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(Incorporated in Bermuda with limited liability)
(Stock Code: 00620)

**ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE
AND
INSIDE INFORMATION
AND
CESSATION OF OFFER PERIOD**

This announcement is made pursuant to Rule 3.7 of the Takeovers Code and Rule 13.09 of the Listing Rules on the Stock Exchange and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

Reference is made to the Company's announcements dated 23 October 2013, 22 November 2013, 20 December 2013, 17 January 2014 and 17 February 2014 (collectively, the "**Announcements**") in relation to, among others, the entering into of the MOU dated 31 August 2013 regarding the Possible Transaction of all or part of the shares of the Company held by the controlling shareholder of the Company, Harbour Front Limited ("**HF**") by an independent third party as purchaser ("**Possible Purchaser**"). Unless otherwise specified, terms defined in the Announcements shall have the same meanings when used in this announcement.

Pursuant to the MOU, the Possible Transaction shall be completed on or before 28 February 2014 being the last date of the six months from the date of the MOU. On 28 February 2014, the Board was informed by HF that HF and the Possible Purchaser have not entered into any legally binding and definitive sale and purchase agreement in relation to the Possible Transaction and thus the Possible Transaction was not completed by 28 February 2014. Pursuant to the MOU, the Possible Transaction has lapsed and shall not proceed. In such connection, HF has indicated to the Board that HF has decided not to pursue the Possible Transaction and thus there will be no general offer obligations under the Takeovers Code arising from the Possible Transaction and the offer period has ended on the date of this announcement.

Shareholders of the Company and public investors are urged to exercise extreme caution when dealing in the shares and/or other securities of the Company.

By Order of the Board
UDL HOLDINGS LIMITED
Leung Yu Oi Ling, Irene
Chairman

Hong Kong, 28 February 2014

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement herein misleading.

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