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有利集團有限公司*
Yau Lee Holdings Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 406)

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)(a) 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 (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group and other information currently available to the Board, the Group is expected to record a net loss for the year ended 31 March 2020 as compared with the net profit recorded by the Group for the year ended 31 March 2019.

The Board believes that the reversal from profit to loss is mainly attributable to, including but not limited to, the following reasons:

- (a) substantial drop in hotel business as a result of a decline in Hong Kong’s inbound tourism industry due to the social movement in the second half of 2019 and the outbreak of the COVID-19 pandemic this year.
- (b) unrealised revaluation loss of the Group’s investment properties in commercial sector.
- (c) decrease in contribution from building material supply due to the temporary suspension of factory operation in Mainland China after the outbreak of COVID-19 pandemic and slower progress in certain construction projects.

* For identification purpose only

The Company is still in the course of finalizing its consolidated financial results of the Group for the year ended 31 March 2020. The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to the Board, which was neither reviewed nor audited by the Company's auditors. The Group's audited results for the year ended 31 March 2020 are expected to be published in late June of 2020.

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

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

Hong Kong, 2 June 2020

As at the date of this announcement, the Board comprises Mr. Wong Ip Kuen (Chairman), Ir. Wong Tin Cheung, Ms. Wong Rosana 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.