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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)

(1) MAJOR TRANSACTION
DISPOSAL OF PROPERTY IN HONG KONG
(2) CLARIFICATION ANNOUNCEMENT
AND
(3) RESUMPTION OF TRADING

THE DISPOSAL

The Board is pleased to announce that on 5 August 2014, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Provisional Agreement pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Property at the Consideration of HK\$328,000,000.

As certain applicable percentage ratios (as defined in the Listing Rules) exceed 25% but are less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to reporting, announcement and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

Since no shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Disposal, the Company intends to seek a written approval of the Disposal from the shareholders who hold more than 50% in nominal value of the issued share capital of the Company in lieu of holding a general meeting for the approval of the Disposal pursuant to Rule 14.44 of the Listing Rules. Therefore, no general meeting of the Company for the approval of the Disposal will be held.

A circular containing, inter alia, further details of the Disposal will be despatched to the Shareholders on or before 5 September 2014, as the Company will require more than 15 business days after the publication of this announcement to prepare the relevant information to be included in the circular.

As Completion is subject to fulfillment of the Conditions Precedent detailed hereinafter, the Disposal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

* *For identification purpose only*

CLARIFICATION

Reference is made to the announcement of the Company dated 5 August 2014 in relation to trading halt. The Board wishes to clarify that, as a result of the recalculation of the relevant percentage ratios, one of the percentage ratios exceeds 25% but is less than 75%, and therefore, the Disposal constitutes a major transaction for the Company and is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange was halted with effect from 1:00 p.m. on 5 August 2014 at the request of the Company pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 6 August 2014.

THE DISPOSAL

The Board is pleased to announce that on 5 August 2014, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Provisional Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Property at the Consideration of HK\$328,000,000.

THE PROVISIONAL AGREEMENT

Set out below are the principal terms of the Provisional Agreement:

Date : 5 August 2014

Parties

Purchaser : Wave Team Development Limited, a company incorporated in Hong Kong with limited liability

Vendor : Best Ease Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

Asset to be disposed of

The Property is located at Kwun Tong Inland Lot No. 359 & Kwun Tong Inland Lot No. 360, Hong Kong. It is a non-residential property with approximate site area of 9,169 square feet which was acquired by the Group in 2009. The Purchaser agrees to purchase the Property on an "as is" basis.

As at 31 March 2014, the book value of the Property was approximately HK\$268,000,000.

As no tenancy agreement in respect of the Property has been committed since 2010, no rental income has been generated since then. Therefore, no net profits were attributable to the Property for the two financial years immediately preceding the transaction.

Consideration

The Consideration of HK\$328,000,000 for the Property shall be payable by the Purchaser to the Vendor in the following manner:

- (a) an initial deposit in the sum of HK\$15,000,000 has been paid by the Purchaser to the Vendor's solicitors upon the signing of the Provisional Agreement;
- (b) a further deposit in the sum of HK\$17,800,000 shall be paid by the Purchaser to the Vendor's solicitors on or before 20 August 2014 upon the signing of the Formal Agreement; and
- (c) the balance of the Consideration of HK\$295,200,000 shall be paid by the Purchaser to the Vendor's solicitors upon Completion on or before 18 December 2014.

All deposits payable by the Purchaser have been/ shall be paid to the Vendor's solicitors as stakeholders who may release the same to the Vendor provided that the balance of the Consideration is sufficient to discharge the existing mortgage.

The Consideration was arrived at after arm's length negotiation between the Purchaser and the Vendor after taking into account, inter alia, the recent market conditions of the property market in Hong Kong.

Conditions Precedent

Completion is subject to the satisfactory fulfillment of the following Conditions Precedent:

- (i) The approval by the Shareholders in respect to the entering into the Provisional Agreement and the transactions contemplated therein shall have been obtained; and
- (ii) The Company and the Vendor have obtained all necessary consents, approval, authentication and authorization in connection with the Provisional Agreement and the transactions contemplated therein.

Completion

The Formal Agreement shall be executed on or before 20 August 2014 and Completion shall take place on or before 18 December 2014. The Vendor shall deliver vacant possession of the Property to the Purchaser upon Completion pursuant to the Provisional Agreement.

INFORMATION ON THE PURCHASER

The Purchaser, a company incorporated in Hong Kong with limited liability, is principally engaged in property investment.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

FINANCIAL IMPACT OF THE DISPOSAL

It is anticipated that upon Completion, the Group would realize a gain on the Disposal of approximately HK\$47,000,000, representing the difference between the Consideration and the aggregate of the book value of the Property of approximately HK\$268,000,000 as at 31 March 2014 and all relevant expenses of approximately HK\$13,000,000.

USE OF PROCEEDS

According to the Provisional Agreement, the Consideration is HK\$328,000,000. It is estimated that the net proceeds from the Disposal will be approximately HK\$255,000,000 after discharging the existing mortgage and deducting all relevant expenses. The Directors intend to utilize the net proceeds as the general working capital of the Company and for future investment and expansion of the Group's business.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the contracting of building construction, plumbing, renovation, maintenance and fitting-out projects, electrical and mechanical installation, building materials supply, property investment and development and hotel operations.

The Disposal enables the Group to realize cash and unlock the value in its investment in the Property at fair market value. The net proceeds to be received by the Vendor from the Disposal will improve working capital condition of the Company for future opportunities that may arise.

The Directors consider the terms of the Provisional Agreement are on normal commercial terms that are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As certain applicable percentage ratios (as defined in the Listing Rules) exceed 25% but are less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to reporting, announcement and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

Since no shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Disposal, the Company intends to seek a written approval of the Disposal from the shareholders who hold more than 50% in nominal value of the issued share capital of the Company in lieu of holding a general meeting for the approval of the Disposal pursuant to Rule 14.44 of the Listing Rules. Therefore, no general meeting of the Company for the approval of the Disposal will be held.

A circular containing, inter alia, further details of the Disposal will be despatched to the Shareholders on or before 5 September 2014, as the Company will require more than 15 business days after the publication of this announcement to prepare the relevant information to be included in the circular.

GENERAL

As Completion is subject to fulfillment of the Conditions Precedent detailed hereinafter, the Disposal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

CLARIFICATION

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RESUMPTION OF TRADING

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DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Yau Lee Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of Stock Exchange
“Completion”	completion of the sale and purchase of the Property pursuant to the terms and conditions of the Provisional Agreement
“Completion Date”	a date of completion of the Disposal pursuant to the terms and conditions of the relevant Provisional Agreement, which will take place on or before 18 December 2014
“Conditions Precedent”	the conditions precedent of the Completion, details of which are set out in the section headed “The Provisional Agreement – Conditions Precedent” in this announcement
“Consideration”	the aggregate consideration in the amount of HK\$328,000,000 for the Property
“Directors”	the director(s) of the Company
“Disposal”	the proposed disposal of the Property by the Vendor to the Purchaser in accordance with the terms of the Provisional Agreement
“Formal Agreement”	the formal agreement for sale and purchase of the Property to be entered into between the Purchaser and the Vendor on or before 20 August 2014
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	a non-residential property located at Kwun Tong Inland Lot No. 359 & Kwun Tong Inland Lot No. 360, Hong Kong
“Provisional Agreement”	the provisional agreement for sale and purchase dated 5 August 2014 and entered into between the Vendor and the Purchaser in relation to the Disposal
“Purchaser”	Wave Team Development Limited, a company incorporated in Hong Kong with limited liability
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Best Ease Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

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

Hong Kong, 5 August 2014

As at the date of this announcement, the Board comprises Mr. Wong Ip Kuen (Chairman), Ir. Wong Tin Cheung, Ms. Wong Wai Man and Mr. Sun Chun Wai as Executive Directors and Mr. Chan, Bernard Charnwut, Mr. Wu King Cheong and Dr. Yeung Tsun Man, Eric as Independent Non-executive Directors.