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有利集團有限公司*

Yau Lee Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 0406)

DISCLOSEABLE TRANSACTION — ACQUISITION OF PROPERTY

The Board is pleased to announce that on 12 December 2012, the Purchaser, a wholly-owned subsidiary of the Company, entered into a legally binding Provisional Sale & Purchase Agreement with the Vendor, an independent third party not connected with the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholders or any of their respective associates, pursuant to which the Vendor shall sell and the Purchaser shall acquire the Property at a consideration of HK\$48,700,000.

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that the Purchaser entered into a legally binding Provisional Sale & Purchase Agreement with the Vendor on 12 December 2012 pursuant to which the Vendor shall sell and the Purchaser shall acquire the Property at a consideration of HK\$48,700,000.

The Provisional Sale & Purchase Agreement

Date : 12 December 2012

Parties:

Purchaser: Grace Top Investment Limited, a limited company incorporated in Hong Kong and a wholly-owned subsidiary of the Company

Vendor: Metro Power International Limited, a limited company incorporated in Hong Kong

* For identification purpose only

Property to be acquired

ALL THOSE 116 equal undivided 4,646th parts or shares of and in ALL THAT piece or parcel of ground registered in the Land Registry as KOWLOON INLAND LOT NO. 6019 And of and in the messuages erections and building thereon now known as “METRO CENTRE (美羅中心)”, No. 32 Lam Hing Street, Kowloon, Hong Kong (the “Building”) TOGETHER with the sole and exclusive right and privilege to hold use occupy and enjoy FIRST ALL THOSE WORKSHOPS NOS. 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12 and 16 on the THIRD FLOOR of the Building and SECONDLY ALL THOSE ROOFS NOS. 1, 9, 10, 11, 12 and 16 on the THIRD FLOOR of the Building.

Vacant Possession

According to Clause 6 of the Provisional Sale & Purchase Agreement, vacant possession of the Property is to be delivered to the Purchaser on completion.

Consideration and payment terms

The consideration of HK\$48,700,000 for the Acquisition has been determined after arm’s length negotiations between the Purchaser and the Vendor with reference to the prevailing market value of comparable properties in the vicinity and before the Preliminary Sale & Purchase Agreement was signed, the Company had obtained an indicative valuation of the Property from a principal banker of the Company advising that the prevailing market value of the Property is in the region of HK\$48,700,000.

Pursuant to the terms of the Provisional Sale & Purchase Agreement, the consideration for the Acquisition shall be payable by the Purchaser to the Vendor in the following manner:

- (a) an initial deposit of HK\$2,400,000 (the “Initial Deposit”) shall be paid to the Vendor’s Solicitors as stakeholders by the Purchaser upon signing of the Provisional Sale & Purchase Agreement;
- (b) a sum of HK\$2,470,000, as further deposit (the “Further Deposit”), shall be paid to the Vendor’s Solicitors as stakeholders on or before 24 December 2012;
- (c) a sum of HK\$43,830,000, as balance of the purchase price shall be paid upon completion on or before 15 January 2013.

The Initial Deposit and the Further Deposit shall be held by the Vendor’s Solicitors as stakeholders who shall not release the same to the Vendor unless it is proved that the balance of the purchase price is sufficient to discharge the existing legal charge/mortgage.

The Group currently intends to fully finance the consideration for the Acquisition by internal resources of the Group but may consider partially finance the Acquisition by mortgage.

The Preliminary Sale & Purchase Agreement shall continue in force and constitute a binding contract until the execution of the Formal Agreement.

The Formal Agreement

According to Clause 3 of the Provisional Sale & Purchase Agreement, the Purchaser and the Vendor shall sign the Formal Agreement on 24 December 2012. Although the terms of the Preliminary Sale & Purchase Agreement may be refined or expanded subsequently in the Formal Agreement, the principal terms are expected to be substantially the same as those set out in the Preliminary Sale & Purchase Agreement.

INFORMATION ON THE PROPERTY AND THE VENDOR

The Property is comprised of 12 units inside a block of industrial building. The area of the Property is approximately 8,857 square feet. The Property is for the time being vacant and is not subject to any tenancy.

Information of the Vendor

The Vendor is a private limited company incorporated in Hong Kong on 1 August 2012. According to the Form SC1 of the Vendor filed with the Companies Registry on 17 August 2012, the Vendor's authorized share capital is HK\$10,000 divided into 10,000 shares of HK\$1.00 each, all of which were issued. According to the information given by the Vendor to the Purchaser and the Business Registration Certificate of the Vendor, the principal activities of the Vendor is investment.

To the best of the Director's knowledge, information and belief and having made all reasonable enquires, the Vendor and its ultimate beneficial owner are third parties independent of the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholders or any of their respective associates.

REASONS FOR AND BENEFITS OF THE ACQUISITION

While the Group intends that the Property will be for its self-use, the Company does not exclude any opportunity that the Group shall hold the Property for investment purposes.

FINANCIAL EFFECTS ON THE GROUP

The Acquisition will not have material effect on the assets and liabilities of the Group as the Group currently intends to fund the Acquisition by internal cash flow of the Group. Given the intended usage of the Property by the Group as mentioned above, the Acquisition will not contribute any profit for the Group at this stage.

The Directors, including the independent non-executive Directors, consider that the terms and conditions of the Provisional Sale & Purchase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the shareholders as a whole.

INFORMATION OF THE GROUP

The Company and its subsidiaries are principally engaged in the contracting of building construction, plumbing, maintenance and fitting-out projects, electrical and mechanical installation and building materials supply and development and management of hotel in Hong Kong.

GENERAL

As the applicable percentage ratios exceed 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, the Vendor and its shareholder are third parties independent of the Company and its connected persons.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the Provisional Sale & Purchase Agreement or when subsequently entered into, the Formal Agreement;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Yau Lee Holdings Limited, a company incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange;
“Connected person(s)”	have the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Formal Agreement”	the formal sale and purchase agreement to be entered into on or before 24 December 2012 between the Purchaser as purchaser and the Vendor as vendor in relation to the Acquisition;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Provisional Sale & Purchase Agreement”	the Provisional Sale & Purchase Agreement dated 12 December 2012 entered into between the Purchaser as purchaser and the Vendor as vendor in relation to the Acquisition;

“Property”	ALL THOSE 116 equal undivided 4,646 th parts or shares of and in ALL THAT piece or parcel of ground registered in the Land Registry as KOWLOON INLAND LOT NO. 6019 And of and in the messuages erections and building thereon now known as “METRO CENTRE (美羅中心)”, No. 32 Lam Hing Street, Kowloon, Hong Kong (the “Building”) TOGETHER with the sole and exclusive right and privilege to hold use occupy and enjoy FIRST ALL THOSE WORKSHOPS NOS. 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12 and 16 on the THIRD FLOOR of the Building and SECONDLY ALL THOSE ROOFS NOS. 1, 9, 10, 11, 12 and 16 on the THIRD FLOOR of the Building;
“Purchaser”	Grace Top Investment Limited, a limited company incorporated in Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company;
“shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the meaning ascribed to it under the Listing Rules;
“Vendor”	Metro Power International Limited, a limited company incorporated in Hong Kong;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“%”	per cent.

By order of the Board
Yau Lee Holdings Limited
Wong Ip Kuen
Chairman

Hong Kong, 14 December 2012

As at the date of this announcement, the Executive Directors are Wong Ip Kuen, Wong Tin Cheung, Wong Wai Man and Sun Chun Wai; the Independent Non-executive Directors are Yeung Tsun Man, Eric, Wu King Cheong and Chan Bernard Charnwut.