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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)

CONNECTED TRANSACTION
IN RELATION TO THE INSURANCE AGREEMENTS

INSURANCE AGREEMENTS

The Board is pleased to announce that the Company and REC Engineering Company Limited, a wholly-owned subsidiary of the Company, respectively entered into Medical Insurance Agreements with Asia Insurance on 10 May 2024. According to the agreements, Asia Insurance agrees to provide group medical insurance for a term of one year commencing from 1 June 2024 to 31 May 2025.

Within a period of 12 months immediately preceding and up to the date of Medical Insurance Agreements, REC Engineering Company Limited had entered into the Life Insurance Agreement with Asia Insurance in relation to the provision of life insurance service for a term of one year commencing from 1 April 2024 to 31 March 2025.

LISTING RULES IMPLICATION

As at the date of this announcement, Asia Insurance is directly wholly-owned by Asia Financial. Mr. Chan Bernard Charnwut, the Independent Non-Executive Director, of the Company is a controlling shareholder of Asia Financial and thus Asia Insurance is a connected person of the Company under the Listing Rules. Accordingly, the transactions as contemplated under the Insurance Agreements constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions as contemplated under the Insurance Agreements exceed 0.1% but all of them are less than 5%, such transactions are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

* *For identification purpose only*

INTRODUCTION

The Board is pleased to announce that the Company and REC Engineering Company Limited, a wholly-owned subsidiary of the Company, respectively entered into Medical Insurance Agreements with Asia Insurance on 10 May 2024. According to the agreements, Asia Insurance agrees to provide group medical insurance for a term of one year commencing from 1 June 2024 to 31 May 2025.

Within a period of 12 months immediately preceding and up to the date of Medical Insurance Agreements, REC Engineering Company Limited had entered into the Life Insurance Agreement with Asia Insurance in relation to the provision of life insurance service for a term of one year commencing from 1 April 2024 to 31 March 2025.

PRINCIPAL TERMS OF THE INSURANCE AGREEMENTS

The principal terms of the Insurance Agreements are set out below:

Medical Insurance Agreements

- (1) Date: 10 May 2024
- Parties: (a) The Company; and
(b) Asia Insurance
- Class of Insurance: Group medical insurance
- Term: One year commencing from 1 June 2024 to 31 May 2025
- Consideration: A single annual premium payment of approximately HK\$4,369,000 shall be payable in cash upon commencement of the group medical insurance on 1 June 2024
- (2) Date: 10 May 2024
- Parties: (a) REC Engineering Company Limited; and
(b) Asia Insurance
- Class of Insurance: Group medical insurance
- Term: One year commencing from 1 June 2024 to 31 May 2025
- Consideration: A single annual premium payment of approximately HK\$2,966,000 shall be payable in cash upon commencement of the group medical insurance on 1 June 2024

Life Insurance Agreement

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| Date: | 23 April 2024 |
| Parties: | (a) REC Engineering Company Limited; and (b) Asia Insurance |
| Class of Insurance: | Life insurance |
| Term: | One year commencing from 1 April 2024 to 31 March 2025 |
| Consideration: | A single annual premium payment of approximately HK\$753,000 shall be payable in cash upon commencement of the life insurance on 1 April 2024 |

INFORMATION ON THE PARTIES

The Company is principally engaged in the contracting of building construction, plumbing, renovation, maintenance and fitting-out projects, electrical and mechanical installation, building materials supply, property investment and development and hotel operations.

REC Engineering Company Limited is a company incorporated in Hong Kong with limited liability wholly-owned by the Company and is principally engaged in electrical, mechanical ventilation and air conditioning, fire, plumbing and environmental engineering services and investment holding.

Asia Insurance is a company incorporated in Hong Kong with limited liability and is principally engaged in providing insurance products.

REASONS FOR AND BENEFITS OF ENTERING INTO THE INSURANCE AGREEMENTS

The Board considers that medical insurance and life insurance as prescribed in the Insurance Agreements are necessary components for the Group's competitive remuneration package in attracting and retaining talents. The procurement of the service providers is conducted annually through independent licensed insurance intermediaries which invite a number of medical and life insurers to participate in the procurement exercise. On the basis of the price, quality of service and scope of policy coverage, the Board reviewed the submitted quotations and Asia Insurance was selected in accordance with our requirements. The Board is of the view that the transactions contemplated under the Insurance Agreements are conducted in the ordinary and usual course of business of the Company and the terms of the Insurance Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the shareholders as a whole.

LISTING RULES IMPLICATION

As at the date of this announcement, Asia Insurance is directly wholly-owned by Asia Financial. Mr. Chan Bernard Charnwut, the Independent Non-Executive Director, of the Company is a controlling shareholder of Asia Financial and thus Asia Insurance is a connected person of the Company under the Listing Rules. Accordingly, the transactions as contemplated under the Insurance Agreements constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions as contemplated under the Insurance Agreements exceed 0.1% but all of them are less than 5%, such transactions are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

Mr. Chan Bernard Charnwut was absent from the Board meeting of the Company while the relevant resolution was being discussed and abstained from voting on the Board resolution on proposing the Insurance Agreements. The Directors confirmed that, save for Mr. Chan Bernard Charnwut, none of them have a material interest in the Insurance Agreements.

DEFINITIONS

Unless defined otherwise, the terms used in this announcement shall have the following meanings:

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| “Asia Financial”: | Asia Financial Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 662) |
| “Asia Insurance”: | Asia Insurance Company, Limited, a company incorporated in Hong Kong with limited liability, and is a direct wholly-owned subsidiary of the Asia Financial |
| “Board”: | the board of director(s) of the Company |
| “Company”: | Yau Lee Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Stock Exchange |
| “connected person(s)”: | has the meaning ascribed to it under the Listing Rules |
| “Group”: | collectively the Company and its subsidiaries from time to time |
| “HK\$”: | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “Insurance Agreements”: | Medical Insurance Agreements and Life Insurance Agreement |
| “Life Insurance Agreement”: | the insurance agreement entered into between REC Engineering Company Limited, a wholly-owned subsidiary of the Company and Asia Insurance on 23 April 2024 in relation to the provision of life insurance service |

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| “Listing Rules”: | The Rules Governing the Listing of Securities on the Stock Exchange |
| “Medical Insurance Agreements”: | the insurance agreements entered by the Company and REC Engineering Company Limited respectively with Asia Insurance on 10 May 2024 in relation to the provision of group medical insurance service |
| “Shareholder(s)”: | holder(s) of ordinary shares of the Company |
| “Stock Exchange”: | The Stock Exchange of Hong Kong Limited |

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

Hong Kong, 21 May 2024

As at the date of this announcement, the Board comprises Mr. Wong Ip Kuen (Chairman), Ir. Dr. 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, Mr. Yeung Tak Bun and Dr. Yeung Tsun Man Eric as Independent Non-Executive Directors.