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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)

**ANNOUNCEMENT PURSUANT TO RULE 13.18  
OF THE LISTING RULES**

On 29 March 2012, Million Wealth Enterprises Limited, a wholly-owned subsidiary of the Company, as borrower entered into a loan agreement with a bank in Hong Kong in which there is a term imposing specific performance obligation on the controlling shareholder of the Company Mr. Wong Ip Kuen and his family members to maintain a specified minimum shareholding in the Company and to remain as the largest shareholder of the Company.

This announcement is made in compliance with the disclosure requirements under rule 13.18 of the Listing Rules.

This announcement is made by the board of directors (the “**Board**”) of Yau Lee Holdings Limited (the “**Company**”) in compliance with the disclosure requirements under Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

**LOAN AGREEMENT**

On 29 March 2012, Million Wealth Enterprises Limited (the “**Borrower**”), a wholly-owned subsidiary of the Company, as borrower and a bank in Hong Kong as lender (the “**Lender**”) entered into a term loan agreement (the “**Loan Agreement**”) whereby the Lender agreed to make available to the Borrower a term loan facility of up to HK\$475,000,000 (the “**Facility**”) to the Borrower for the exclusive purpose of refinancing the Borrower’s existing indebtedness due to the Lender.

**SPECIFIC PERFORMANCE OBLIGATION**

The Loan Agreement contains a specific performance obligation on the Borrower to ensure that Mr. Wong Ip Kuen, the controlling shareholder of the Company, and his family members shall hold directly or indirectly not less than 40 per cent of the equity interest and voting shares of the Company and remain as the largest shareholder of the Company (the “**Specific Performance Obligation**”).

\* For identification purpose only

A breach of the Specific Performance Obligation constitutes an event of default under the Loan Agreement. The Lender may at any time after the occurrence of an event of default declare the Facility to be terminated and the loan outstanding together with the accrued interest and all other amounts payable thereunder to be immediately due and payable.

## **GENERAL**

At the date of this announcement, Mr. Wong Ip Kuen and his family own approximately 59.50 per cent of the issued share capital of the Company.

In accordance with rule 13.21 of the Listing Rules, disclosure will be included in subsequent interim and annual reports of the Company for so long as the Specific Performance Obligation continues to exist.

By Order of the Board  
**Wong Ip Kuen**  
*Chairman*

Hong Kong, 29 March 2012

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