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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)

ANNOUNCEMENT
LETTER OF INTENT

The board of directors of the Company announces that on 14 May 2009, the Company entered into the Letter of Intent with IHG in relation to the Proposed Transaction.

The Letter of Intent may or may not lead to any agreements and the Proposed Transaction may or may not proceed. Should the Proposed Transaction proceed, the Company will comply with the relevant provisions of the Listing Rules in making the appropriate disclosure when necessary.

Shareholders of the Company and investors are advised to exercise caution when dealing with the Shares.

Trading in the Shares was suspended at 9:30 a.m. on 15 May 2009 at the request of the Company pending this announcement and application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 2:30 p.m. on 15 May 2009.

This announcement is published in accordance with Rule 13.09 of the Listing Rules.

On 14 May 2009, the Company entered into a non-binding letter of intent (the “Letter of Intent”) with Intercontinental Hotels Group (Shanghai) Ltd. (“IHG”), an independent third party, who, to the best of the directors’ knowledge, information and belief and having made all reasonable enquiry, is not a connected person of the Company (as defined under the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited) in relation to a proposed transaction (the “Proposed Transaction”) whereby the Company intends to engage IHG in providing hotel management services in relation to a Holiday Inn Express branded hotel that the Company proposes to build at the site being acquired by the Company and located at Jervois Street, Sheung Wan, Hong Kong, the subject matter and of the announcement made by the Company on 5 May 2009.

Subject to the terms of a management contract to be entered into, if the Proposed Transaction materializes, it is expected that the Proposed Transaction may constitute a notifiable transaction in accordance with the Listing Rules, which may be subject to the relevant disclosure requirements. The Company will make further announcement when necessary in order to comply with the requirements of the Listing Rules.

* For identification purpose only

The Proposed Transaction may or may not proceed. Shareholders of the Company and investors are advised to exercise caution when dealing with the ordinary shares (the “Shares”) of HK\$0.2 each in the issued share capital of the Company.

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

Hong Kong, 15 May 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.