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UDL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)
(Stock Code: 620)

PROPOSED RIGHTS ISSUE OF RIGHTS SHARES OF HK\$0.01 EACH AT HK\$0.09 PER RIGHTS SHARE, PAYABLE IN FULL ON ACCEPTANCE (IN THE PROPORTION OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD)

PROPOSED RIGHTS ISSUE

The Company proposed to retain SHK as lead underwriter of the Rights Issue on 11 June 2007 and proposes to raise approximately HK\$151 million before expenses by issuing 1,681,677,913 Rights Shares at the Subscription Price of HK\$0.09 per Rights Share on the basis of one Rights Shares for every two existing Shares in issue on the Record Date. The Rights Issue is not available to the Excluded Shareholders.

The aggregate number of Rights Shares to be issued pursuant to the terms of the Rights Issue represents 50% of the Company's existing issued share capital and approximately 33.33% of the Company's issued share capital as enlarged by the issue of the Rights Shares.

The Rights Issue will be fully underwritten by SHK and Harbour Front on the terms and subject to the conditions set out in the Underwriting Agreement. Further details of the underwriting arrangement are set out in the paragraph headed "Underwriting arrangement" in this announcement below.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

GENERAL

A Prospectus containing, among other things, details of the proposed Rights Issue will be despatched to the Shareholders as soon as practicable.

PROPOSED RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One Rights Share for every two existing Shares held on the Record Date
Number of existing Shares in issue	:	3,363,355,826 Shares as at the date of this announcement
Number of Rights Shares	:	1,681,677,913 Rights Shares

The nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 50% of the Company's existing issued share capital and approximately 33.33% of the Company's issued share capital as enlarged by the issue of the Rights Shares.

Share option scheme

As at the date of this announcement, there are no outstanding share options granted under the share option scheme of the Company or any other warrants, options or securities convertible into Shares.

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.09 per Rights Share, payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price:

- represents a discount of approximately 67.27% to the closing price of HK\$0.275 per Share as quoted on the Stock Exchange on 14 June 2007, being the Last Trading Day;
- represents a discount of 68.75% to the average closing price of HK\$0.288 per Share for the five consecutive trading days up to and including 14 June 2007, being the Last Trading Day;
- represents a discount of approximately 67.51% to the average closing price of HK\$0.277 per Share for the 10 consecutive trading days up to and including 14 June 2007, being the Last Trading Day;
- represents a premium of approximately 27.66% over the average monthly closing price of HK\$0.0705 per Share for the 12 consecutive months from June 2006 to May 2007;

- represents a discount of 57.75% to the theoretical ex-rights price of approximately HK\$0.213 per Share based on the closing price as quoted on the Stock Exchange on 14 June 2007, being the Last Trading Day; and
- represents a premium of approximately 2,400% over the audited consolidated net tangible asset value of approximately HK\$0.0036 per Share as at 31 July 2006.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriters with reference to the market price of the Shares in the past 12 months. During the past 12 months, the lowest and highest closing prices of the Shares as quoted on the Stock Exchange was HK\$0.024 per Share recorded on 16 August 2006 and HK\$0.32 per Share recorded on 12 June 2007 respectively. The average monthly closing prices per Share during the past 12 months from June 2006 to May 2007 range from HK\$0.0262 to HK\$0.2376, with an average monthly closing price of HK\$0.0705 per Share. Despite the Subscription Price represents a significant discount to the recent closing prices of the Shares, in light of the recent volatile and generally upward trend of the prices of the Shares, the Company considers that the Subscription Price, representing a premium of approximately 27.66% over the average monthly closing price of HK\$0.0705 per Share for the 12 consecutive months from June 2006 to May 2007, is reasonable. Each Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors (including the independent non-executive Directors) consider the Subscription Price to be fair and reasonable and to be in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares, when allotted and fully-paid, will rank pari passu with the then existing Shares in issue in all respects. Holders of such Rights Shares will be entitled to receive all future dividends and distributions which are declared after the date of allotment and issue of the Rights Shares.

Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for any unsold entitlements of the Excluded Shareholders, unsold Rights Shares created by adding together fractions of the Rights Shares and any nil-paid Rights Shares provisionally allotted but not accepted.

Applications may be made by completing the form of application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares. The Company will determine on a fair and equitable basis after consulting with the Underwriters and preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings.

Fractional entitlements

Fractional entitlements for the nil-paid Rights Shares will not be issued but will be aggregated and sold, if a premium (net of expenses) can be obtained, for the benefit of the Company.

Share certificates for the Rights Shares

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to Qualifying Shareholders who have accepted and applied for (where appropriate), and paid for the Rights Shares by ordinary post at their own risk.

Qualifying Shareholders

The Company will send the Rights Issue Documents to the Qualifying Shareholders only.

To qualify for the Rights Issue, the Shareholder must be registered as a member of the Company at the close of business on the Record Date. However, Overseas Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date to whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place will not be regarded as Qualifying Shareholders.

The Company retains the right, however, in its discretion to vary the requirements set out above to avoid any offer of Rights Shares to Shareholders (without compliance with registration or other legal requirements) outside Hong Kong.

Rights of Excluded Shareholders

The Rights Issue Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than Hong Kong and Bermuda. The Company will send the Prospectus (without the provisional allotment letters and forms of application for excess Rights Shares) to the Excluded Shareholders for their information only.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, to be sold as soon as practicable after dealings in nil-paid Rights Shares commence, if a premium, net of expenses, can be obtained. The proceeds of each sale, less expenses, of HK\$100 or more will be paid to the Excluded Shareholders in Hong Kong dollars pro rata to their respective shareholding. The Company will keep individual amounts of less than HK\$100 for its own benefit.

Application for listing of the Right Shares on the Stock Exchange

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

Nil-paid Rights Shares are expected to be traded in board lots of 40,000 (Shares in issue are traded in board lots of 40,000). If the theoretical ex-rights price of HK\$0.213 per Share calculated based on the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day is used as the basis, the expected market value of one board lot of 40,000 Shares is estimated to be HK\$8,520. Dealings in nil-paid and fully-paid Rights Shares will be subject to the payment of stamp duty in Hong Kong.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled:

- (1) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms); and
- (2) the Underwriting Agreement becoming unconditional and not being terminated by SHK (on behalf of the Underwriters) in accordance with its terms.

None of the Company, SHK and Harbour Front may waive condition (1) set out above and the conditions of the Underwriting Agreement are set out in the paragraph headed "Conditions of the Underwriting Agreement" below.

Reasons for the Rights Issue and the use of proceeds

The principal activity of the Company is investment holding and the principal activities of its principal subsidiaries are mainly marine engineering, structural steel engineering and general civil engineering contract work.

Upon the full subscription of the Rights Shares, the Company will receive, net of expenses, approximately HK\$148 million. The Directors intend to use the net proceeds of the Rights Issue as follows:

- as to approximately HK\$75 million to be applied towards repayment of the interim finance provided to the Group by Harbour Front pursuant to a finance agreement dated 30 April 2007 entered into between the Company as borrower and Harbour Front as lender in relation to a revolving facility of up to HK\$75 million. Such interim financing arrangement was provided to the Company for (i) the rollover of the outstanding loan amount due from the Company to Harbour Front under an interim finance agreement dated 5 October 2005; (ii) prepayment of the full outstanding amount of promissory notes issued by the Company under a Settlement Agreement dated 1 September 2006 as part of the Global Solution to the Schemes (as more particularly described in the announcement of the Company dated 1 September 2006 and in the circular of the Company dated 27 January 2006); and (iii) general working capital. Such interim financing arrangement was divided into two tranches (Tranche A being HK\$52,461,780.81 for the rollover of the outstanding loan amount and general working capital as mentioned above and Tranche B being HK\$22,538,219.19 for the prepayment of promissory notes as mentioned above). Facility drawn down under Tranche B bears the same interest rate applicable to the promissory notes (being 1% per annum before the respective original repayment dates of the relevant promissory notes). Facility drawn down under Tranche A bear an interest at the best lending rate as quoted by The Hongkong and Shanghai Banking Corporation Limited plus 2% per annum and such an interest rate also applies to the remaining portion of the facility drawn down under Tranche B after the respective original repayment dates of the relevant promissory notes. Such interim financing arrangement is repayable, among other circumstances, when the Company receives proceeds from any issue of new Shares to the Shareholders to raise funds; and
- as to approximately HK\$73 million to be applied towards the general working capital of the Group.

In February 2006, the Company raised fund by way of a rights issue of 2,374,133,524 rights shares of HK\$0.01 each at HK\$0.03 per rights share (in the proportion of 12 rights shares for every five then existing shares held). The net proceeds of such rights issue of approximately HK\$69.7 million were largely applied towards payment for the consideration of various acquisitions as proposed in the prospectus dated 15 February 2006 of the Company and repayment of HK\$5 million interim finance provided to the Group by Harbour Front. As only approximately HK\$1.3 million from the net proceeds of such rights issue remained and was used as general working capital of the Group, the Directors (including the independent non-executive Directors) consider that it is in the best interest of the Company and the Shareholders to raise further capital by way of the Rights Issue to strengthen its capital base and at the same time to allow all Qualifying Shareholders the opportunity to maintain their respective pro rata shareholding interests in the Company if they so wish.

The Board also considers that it is in the best interest of the Company and the Shareholders to utilise the proceeds of the Rights Issue to repay the interim financing arrangement provided to the Group by Harbour Front, so that the Company can, on the one hand, rely on its own working capital and financial resources to pursue its business development and, on the other hand, save the interest expenses which will be incurred in connection with the interim financing arrangement with Harbour Front. In addition, as mentioned above, it is a term of the finance agreement dated 30 April 2007 that the Company shall be required to repay the interim finance, being the drawn down amount, with any interest accrued thereon, of a revolving facility of up to HK\$75 million, among other circumstances, when the Company receives proceeds from any issue of new Shares to the Shareholders to raise funds.

The Company has not carried out any fund raising exercise or issued any equity securities in the 12-month period immediately preceding the date of this announcement.

Underwriting arrangement
Underwriting Agreement

- Date: 14 June 2007. The Underwriting Agreement was entered into by the parties after the close of the trading hours on 14 June 2007.
- Parties:
- (1) the Company;
 - (2) Harbour Front, the controlling shareholder of the Company, which, together with parties acting in concert with it, is interested in approximately 53.49% of the existing issued share capital of the Company; and
 - (3) SHK, immediately before the signing of the Underwriting Agreement did not have any interest in any Shares.
- Number of Shares underwritten: 1,681,677,913 Rights Shares (in which 222,222,222 Rights Shares are to be underwritten by SHK and 1,459,455,691 Rights Shares are to be underwritten by Harbour Front) (“**Underwritten Shares**”). The basis for the allocation of 222,222,222 Rights Shares and 1,459,455,691 Rights Shares to SHK and Harbour Front respectively is subject to the commercial decision of SHK and Harbour Front.
- Commission: 2.50% of the total Subscription Price of the Rights Shares (other than such number of Rights Shares which will be allotted and issued under the Rights Issue in respect of the Shares owned by the Harbour Front Concert Parties as at the Record Date and as at the date of this announcement, such Shares amounted to 1,798,991,449 Shares) underwritten by the Underwriters

Conditions of the Underwriting Agreement

The obligations of the Underwriters in underwriting the Underwritten Shares are conditional upon:

- (1) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (2) the filing and registration of all documents relating to the Rights Issue, which are required to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies Ordinance and the filing of all documents relating to the Rights Issue, which are required to be filed with the Registrar of Companies in Bermuda in accordance with the Companies Act of Bermuda;
- (3) the posting of the Prospectus Documents to the Qualifying Shareholders; and
- (4) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement.

None of the Company, SHK and Harbour Front may waive conditions (1), (2) and (3) set out above. SHK (on behalf of the Underwriters) may waive condition (4) above in whole or in part by written notice to the Company.

If the conditions of the Underwriting Agreement are not satisfied and/or waived (to the extent such condition is capable of being waived) in whole or in part by the Underwriters by 18 July 2007 or such later date or dates as SHK (on behalf of the Underwriters) may agree with the Company in writing, the Underwriting Agreement shall terminate and no party will have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breach.

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions granting SHK (on behalf of the Underwriters), by notice in writing, the ability to terminate its obligations thereunder on the occurrence of certain events. SHK (on behalf of the Underwriters) may terminate its commitment under the Underwriting Agreement prior to the Latest Time for Termination if prior to the Latest Time for Termination:

- (1) in the reasonable opinion of SHK (on behalf of the Underwriters), the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of SHK (on behalf of the Underwriters) materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of SHK (on behalf of the Underwriters) materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (c) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or

- (d) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriters makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (3) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the reasonable opinion of SHK (on behalf of the Underwriters) is material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue.

If the Underwriting Agreement is terminated by SHK (on behalf of the Underwriters) on or before the Latest Time for Termination or does not become unconditional, the Rights Issue will not proceed.

WARNING OF THE RISK OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES
If the conditions of the Rights Issue are not fulfilled and/or waived, or the Underwriting Agreement is terminated by SHK (on behalf of the Underwriters), the Rights Issue will not proceed and the Rights Issue will lapse.

Any persons contemplating buying or selling Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in the Rights Shares in their nil-paid form, bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholders or other persons contemplating dealings in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is indicative only and subject to change, and any such changes will be announced in a separate announcement by the Company as and when appropriate.

2007

Last day of dealings in Shares on a cum-rights basis	Tuesday, 26 June
First day of dealings in Shares on an ex-rights basis	Wednesday, 27 June
Latest time for lodging transfer of Shares in order to qualify for the Rights Issue	4:00 p.m. on Thursday, 28 June
Register of members of the Company closed	Friday, 29 June to Tuesday, 3 July (both days inclusive)
Record Date	Tuesday, 3 July
Register of members re-opens	Wednesday, 4 July
Despatch of Rights Issue Documents	Wednesday, 4 July
First day of dealings in nil-paid Rights Shares	Friday, 6 July
Latest time for splitting of nil-paid Rights Shares	4:00 p.m. on Tuesday, 10 July
Last day of dealings in nil-paid Rights Shares	Friday, 13 July
Latest Acceptance Date	4:00 p.m. on Wednesday, 18 July
Latest time for the Rights Shares to become unconditional	4:00 p.m. on Monday, 23 July
Announcement of results of acceptance of and excess applications for the Rights Issue appears on newspapers	Tuesday, 24 July
Despatch of refund cheques in respect of unsuccessful or partially unsuccessful excess applications for excess Rights Shares on or before	Tuesday, 24 July
Despatch of certificates for fully-paid Rights Shares on or before	Tuesday, 24 July
Commencement of dealings in fully-paid Rights Shares	9:30 a.m. on Thursday, 26 July

CLOSURE OF REGISTER OF MEMBERS

To ascertain the entitlement of the Shareholders to the Rights Issue, the branch register of members of the Company in Hong Kong will be closed from Friday, 29 June to Tuesday, 3 July (both days inclusive), during which period no transfer of Shares will be registered. To qualify for the Rights Issue, Shareholders should ensure that all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar, Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:00 p.m. on Thursday, 28 June 2007. The Record Date is Tuesday, 3 July 2007.

SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND AFTER THE RIGHTS ISSUE

The following table illustrates the shareholding changes as a result of the Rights Issue based on the shareholding of Harbour Front Concert Parties as at the date of this announcement:

	As at the date of this announcement		Assuming all rights entitlements are taken up by the respective Shareholder		Assuming no Shareholders have taken up their rights entitlements and the Underwriters are required to perform their underwriting obligations in pursuance of the Underwriting Agreement in full	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Harbour Front Concert Parties	1,798,991,449	53.49%	2,698,487,173	53.49%	3,258,447,140	64.59%
Non-public (<i>Note 1</i>)	4,800	<i>Note 2</i>	7,200	<i>Note 2</i>	4,800	<i>Note 2</i>
Public	1,564,359,577	46.51%	2,346,539,366	46.51%	1,564,359,577	31.01%
SHK and sub-underwriter(s) (if any)	-	-	-	-	222,222,222	4.40%
	<u>3,363,355,826</u>	<u>100%</u>	<u>5,045,033,739</u>	<u>100%</u>	<u>5,045,033,739</u>	<u>100%</u>

Notes:

1. These Shares are registered in the name of the spouse of Professor Yuen Ming Fai, Matthew, one of the independent non-executive Directors.
2. The percentage shareholding is negligible.
3. Each of the executive Directors, namely, Mrs. Leung Yu Oi Ling, Irene, Ms. Leung Chi Yin, Gillian and Mr. Leung Chi Hong, Jerry holds one-third of the issued share capital of Harbour Front.

RIGHTS ISSUE DOCUMENTS

The Prospectus containing, among other things, the proposed Rights Issue will be despatched to the Shareholders as soon as practicable.

The Rights Issue Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable, subject to the conditions set out under the paragraph headed “Conditions of the Rights Issue” above being satisfied.

BOARD

As at the date of this announcement, the Board comprises three executive Directors namely Mrs. Leung Yu Oi Ling, Irene, Ms. Leung Chi Yin, Gillian, Mr. Leung Chi Hong Jerry and three independent non-executive Directors, namely Mr. Pao Ping Wing, JP, Professor Yuen Ming Fai, Matthew and Ms. Tse Mei Ha.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“Company”	UDL Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Excluded Shareholders”	Overseas Shareholders to whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries from time to time
“Harbour Front”	Harbour Front Limited, a company incorporated in the British Virgin Islands, the controlling shareholder of the Company. Each of the executive Directors, namely, Mrs. Leung Yu Oi Ling, Irene, Ms. Leung Chi Yin, Gillian and Mr. Leung Chi Hong, Jerry holds one-third of the issued share capital of Harbour Front

“Harbour Front Concert Parties”	Harbour Front and parties acting in concert with it
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Latest Acceptance Date”	18 July 2007, being the last date for acceptance of and payment for the Rights Shares and application for excess Rights Shares
“Latest Time for Termination”	4:00 p.m. on 23 July 2007, being the third Business Day after the Latest Acceptance Date
“Last Trading Day”	14 June 2007, being the date of this announcement
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) on that date is/are outside Hong Kong
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Overseas Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	3 July 2007 or such other date as may be agreed between the Company and the Underwriter in accordance with the relevant regulations or requirements
“Rights Issue”	the proposed issue of Rights Shares on the basis of one Rights Shares for every two existing Shares to the Qualifying Shareholders by way of rights or to holders of nil-paid Rights Shares at the Subscription Price, pursuant to the terms and conditions of the rights issue
“Rights Issue Documents”	the Prospectus, the provisional allotment letter and the form of application for excess Rights Shares
“Rights Share(s)”	1,681,677,913 new Share(s) to be issued by the Company pursuant to the Rights Issue
“Share(s)”	ordinary shares which have a par value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“SHK”	Sun Hung Kai International Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	subscription price of HK\$0.09 per Rights Share
“Underwriters”	SHK and Harbour Front
“Underwriting Agreement”	the underwriting agreement dated 14 June 2007 and entered into between the Company, Harbour Front and SHK in relation to the Rights Issue
“%”	per cent.

By Order of the board
UDL Holdings Limited
Leung Yu Oi Ling, Irene
Chairman

Hong Kong, 14 June 2007

Please also refer to the published version of this announcement in The Standard.