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有利集團有限公司*

Yau Lee Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00406)

MAJOR TRANSACTION — ACQUISITION OF PROPERTY

The Board is pleased to announce that on 30 March 2009, the Purchaser, a wholly-owned subsidiary of the Company, entered into a legally binding Preliminary 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\$100,000,000.

The Acquisition constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and is therefore subject to the Shareholders' approval. As no shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Acquisition, pursuant to Rule 14.44 of the Listing Rules, in lieu of holding a general meeting of the Company, shareholders' written approval is accepted for the Acquisition. All Fine and Billion Goal, the two largest major shareholders respectively holding 230,679,599 shares and 5,404,000 shares of the Company respectively representing 52.66% and 1.23% of the issued share capital of the Company as at the date of this announcement, have given written approval for the Acquisition. Accordingly, no general meeting for the Shareholders' approval of the Acquisition will be held. The Chairman of the Company, Wong Ip Kuen, is the sole legal and beneficial owner of both All Fine and Billion Goal. A circular containing, among others, further details of the Acquisition together with the valuation report of the Property, will be dispatched to the Shareholders as soon as possible.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 31 March 2009 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 3 April 2009.

INTRODUCTION

The Board is pleased to announce that the Purchaser entered into a legally binding Preliminary Sale & Purchase Agreement with the Vendor on 30 March 2009 pursuant to which the Vendor shall sell and the Purchaser shall acquire the Property at a consideration of HK\$100,000,000.

* For identification purpose only

The Preliminary Sale & Purchase Agreement

Date: 30 March 2009

Parties:

Purchaser: Trinity Crown Limited or its nominee, a limited company incorporated in Hong Kong and a wholly-owned subsidiary of the Company

Vendor: Empire River Limited, a limited company incorporated in Hong Kong

Property to be acquired:

- (1) ALL THAT piece or parcel of ground registered in the Land Registry as KWUN TONG INLAND LOT NO. 360 TOGETHER with the messuages erections and building thereon now known as NO. 43 TSUN YIP STREET, Kowloon; and
- (2) ALL THAT piece or parcel of ground registered in the Land Registry as KWUN TONG INLAND LOT NO. 359 TOGETHER with the messuages erections and building thereon now known as NO. 45 TSUN YIP STREET, Kowloon.

Existing Tenancy

According to Clause 4 of the Preliminary Sale & Purchase Agreement, the Property is to be sold to the Purchaser subject to and with the benefit of the existing tenancy of the Property, particulars of which are as follows:

Tenanted Premises: All those G/F, 1/F, 2/F, 3/F, 4/F & Roof of No. 43 Tsun Yip Street and All those G/F, 1/F, 2/F & Roof of No. 45 Tsun Yip Street

Term of Tenancy: 2 years commencing from 24 January 2008 and expiring on 23 January 2010 (both days inclusive)

Rent: HK\$184,000 per month (exclusive of rates, government rent and other outgoings)

Rental Deposit: HK\$584,640

Rates and
Government
Rent Deposit: HK\$32,640

Consideration and Payment Terms:

The consideration of HK\$100,000,000 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\$100,000,000.

Pursuant to the terms of the Preliminary 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\$5,000,000 (the “Initial Deposit”) shall be paid to the Vendor by the Purchaser upon signing of the Preliminary Sale & Purchase Agreement;
- (b) a sum of HK\$5,000,000, as further deposit, shall be paid on or before 20 April 2009;
- (c) a sum of HK\$90,000,000, as balance of purchase price shall be paid upon completion on or before 19 June 2009.

The Preliminary Sale & Purchase Agreement contains, inter alia, the following provisions:

- (a) If the Purchaser fails to complete the purchase in the manner contained therein, the Initial Deposit shall be forfeited to the Vendor and the Vendor shall then be entitled at its absolute discretion to sell the Property to anyone it thinks fit and the Vendor shall not sue the Purchaser for any liabilities and/or damages caused by the Purchaser’s default of the Preliminary Sale & Purchase Agreement.
- (b) If the Vendor after receiving the Initial Deposit fails to complete the sale in the manner contained therein, the Vendor shall immediately compensate the Purchaser with a sum equivalent to the amount of the Initial Deposit as liquidated damages together with the refund of the Initial Deposit and the Purchaser shall not take any further action to claim for damages or to enforce specific performance.

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 until the execution of the Formal Agreement.

The Formal Agreement

According to Clause 3 of the Preliminary Sale & Purchase Agreement, the Formal Agreement shall be signed on or before 20 April 2009. 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. The Company will make a further announcement when the Formal Agreement has been entered into by the parties.

INFORMATION ON THE PROPERTY AND THE VENDOR

The Property is comprised of a block of industrial building. The building has 5 storeys and some of the floors are currently being occupied and under the existing tenancy as stated above. The site area of the building is approximately 9,169 square feet. The plot ratio of the site on which the Property is built is 12 and thus upon redevelopment of the site, the permissible gross floor area will be approximately 110,028 square feet.

Information of the Vendor

The Vendor is a private limited company incorporated in Hong Kong on 20 September 2007. According to the Annual Return of the Vendor made up to 20 September 2009, the Vendor's authorized share capital is HK\$10,000 divided into 10,000 shares of HK\$1.00 each, of which 1 share was issued. According to the information given by the relevant firm of estate agents to the Purchaser, the principal activity of the Vendor is property 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

In light of the plot ratio and the permissible gross floor area as aforesaid, the Company considers that the Property has a favourable potential redevelopment value. Although the Company does not have any firm redevelopment plan, the Company does not exclude the possibility to redevelop the Property after the expiration of the existing tenancy.

Upon completion of the Acquisition, the Property will generate rental profit to the Group until the expiration of the existing tenancy.

The Directors, including the independent non-executive Directors, consider that the terms and conditions of the Preliminary 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 trading.

GENERAL

As the applicable percentage ratios exceed 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules and is therefore subject to Shareholders' approval.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval for the Acquisition may be obtained by written Shareholders' approval in lieu of holding a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition; and (b) written Shareholder's approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% in nominal value of the issued share capital of the Company giving the right to attend and vote at that general meeting to approve the Acquisition.

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 and therefore no shareholder of the Company is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition. All Fine and Billion Goal, the two largest major shareholders of the Company respectively holding 230,679,599 shares and 5,404,000 shares of the Company respectively representing 52.66% and 1.23% of the issued share capital of the Company as at the dated of this announcement, has given written approval for the Acquisition. The Chairman of the Company, Wong Ip Kuen, is the sole legal and beneficial owner of both All Fine and Billion Goal. Accordingly, no general meeting for the Shareholders' approval of the Acquisition will be held.

A circular containing, among others, further details of the Acquisition together with the valuation report of the Property, will be dispatched to the Shareholders as soon as possible.

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 Preliminary Sale & Purchase Agreement or when subsequently entered into, the Formal Agreement;
“Associate(s)”	has the meaning ascribed to it under the Listing Rules;
“All Fine”	All Fine Investment Company Limited, one of the two largest major shareholders of the Company;
“Billion Goal”	Billion Goal Holdings Limited, one of the two largest major shareholders of the Company;
“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 20 April 2009 between the Purchaser or its nominee as purchaser and the 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;
“Preliminary Sale & Purchase Agreement”	the Preliminary Sale & Purchase Agreement dated 30 March 2009 entered into between the Purchaser as purchaser and the Vendor as vendor in relation to the Acquisition;
“Property”	(1) ALL THAT piece or parcel of ground registered in the Land Registry as KWUN TONG INLAND LOT NO. 360 TOGETHER with the messuages erections and building thereon now known as NO. 43 TSUN YIP STREET, Kowloon; and (2) ALL THAT piece or parcel of ground registered in the Land Registry as KWUN TONG INLAND LOT NO. 359 TOGETHER with the messuages erections and building thereon now known as NO. 45 TSUN YIP STREET, Kowloon;
“Purchaser”	Trinity Crown Limited or nominee, a limited company incorporated in Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.20 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”	Empire River 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, 2 April 2009

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