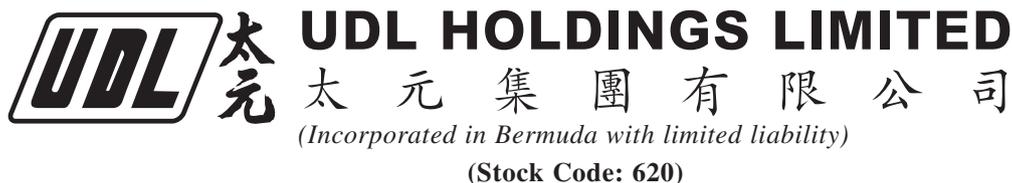


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*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*



## PROPOSED PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

### Joint Placing Agents



### PROPOSED PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

The Board announced that on 15 September 2015 (after trading hours), the Company entered into the Placing Agreement with the Joint Placing Agents pursuant to which the Company appointed the Joint Placing Agents as its Joint Placing Agents to procure severally (not jointly nor on a joint and several basis) not less than six Placees who are Independent Third Parties to subscribe up to 55,023,081 Placing Shares at a price of HK\$2.50 per Placing Share on a best effort basis on the terms and subject to the conditions of the Placing Agreement.

The maximum number of 55,023,081 Placing Shares represents (i) approximately 19.37% of the existing issued share capital of the Company of 284,002,562 Shares as at the date of this announcement; and (ii) approximately 16.23% of the issued share capital of the Company of 339,025,643 Shares as enlarged by the allotment and issue of the Placing Shares.

It is expected that the maximum net proceeds from the Placing (after deducting the placing commission payable to the Joint Placing Agents and other expenses incurred in the Placing) will amount to approximately HK\$135.0 million. The Company intends to utilise the net proceeds from the Placing for general working capital of the Group and for the settlement of certain liabilities of the Group.

The Placing is conditional upon (i) the Admission being obtained; and (ii) the Bermuda Monetary Authority and other governmental or regulatory authority granting approval for the issue and allotment of the Placing Shares pursuant to the Placing (if required).

**As Completion is subject to the fulfilment of the conditions precedent as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **The Placing Agreement**

Date: 15 September 2015 (after trading hours)

Parties (i) Issuer: The Company

(ii) Joint Placing Agents: Luen Fat Securities Company Limited and  
Quam Securities Company Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Joint Placing Agents and their respective ultimate beneficial owners are Independent Third Parties.

### **Principle terms of the Placing Agreement**

Placing Shares: Up to 55,023,081 Placing Shares, representing (i) approximately 19.37% of the existing issued share capital of the Company of 284,002,562 Shares as at the date of this announcement; and (ii) approximately 16.23% of the issued share capital of the Company of 339,025,643 Shares as enlarged by the allotment and issue of the Placing Shares. The Joint Placing Agents has conditionally agreed to place a maximum of 55,023,081 Placing Shares at the Placing Price on a best effort basis.

Placing Price: The price of HK\$2.50 per Placing Share was determined after arm's length negotiations between the Company and the Joint Placing Agents with reference to the prevailing market price of the Shares on the Stock Exchange. The Placing Price represents:

- (a) a discount of approximately 1.96% to the closing price of HK\$2.55 per Share as quoted on the Stock Exchange on 15 September 2015, being the Last Trading Day; and
- (b) a discount of approximately 3.47% to the average closing price of approximately HK\$2.59 per Share as quoted on the Stock Exchange for the five trading days of the Shares immediately prior to the Last Trading Day.

Based on the Placing Price of HK\$2.50, the aggregated value of the 55,023,081 Placing Shares is approximately HK\$137.6 million. The aggregate nominal value of the 55,023,081 Placing Shares is approximately HK\$27.5 million.

The Company will bear the costs and expenses in connection with the Placing and the net proceeds from the Placing is estimated to be approximately HK\$135.0 million (assuming the Placing Shares are fully placed). As a result, the net price per Placing Share will be approximately HK\$2.45.

Placing commission: Each of the Joint Placing Agents will receive a placing commission of 1.50% of the aggregate Placing Price of the Placing Shares placed by each of the Joint Placing Agents. The placing commission was determined after arm's length negotiations between the Company and the Joint Placing Agents.

Placees: The Placing Shares are expected to be placed by the Joint Placing Agents severally (not jointly nor on a joint and several basis) to not less than six Placees who are Independent Third Parties. It is expected that none of the Placees will become a substantial Shareholder (as defined under the Listing Rules) as a result of the Placing.

The obligations of the Joint Placing Agents to procure Placees for the Placing Shares shall be several (and not joint nor on a joint and several basis), and the extent of the amount of the Placing Shares to be placed by each of the Joint Placing Agents shall be agreed between the Joint Placing Agents in writing as soon as practicable and in any event no later than the day which is five Business Days before the Completion Date.

Ranking of the Placing Shares: The Placing Shares, when issued, will be fully paid up and will rank pari passu in all respects with other Shares in issue at the date of allotment and issue of the Placing Shares and the Placing Shares, when issued, will be free from all liens, charges, encumbrances, claims, options or other third party rights together with all rights attaching thereto as at the date of allotment and issue of the Placing Shares.

Conditions precedent: The Placing is conditional upon (i) the Admission being obtained; and (ii) the Bermuda Monetary Authority and other governmental or regulatory authority granting approval for the issue and allotment of the Placing Shares pursuant to the Placing (if required) on or before 6 October 2015 or such later date as the parties hereto may agree in writing.

Each of the Company and the Joint Placing Agents shall use their respective best effort to procure the satisfaction of the above conditions on or before 6 October 2015 or such later date as the parties hereto may agree in writing, but if the above conditions shall not be so satisfied, all obligations of the Joint Placing Agents and of the Company hereunder shall cease and determine and none of the parties hereto shall have any claim against the other in relation thereto.

Completion: Completion is expected to take place no later than the fourth Business Day after the fulfillment of the above conditions (or such other date the Company and the Joint Placing Agents may agree in writing)

Termination: Any of the Joint Placing Agents may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of any of the Joint Placing Agents would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by any of the Joint Placing Agents on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of any of the Joint Placing Agents would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (4) any statement contained in all announcements, circulars, interim and annual reports issued by the Company to the Stock Exchange and/or the Shareholders since the publication of the announcement of the Company relating to the annual results of the Company for the year ended 31 July 2014 has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of any of the Joint Placing Agents would be materially adverse in the consummation of the Placing.

The Company may, in its reasonable opinion, after consultation with any of the Joint Placing Agents, terminate the Placing Agreement by notice in writing to such Joint Placing Agent at any time up to 8:00 a.m. on the Completion Date if there is a breach of the warranties, representations and undertakings given by such the Joint Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement pursuant to the above, all liabilities of the parties hereto hereunder shall cease and determine and no party hereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

Application for listing:

Application will be made to the Listing Committee for the Admission.

## **General Mandate**

Upon Completion, a maximum of 55,023,081 new Shares will be allotted and issued under the General Mandate. The General Mandate entitles the Directors to allot, issue and deal with up to 55,023,081 Shares, representing approximately 20.00% of the then issued share capital of the Company as at the annual general meeting of the Company held on 9 December 2014 approving the General Mandate. As at the date of this announcement, no part of the General Mandate has been utilised by the Company. Accordingly, the Placing is not subject to the Shareholders' approval.

## **REASONS FOR THE PLACING AND THE USE OF PROCEEDS**

The Group is principally engaged in (i) sale of vessels; (ii) marine engineering; (iii) construction and structural steel engineering and related services. Reference is made to the composite document dated 27 July 2015 jointly issued by Da Tang Xi Shi International and the Company, and the joint announcement of Da Tang Xi Shi International and the Company dated 17 August 2015, Da Tang Xi Shi International has become the controlling shareholder of the Company after the completion of a mandatory unconditional cash offer as stated in the joint announcement of Da Tang Xi Shi International and the Company dated 17 August 2015.

The Group recorded continuous losses in the five years ended 31 July 2014 and the six months period ended 31 January 2015. The cash and cash equivalents decreased from approximately HK\$4.04 million as at 31 July 2014 to approximately HK\$0.79 million as at 31 January 2015, representing a decrease of approximately 80.45%. The gearing ratio of the Group, being total liabilities divided by total assets, increased to approximately 33.53% as at 31 January 2015 as compared with approximately 31.83% as at 31 July 2014. As such, the Directors consider the Placing offers a good opportunity to raise further capital and broaden the shareholders base of the Company thereby increasing the liquidity of the Shares as well as to strengthen the financial position of the Group. The Directors consider that the terms of Placing Agreement are fair and reasonable and the Placing is in the interests of the Company and its Shareholders as a whole.

It is expected that the maximum net proceeds from the Placing (after deducting the placing commission payable to the Joint Placing Agents and other expenses incurred in the Placing) will amount to approximately HK\$135.0 million. The Group intends to utilise the net proceeds from the Placing for general working capital of the Group and for the settlement of certain liabilities of the Group.

## **FUND RAISING DURING THE PAST 12 MONTHS**

The Company has not conducted any equity fund raising activity during the past 12 months immediately preceding the date of this announcement.

## EFFECT ON SHAREHOLDING OF THE PLACING

The shareholding structure of the Company as at the date of this announcement and immediately after Completion are as follows:

	As at the date of this announcement		Immediately after Completion (Note)	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Da Tang Xi Shi International	194,837,528	68.60	194,837,528	57.47
<i>Executive Directors:</i>				
Mr. Leung Yat Tung	2,751,154	0.98	2,751,154	0.82
Mrs. Leung Yu Oi Ling, Irene	1,000,000	0.35	1,000,000	0.29
Ms. Leung Chi Yin, Gillian	1,000,000	0.35	1,000,000	0.29
Mr. Leung Chi Hong, Jerry	1,000,000	0.35	1,000,000	0.29
<i>Public Shareholders:</i>				
Places			55,023,081	16.24
Other public Shareholders	83,413,880	29.37	83,413,880	24.60
<b>Total</b>	<b>284,002,562</b>	<b>100.00</b>	<b>339,025,643</b>	<b>100.00</b>

*Note:*

*Assuming no other issue of new Shares and no repurchase of existing Shares before Completion, and the Joint Placing Agents have placed a total of 55,023,081 Placing Shares to not less than six independent Places.*

## GENERAL

**As Completion is subject to the fulfilment of the conditions precedent as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Admission”	the granting by the Listing Committee of the listing of, and permission to deal in, all of the Placing Shares (and “Admitted” shall be construed accordingly)
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks generally are open for general banking business in Hong Kong

“Company”	UDL Holdings Limited (太元集團有限公司), a company incorporated under the laws of Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 620)
“Completion”	completion of the Placing
“Completion Date”	the date of Completion
“Da Tang Xi Shi International”	Da Tang Xi Shi International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly owned by Da Tang Xi Shi International Group Limited, which is a company wholly owned by 大唐西市文化產業投資集團有限公司 (Da Tang Xi Shi Investment Group Limited*), of which is owned as to approximately 50.60% by Mr. Lu Jianzhong, as to approximately 13.80% by Mr. Liang Lei* (梁雷), as to approximately 13.80% by Mr. Yang Xingwen* (楊興文), as to approximately 13.80% by Mr. Yu Baoan* (于寶安) and as to approximately 8.00% by 寧波歐盈宏創投資合夥企業 (Ningbo Ouying Hongchuang Investment Partnership*) respectively, as at the date of this announcement; as at the Last Trading Day, Da Tang Xi Shi International held 194,837,528 Shares, representing approximately 68.60% of the entire issue share capital of the Company
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders to allot, issue and deal with up to 55,023,081 Shares, representing approximately 20% of the then issued share capital of the Company as at the date of the annual general meeting of the Company held on 9 December 2014
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	individual(s), professional(s) or institutional investor(s) are independent of and not connected with the Company, any promoter(s), director(s), supervisor(s), chief executive(s), substantial shareholder(s) (as defined in the Listing Rules) of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules)

“Joint Placing Agents”	collectively, Luen Fat Securities and Quam Securities
“Last Trading Day”	15 September 2015, being the last day on which the Shares were traded on the Stock Exchange prior to the issue of this announcement
“Listing Committee”	the listing sub-committee appointed by the Stock Exchange for considering applications for listing and the granting of listing of securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luen Fat Securities”	Luen Fat Securities Company Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placee(s)”	any individuals, corporate, institutional investors or other investors procured by or on behalf of the Joint Placing Agents to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares to the Placee(s) pursuant to the Placing Agreement
“Placing Agreement”	the conditional placing agreement dated 15 September 2015 entered into between the Company and the Joint Placing Agents in respect of the Placing
“Placing Price”	HK\$2.50 per Placing Share
“Placing Share(s)”	a maximum of 55,023,081 new Shares, to be allotted and issued pursuant to the terms and conditions of the Placing Agreement
“Quam Securities”	Quam Securities Company Limited, a licensed corporation to carry on business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.50 each in the capital of the Company

“Shareholder(s)” holder(s) of the Share(s)  
“Stock Exchange” The Stock Exchange of Hong Kong Limited  
“%” per cent.

By Order of the Board  
**UDL HOLDINGS LIMITED**  
**Wong Kwok Tung Gordon Allan**  
*Executive Director*

Hong Kong, 15 September 2015

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

\* *For identification purpose only*