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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)

PROFIT WARNING

This announcement is made by Yau Lee Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the “SFO”).

The board of directors (the “Board”) of the Company would like to inform the shareholders of the Company (the “Shareholders”) and potential investors that based on the information currently available to the management of the Company and the preliminary review of the Group’s unaudited consolidated management accounts for the six months ended 30 September 2015 (“Current Period”), the Group is expected to record a net loss during the Current Period as compared to the profit recorded for the corresponding period in 2014. The Board believes that the reversal from profit to loss is mainly attributable to, including but not limited to, the following reasons:

1. A significant increase in the operating costs of the Group during the Current Period mainly attributable to the Incident (as defined below). Recently, lead has been found in the solder jointing materials in some of the public rental housing estates in Hong Kong (the “Incident”). Yau Lee Construction Company Limited (“Yau Lee Construction”), a wholly-owned subsidiary of the Company, took part in the construction of some of these housing estates. As a goodwill gesture, Yau Lee Construction has voluntarily been working closely with the Hong Kong Housing Authority in carrying out some rectification measures. At the same time, Yau Lee Construction has reviewed the construction works in all of its on-going projects and as a result of the review, it is in the course of enhancing the plumbing system in a project under construction.

The aforesaid measures and enhancement works have been and will be carried out at the Group’s expenses. Expenses already expended by the Group and provisions for estimated expenses remain to be expended will be reflected in the interim results of the Group for the Current Period.

2. Depreciation of Renminbi against Hong Kong dollar during the Current Period resulting in a re-valuation exchange loss in respect of some of the assets of the Group.

* For identification purpose only

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 September 2015. The information contained in this announcement is not based on any figures nor information that has been audited or reviewed by the auditor of the Company and only reflects the preliminary assessment by the Board on the interim results. The interim results announcement of the Group for the six months ended 30 September 2015 is expected to be released on 23 November 2015.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Wong Ip Kuen
Chairman

Hong Kong, 5 November 2015

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.