out at the Site in order to convert part of it into a new hotel is fundamentally acceptable and that the building plans submitted by the Company in connection with such proposal have been approved.

The hotel will consist of 200 to 300 guest rooms, which will be situated at the 7th to 28th floors with the lobby at the first floor of the Site. The remainder of the Site will be used for commercial purposes in accordance with the original plans of the Company.

In anticipation of this approval, the Company has carried out certain preparatory work and has appointed a member of the InterContinental Hotels Group to manage and operate the hotel for an initial term of 10 years. The InterContinental Hotels Group, which is an Independent Third Party, owns, operates or franchises more than 3,500 hotels offering more than half a million guest rooms in more than 100 countries and territories. The Company's hotel will operate under the brand "Express by Holiday Inn" (which is the first hotel in the Asia Pacific region for this brand). The brand will offer a fresh, clean and uncomplicated hotel choice, as well as offering comfort, convenience and value. This brand was first launched in the USA in 1990 and subsequently expanded to Europe, and is now the market leader in the essential service segment.

The redevelopment work is expected to commence shortly and it is the Company's intention that the new hotel will be ready for its first guests around the end of 2004 or January 2005.

The policy of allowing Mainland travelers to visit Hong Kong individually, which has been in effect since the fourth quarter last year and the expected opening of the Disney Theme Park next year should have a positive effect on the tourism sector in Hong Kong. It is therefore expected that there will be higher demand for mid-range hotel rooms in convenient locations. The Site is located at the heart of the busy and popular commercial and retail hub of Causeway Bay, and is considered as a perfect accommodation choice for both business and leisure travelers.

The Company does not expect the costs in converting the Site into the new hotel will have any material impact on its financial position.

<sup>#</sup> for identification purposes only

The proposal does not constitute a notifiable transaction of the Company under the Listing Rules.

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## **DEFINITIONS**

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Board”	The Board of Directors of the Company.
“Buildings Department”	The Buildings Department of the Government of the Hong Kong Special Administrative Region.
“Company”	Yau Lee Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board (00406).
“Director(s)”	The Director(s) of the Company.
“Independent Third Party”	A person who is not connected to any Director, chief executive or substantial shareholder of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules).
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange.
“Main Board”	The Main Board of the Stock Exchange.
“Shareholders”	Shareholders of the Company.
“Site”	The Company’s property development situated at 23-45 Sharp Street East and 11-13 Yiu Wa Street, Causeway Bay, Hong Kong.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board  
**YAU LEE HOLDINGS LIMITED**  
**Wong Ip Kuen**  
Chairman

6 September 2004

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Wong Ip Kuen, Mr. Wong Tin Cheung, Mr. Sun Chun Wai, Mr. So Yau Chi, Dr. Yeung Tsun Man, Eric\*, Mr. Wu King Cheong\* and Mr. Chan, Bernard Charnwut\*.*

*\* independent non-executive Director*

*This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*Please also refer to the published version of this announcement in  
The Standard and Hong Kong Economic Journal.*