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**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

**If you are in any doubt** as to any aspect about this Prospectus or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Dealings in the Shares and the Offer Shares may be settled through CCASS established and operated by HKSCC. You should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (WUMP) Ordinance. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of these documents.

No person receiving a copy of this Prospectus, the Application Form and/or the Excess Application Form in any territory or jurisdiction outside Hong Kong may treat it as an offer or an invitation to apply for the Offer Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. It is the responsibility of any person outside Hong Kong (including the ultimate beneficial owner(s) of the Qualifying Shareholders) wishing to make an application for the Offer Shares to satisfy himself as to the observance of the laws and regulations of all relevant jurisdiction, including obtaining any government or other consents, and payment of any taxes and duties required to be paid in such jurisdiction in connection therewith.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or, under contingent situation, such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time. Capitalized terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Prospectus.

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**OPEN OFFER OF 135,610,257 OFFER SHARES  
AT THE SUBSCRIPTION PRICE OF  
HK\$3.10 EACH ON THE BASIS OF  
TWO (2) OFFER SHARES  
FOR EVERY FIVE (5) EXISTING SHARES HELD ON THE RECORD DATE**

**Financial adviser to the Company**



**Underwriter**

**Da Tang Xi Shi International Holdings Limited**

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The latest time for acceptance of and payment for the Offer Shares is 4:00 p.m. on Monday, 7 December 2015. The procedures for application are set out on pages 21 and 22 of this Prospectus.

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.

Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from on Monday, 16 November 2015 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 4:00 p.m. on Wednesday, 9 December 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

23 November 2015

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## DEFINITIONS

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*In this Prospectus, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Announcement”	the announcement of the Company dated 2 November 2015 in relation to, amongst others, the Open Offer and the transactions contemplated thereunder
“Application Form(s)”	the form(s) of application to be used by the Qualifying Shareholders to apply for the Offer Shares in the form agreed by the Company and the Underwriter
“Asset Purchase Agreement”	the asset purchase agreement dated 2 November 2015 entered into between Better Power, a wholly owned subsidiary of the Company and an antique vendor for the sale and purchase of the Old Coins, details of which are set out in the Announcement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Better Power”	Better Power Limited, a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remain hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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 (Stock Code: 620)
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)

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## DEFINITIONS

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“Da Tang Xi Shi International” or “Underwriter”	Da Tang Xi Shi International Holdings Limited, a company incorporated in the BVI 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 as to approximately 50.60% was owned by Mr. Lu Jianzhong, as to approximately 13.80% was owned by Mr. Liang Lei* (梁雷), as to approximately 13.80% was owned by Mr. Yang Xingwen* (楊興文), as to approximately 13.80% was owned by Mr. Yu Baoan* (于寶安) and as to approximately 8.00% was owned by 寧波歐盈宏創投資合夥企業 (Ningbo Ouying Hongchuang Investment Partnership*) respectively, as at the Latest Practicable Date; as at the Latest Practicable Date, Da Tang Xi Shi International held 194,837,528 Shares, representing approximately 57.47% of the entire issue share capital of the Company
“Da Tang Xi Shi International Group”	Da Tang Xi Shi International and its affiliates
“Director(s)”	the directors of the Company
“Excess Application Form(s)”	the form(s) of application to be used by the Qualifying Shareholders to apply for excess Offer Shares in the form agreed by the Company and the Underwriter
“Excluded Shareholders”	the Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary or expedient not to offer the Offer Shares to such Overseas Shareholder(s) 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
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“independent third party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties not connected with or acting in concert with any directors, chief executive or Substantial Shareholder(s) or its subsidiaries of the Company and their respective associates

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## DEFINITIONS

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“Latest Practicable Date”	20 November 2015, being the latest practicable date for ascertaining certain information for inclusion in this Prospectus.
“Last Trading Day”	2 November 2015, being the date of the Announcement
“Latest Time for Acceptance”	4:00 p.m. on Monday, 7 December 2015 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of Offer Shares and application for excess Offer Shares and if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on such day (i) at anytime before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same business day; and (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be extended to the next business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m., on Wednesday, 9 December 2015, being the second Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange operated by the Stock Exchange
“Mao Tai Wine”	Pursuant to the Wine Purchase Agreement, the Mai Tai wine comprises of 3,700 bottles of vintage Chinese Mao Tai wine, details of which are set out in the Announcement
“Offer Share(s)”	being the new Shares to be issued by the Company pursuant to the Open Offer
“Open Offer”	the issue by way of open offer to the Qualifying Shareholders on the basis of two (2) Offer Share for every five (5) existing Shares held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents

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## DEFINITIONS

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“Overseas Letter”	a letter from the Company to the Excluded Shareholders explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholder(s)”	the Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) are outside of Hong Kong
“PRC”	the People’s Republic of China and for the sole purpose of this Prospectus shall exclude Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Old Coins”	Pursuant to the Asset Purchase Agreement, the old coins comprise of (a) 8.114 million of antique coins of the Chinese ancient dynasties, Byzantine Empire and Sassanid Empire and 5,000 sets of antique coins of Qing dynasty; (b) all valuation certificates relating to the antique coins in the possession by the antique vendor; and (c) all of the antique vendor’s rights, claims, credits, causes of action or rights of setoff against third parties relating to the antique coins, including all rights to seek and obtain injunctive relief and to recover damages for past, present and future infringement of any property rights relating to the antique coins, details of which are set out in the Announcement
“Prospectus”	the document containing details of the Open Offer to be despatched to the Qualifying Shareholders
“Prospectus Documents”	the Prospectus, the Application Form(s) and the Excess Application Form(s)
“Qualifying Shareholder(s)”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	Friday, 20 November 2015 or such other date as may be agreed between the Company and the Underwriter for determining entitlements to the Open Offer
“Registrar”	the branch share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong

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## DEFINITIONS

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“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.50 each in share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$3.10 per Offer Share
“Substantial Shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Takeovers Code”	The Codes of Takeovers and Mergers and Share Buy-Backs
“Undertaken Shareholder”	Da Tang Xi Shi International who have irrevocably undertaken to the Company that (i) it will not dispose of 194,837,528 Shares beneficially owned by it from the date of the Undertakings up to and including the Record Date; and (ii) will procure the acceptance of the Offer Shares which will represent the assured allotment to them or their nominee(s) as holders of such Shares under the Open Offer
“Undertakings”	the irrevocable undertakings given by the Undertaken Shareholder to the Company dated 2 November 2015, details of which are set out in the subsection headed “Undertakings given by the Undertaken Shareholder” above in this Prospectus
“Underwritten Shares”	such number equal to the number of the Offer Shares other than the 77,935,011 Offer Shares undertaken by the Undertaken Shareholder
“Underwriting Agreement”	the underwriting agreement dated 2 November 2015 entered into by the Company and the Underwriter in relation to the underwriting arrangement in respect of the Open Offer
“Wine Purchase Agreement”	the Wine Purchase Agreement dated 2 November 2015 entered into between Better Power, a wholly owned subsidiary of the Company and a wine vendor for the sale and purchase of the Mao Tai Wine, details of which are set out in the Announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

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## DEFINITIONS

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“%” per cent.

*For the purposes of illustration only, any amount denominated in RMB in the Prospectus was translated into HK\$ at the rate of HK\$1 = RMB0.81489 (being the RMB central parity rate by the People’s Bank of China as at 2 November 2015). Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.*

*If there is any inconsistency in this Prospectus between the Chinese and English versions, the English version shall prevail.*

\* *For identification purpose only*



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## EXPECTED TIMETABLE

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The expected timetable for the Open Offer set out below is indicative only and it has been prepared on the assumption that all the conditions of the Open Offer will be fulfilled.

The expected timetable for the Open Offer is set out below:

Event	(Hong Kong time)
Register of members of the Company closes . . . . .	Wednesday, 18 November 2015 to Friday, 20 November 2015 (both dates inclusive)
Record Date for the Open Offer . . . . .	Friday, 20 November 2015
Register of members of the Company re-opens . . . . .	Monday, 23 November 2015
Despatch of the Prospectus Documents (in case of the Excluded Shareholders, the Prospectus only) . . . . .	Monday, 23 November 2015
Latest Time for Acceptance of, and payment for Offer Shares and excess application for Offer Shares. . . . .	4:00 p.m. on Monday, 7 December 2015
Latest Time for Termination by the Underwriter. . . . .	4:00 p.m. on Wednesday, 9 December 2015
Announcement of results of acceptance of the Offer Shares and excess application for Offer Shares. . . . .	Friday, 11 December 2015
Despatch of share certificates for Offer Shares and refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares or if the Open Offer is terminated . . . . .	Monday, 14 December 2015
Dealings in Offer Shares commences . . . . .	9:00 a.m. on Tuesday, 15 December 2015

*All times and dates stated in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.*

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## EXPECTED TIMETABLE

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### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE**

If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Monday, 7 December 2015, being the date of the Latest Time for Acceptance:

- (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be extended to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Monday, 7 December 2015, the dates mentioned in the above section headed “Expected timetable” in this Prospectus may be affected. An announcement will be made by the Company in such event.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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The Underwriting Agreement contains provisions entitling the Underwriter, by notice in writing, to terminate its obligations thereunder on the occurrence of certain events. If, at any time prior to the Latest Time for Termination (i.e. 4:00 p.m. on Wednesday, 9 December 2015 pursuant to the expected timetable), one or more of the following events or matters (whether or not forming part of a series of events) shall occur, arise, exist, or come into effect:

- (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which would in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer;
- (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 hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), 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 the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer;
- (c) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which would in the reasonable opinion of the Underwriter materially or adversely affect the business or the financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer;
- (d) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Group as a whole;
- (e) any material breach of or omission to observe any of the obligations or undertakings by the Company expressed to be assumed it under the Underwriting Agreement;
- (f) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter and which in the reasonable opinion of the Underwriter represents or is likely to represent a material and adverse change in the business, financial or trading position or prospectus of the Group as a whole or is otherwise likely to have a material and adverse effect on the Open Offer is materially adverse to the success of the Open Offer; or

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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- (g) the Company shall, after any matter or event referred to in the Underwriting Agreement has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

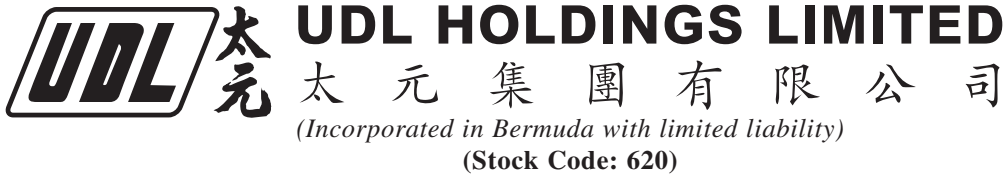
Upon the giving of termination notice by the Underwriter, the obligations of all parties, subject to the Underwriting Agreement, shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

**In the event that the Underwriter exercises its rights to terminate or rescind the Underwriting Agreement as described above, the Open Offer will not proceed.**

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## LETTER FROM THE BOARD

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*Executive Director:*

Mr. Wong Kwok Tung Gordon Allan  
(Chief executive officer)

*Non-executive Director:*

Dr. Lam Lee G.

*Independent non-executive Directors:*

Mr. Cheng Yuk Wo  
Mr. Choi, Victor Wang Tao  
Mr. Mak Ming Chuen

*Registered office:*

Crawford House  
4th Floor  
50 Cedar Avenue  
Hamilton HM11  
Bermuda

*Principal place of business in Hong Kong:*

Room 702, 7th Floor  
Aitken Vanson Centre  
61 Hoi Yuen Road  
Kwun Tong  
Kowloon  
Hong Kong

23 November 2015

*To the Shareholders*

Dear Sir or Madam,

**OPEN OFFER OF 135,610,257 OFFER SHARES  
AT THE SUBSCRIPTION PRICE OF  
HK\$3.10 EACH ON THE BASIS OF  
TWO (2) OFFER SHARES  
FOR EVERY FIVE (5) EXISTING SHARES HELD ON THE RECORD DATE**

### **INTRODUCTION**

On 2 November 2015, the Company proposes to raise approximately HK\$420.39 million before expenses by issuing 135,610,257 Offer Shares, on the basis of two (2) Offer Shares for every five (5) existing Shares in issue held on the Record Date at the Subscription Price of HK\$3.10 per Offer Share. The Open Offer will not be extended to the Excluded Shareholders. Qualifying Shareholders are entitled to apply for any Offer Shares not taken up by other Qualifying Shareholders under the Open Offer through excess application.

The purpose of this Prospectus is to provide you with, among other things, further details of (i) the Open Offer including the procedures for application and payment for the Offer Shares; (ii) the financial information of the Group; and (iii) the general information of the Group.

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## LETTER FROM THE BOARD

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### THE OPEN OFFER

On 2 November 2015 (after trading hours of the Stock Exchange), the Company and the Underwriter entered into the Underwriting Agreement in respect of the proposed Open Offer.

#### Issue statistics

Basis of the Open Offer	:	Two (2) Offer Shares for every five (5) existing Shares held on the Record Date
Subscription Price	:	HK\$3.10 per Offer Share
Number of Shares in issue as at the Latest Practicable Date	:	339,025,643 Shares
Number of Offer Shares	:	135,610,257 Offer Shares (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date)
Number of Offer Shares to be taken up or procured to be taken up by the Undertaken Shareholders pursuant to the Undertakings	:	The Undertaken Shareholder has irrevocably undertaken to the Company to procure the acceptance of an aggregate of 77,935,011 Offer Shares which will represent the assured allotment to it or its nominee(s) under the Open Offer
Underwriter	:	Da Tang Xi Shi International (its ordinary course of business does not include underwriting)
Enlarged issued share capital of the Company upon the completion of the Open Offer	:	474,635,900 Shares (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date)
Fund raised before expenses	:	Approximately HK\$420.39 million (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date)

#### The Offer Shares

Assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date, 135,610,257 Offer Shares proposed to be allotted pursuant to the Open Offer represent (i) 40% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 28.57% of the enlarged issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares.

As at the Latest Practicable Date, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

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## LETTER FROM THE BOARD

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The aggregate nominal value of the Offer Shares will be HK\$67,805,128.50.

### **Undertakings given by the Undertaken Shareholder**

As at the date of the Undertakings, the Undertaken Shareholder is interested in 194,837,528 Shares, representing approximately 57.47% of the total issued share capital of the Company as at the Latest Practicable Date. The Undertaken Shareholder has irrevocably undertaken to the Company that (i) it will not dispose of an aggregate of 194,837,528 Shares beneficially owned by the Undertaken Shareholder from the date of the Undertakings up to and including the Record Date and (ii) it will procure the acceptance of the Offer Shares which will represent the assured allotment to it or its nominee(s) as holder(s) of such Shares under the Open Offer.

Based on the Subscription Price of HK\$3.10 per Offer Share, the consideration payable by Undertaken Shareholder under the Open Offer pursuant to the Undertakings will amount to approximately HK\$241.60 million.

### **Subscription Price**

The Subscription Price is HK\$3.10 per Offer Share, which will be payable in full upon application for the relevant assured allotment of Offer Shares and, where applicable, application for excess Offer Shares under the Open Offer.

The Subscription Price represents:

- (a) a discount of approximately 6.06% to the closing price of HK\$3.30 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 4.32% to the theoretical ex-entitlement price of approximately HK\$3.24 based on the closing price of HK\$3.30 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 1.31% to the average closing price of approximately HK\$3.06 per Share for the last five consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 1.27% to the average closing price of approximately HK\$3.14 per Share for the last ten consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a premium of approximately 1,048.57% to the audited consolidated net asset value per Share of approximately HK\$0.2699 (based on the latest published audited net asset value of the Group of HK\$91,514,000 as at 31 July 2015 and 339,025,643 Shares in issue as at the Latest Practicable Date); and
- (f) a premium of approximately 3.68% to the closing price of HK\$2.99 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

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## LETTER FROM THE BOARD

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Based on the Subscription Price of HK\$3.10, the estimated gross proceeds of the Open Offer will be approximately HK\$420.39 million (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date). The net proceeds from the Open Offer to be received by the Company is expected to be approximately HK\$418.24 million. The net price per Offer Share is approximately HK\$3.08.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to the prevailing market price of the Shares, the market conditions, and the theoretical ex-entitlement price on the Last Trading Day. The Directors (including the independent non-executive Directors) consider the terms of the Open Offer, including the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Basis of Entitlement**

The basis of the entitlement shall be two (2) Offer Shares for every five (5) existing Shares held on the Record Date, being 135,610,257 Offer Shares.

### **Status of the Offer Shares**

The Offer Shares, when allotted and fully paid, will rank pari passu in all respects with the then Shares in issue on the date of allotment of the Offer Shares in fully-paid form, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.

### **Qualifying Shareholders**

The Company will send the Prospectus Documents to the Qualifying Shareholders only. To qualify for the Open Offer, a Shareholder must:

1. be a Shareholder whose name appear on the register of members of the Company on the Record Date; and
2. not be an Excluded Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, owners of Shares must have lodged any transfer of Shares (together with the relevant share certificates) with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Tuesday, 17 November 2015.

Shareholders whose Shares are held by nominee companies should note that the Board would regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.



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## LETTER FROM THE BOARD

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### Closure of Register of Members

The Company's register of members was closed from Wednesday, 18 November 2015 to Friday, 20 November 2015, both days inclusive, to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during the book closure period.

### Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

As at the Latest Practicable Date, based on the register of members of the Company, the Overseas Shareholders are as follows:

Number of registered Shareholders	Jurisdiction	Number of Shares held
1	Australia	20
16	Singapore	460
1	the United Kingdom	500
1	Malaysia	10
2	Macau	10
1	the PRC	12,800
2	Taiwan	4

Each of the Overseas Shareholders represents less than 5% of the total issued Shares as at the Latest Practicable Date. Pursuant to Rule 13.36(2)(a) of the Listing Rules (including notes 1 and 2 thereto), the Company has made enquiry with its legal advisers regarding the legal restrictions (if any) under the laws of the relevant jurisdictions and the requirements of the relevant regulatory body or stock exchange in respect of extending the Open Offer to the Overseas Shareholders.

Based on the advice given by the Company's legal advisers with respect to legal restrictions under the laws of Malaysia and the PRC or requirements of the relevant regulatory body or stock exchange in Malaysia and in the PRC, the Open Offer cannot be extended to investors in Malaysia and the PRC without prior approval by the relevant regulatory body of Malaysia and the PRC and there are no available exemptions. Having considered the legal restrictions under the laws of Malaysia and the PRC and the requirements of the relevant regulatory body or stock exchange in Malaysia and in the PRC, the Directors consider that it would be necessary or expedient to exclude the Overseas Shareholders with registered address in Malaysia and in the PRC from the Open Offer due to the time and costs involved in complying with the relevant legal requirements in Malaysia and the PRC if the Open Offer were to be made to such Overseas Shareholder in Malaysia and in the PRC.

Based on the legal opinion/advice obtained, the Open Offer is being extended to the Overseas Shareholders with registered addresses in Australia, Macau, Singapore, Taiwan, and the United Kingdom respectively as there are no restrictions, or no onerous restrictions, or there are relevant exemptions available in relation to the offer of Offer Shares to the Overseas Shareholders in these jurisdictions. Hence, as at the Latest Practicable Date, the said Overseas Shareholders would not be excluded and will be eligible to take part in the Open Offer. The Prospectus Documents will be sent to each of such Overseas Shareholders.

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## LETTER FROM THE BOARD

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No action has been taken to permit the offering of the Offer Shares, or the distribution of the Prospectus Documents, in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving a copy of the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Offer Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements.

It is the responsibility of any person (including but without limitation to nominee, agent and trustee) receiving a copy of the Prospectus Documents outside Hong Kong and wishing to take up the Offer Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. The Company will not be responsible for verifying the legal qualification of such Overseas Shareholder(s) in such territory or jurisdiction, thus, should the Company suffer any losses or damages due to non-compliance with the relevant laws of such territory or jurisdiction by any such Overseas Shareholder(s) and/or resident(s), the Overseas Shareholder(s) and/or resident(s) shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the Offer Shares to any such Overseas Shareholder(s) and/or resident(s), if at the Company's absolute discretion issuing the Offer Shares to them does not comply with the relevant laws of such territory or jurisdiction. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty. If you are in any doubt as to your position, you should consult your professional advisers.

Any Offer Shares which would otherwise have been in assured allotment of the Excluded Shareholders will be available for application by the Qualifying Shareholders who wish to apply for Offer Shares in excess of their own assured allotment.

**Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Excluded Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.**

### **Application for the Offer Shares**

The Application Form in respect of the entitlement of the Offer Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Offer Shares as shown therein by completing such form and lodging the same with a remittance for the Offer Shares being taken up with the Registrar by the Latest Time for Acceptance.

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## LETTER FROM THE BOARD

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### **Application for Excess Offer Shares and Basis for Allocation of Excess Application**

Qualifying Shareholders may apply, by way of excess application, for the Offer Shares to which the Excluded Shareholders would otherwise have been entitled to and for any assured allotment of Offer Shares not accepted by the Qualifying Shareholders and for the Offer Shares created by aggregation of fractional Offer Shares (if any), by completing the Excess Application Form(s) and lodging the same with a separate remittance for the excess Offer Shares being applied for by the Latest Time for Acceptance. The Directors will allocate the excess Offer Shares at its discretion on a fair and equitable basis according to the principle that any excess Offer Shares will be allocated to the Qualifying Shareholders who apply for them on a pro-rata basis by reference to the number of excess Offer Shares applied for by the Qualifying Shareholders. No preference will be given to topping-up odd lots to whole board lots. Any Offer Shares not applied for by the Qualifying Shareholders and not taken up by excess application will be taken up by the Underwriter.

Shareholders or investors of the Company should note that the number of excess Offer Shares which may be allocated to them may be different where they make applications for excess Offer Shares by different means, such as making applications in their own names as against through nominees who also hold Shares for other Shareholders/investors. Investors with their Shares held by a nominee company should note that the board of Directors will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Offer Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

### **Share Certificates and Refund Cheques for the Offer Shares**

Subject to the fulfillment of the conditions of the Open Offer, certificates for all fully-paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Monday, 14 December 2015. Each Shareholder will receive one share certificate for all allotted Offer Shares. Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares (if any) or if the Open Offer is terminated, will be despatched on or before Monday, 14 December 2015 by ordinary post at the respective Shareholders' own risk.

### **Fractions of the Offer Shares**

No fractional entitlements to the Offer Shares will be allotted to individual Qualifying Shareholders and fractional entitlements will be rounded down to the nearest whole number of the Offer Shares. All such fractional entitlements will be aggregated and will be made available for subscription by those Qualifying Shareholders who wish to apply for Offer Shares in excess of their own assured allotment by way of excess application.

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## LETTER FROM THE BOARD

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### Application for Listing

The Company has applied to the Listing Committee for the listing of and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

### Conditions of the Open Offer

The Open Offer is conditional upon the Underwriting Agreement having become unconditional and not being terminated in accordance with its terms or otherwise. The conditions to the Underwriting Agreement are set out in the sub-section headed “Conditions of the Underwriting Agreement” of this Prospectus.

### Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding or dealing in the Offer Shares. It is emphasised that none of the Company, its Directors or any other parties involved in the Open Offer accept responsibility for any tax effects or liability of holders of the Offer Shares resulting from holding or disposal of, or dealing in of the Offer Shares.

### The Underwriting Agreement

Date	:	2 November 2015 (after trading hours)
Underwriter	:	Da Tang Xi Shi International
Number of Offer Shares to be underwritten	:	Taking into account the Undertakings, the Open Offer is fully underwritten. The total number of Underwritten Shares (excluding the 77,935,011 Offer Shares to be taken up by the Undertaken Shareholder or its nominee(s) pursuant to the Undertakings), being 57,675,246 Offer Shares, will be underwritten by the Underwriter.
Commission	:	The Underwriter will not receive any underwriting commission.

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## LETTER FROM THE BOARD

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Pursuant to the Underwriting Agreement, the Underwriter has agreed to subscribe or procure subscribers to subscribe for all Underwritten Shares which are not subscribed for, subject to terms and conditions set out in the Underwriting Agreement in particular the fulfillment of the conditions contained therein.

### Conditions of the Underwriting Agreement

The obligations of the Underwriter under the Underwriting Agreement are conditional on:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents (and all other documents required to be attached thereto) in accordance with the requirements under the Companies (WUMP) Ordinance and the Listing Rules;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders;
- (c) the Listing Committee of the Stock Exchange agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Offer Shares;
- (d) the execution of the Undertakings by Da Tang Xi Shi International in favour of the Company; and
- (e) the compliance by the Company with all its obligations under the Underwriting Agreement.

As at the Latest Practicable Date, no conditions of the above has been fulfilled.

### Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions entitling the Underwriter, by notice in writing, to terminate its obligations thereunder on the occurrence of certain events. If, at any time prior to the Latest Time for Termination (i.e. 4:00 p.m. on Wednesday, 9 December 2015 pursuant to the expected timetable), one or more of the following events or matters (whether or not forming part of a series of events) shall occur, arise, exist, or come into effect:

- (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which would in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer;
- (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 hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local

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## LETTER FROM THE BOARD

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securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer;

- (c) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which would in the reasonable opinion of the Underwriter materially or adversely affect the business or the financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer;
- (d) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Group as a whole;
- (e) any material breach of or omission to observe any of the obligations or undertakings by the Company expressed to be assumed it under the Underwriting Agreement;
- (f) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter and which in the reasonable opinion of the Underwriter represents or is likely to represent a material and adverse change in the business, financial or trading position or prospectus of the Group as a whole or is otherwise likely to have a material and adverse effect on the Open Offer is materially adverse to the success of the Open Offer; or
- (g) the Company shall, after any matter or event referred to in the Underwriting Agreement has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Upon the giving of termination notice by the Underwriter, the obligations of all parties, subject to the Underwriting Agreement, shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

**In the event that the Underwriter exercises its rights to terminate or rescind the Underwriting Agreement as described above, the Open Offer will not proceed.**

The Board (including the independent non-executive Directors) considers that the terms of the Underwriting Agreement are fair and reasonable as compared to the market practice and commercially reasonable as agreed among the parties of the Underwriting Agreement and it is in the interest of the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### PROCEDURES FOR ACCEPTANCE AND PAYMENT

For each Qualifying Shareholder, an Application Form is enclosed with this Prospectus which entitles you to subscribe for the number of the Offer Shares shown therein.

If you wish to exercise your right to subscribe for all the Offer Shares allotted on an assured basis to you as specified in the Application Form, you must lodge the Application Form in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Monday, 7 December 2015. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**UDL HOLDINGS LIMITED – OPEN OFFER ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**".

It should be noted that unless the duly completed Application Form, together with the appropriate remittance, has been lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Monday, 7 December 2015, the relevant assured allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Offer Shares will be available for application by the Qualifying Shareholders through the Excess Application Form.

The Application Form contains full information regarding the procedures to be followed for acceptance of the whole or part of your assured allotment.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and lodgment of the Application Form together with a cheque or cashier's order in payment for the Offer Shares accepted will constitute a warranty by the applicant(s) that the cheque or cashier's order will be honored on first presentation. Any Application Form in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the relevant assured allotment of Offer Shares and all rights thereunder will be deemed to have been declined and will be cancelled.

No receipt will be issued in respect of any application monies received.

### APPLICATION FOR EXCESS OFFER SHARES

If you as a Qualifying Shareholder wish to apply for any Offer Shares in excess of your assured allotment indicated on the Application Form enclosed with this Prospectus, you must complete and sign the enclosed Excess Application Form in accordance with the instructions printed thereon and lodge it, together with a separate remittance for the full amount payable on application in respect of the excess Offer Shares applied for, with the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Monday, 7 December 2015. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**UDL HOLDINGS LIMITED – EXCESS APPLICATION ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**".

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## LETTER FROM THE BOARD

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Completion and return of the Excess Application Form with a cheque or cashier's order in payment for the excess Offer Shares will constitute a warranty by the applicant(s) that the cheques or cashier's orders will be honoured on first presentation. All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies shall be retained for the benefit of the Company. Any Excess Application Form in respect of which the accompanying cheque or cashier's order is dishonored on first presentation is liable to be rejected and cancelled.

No receipt will be issued in respect of any application monies received.

If no excess Offer Shares are allotted to the Qualifying Shareholders, it is expected that a cheque for the full amount tendered on application for the excess Offer Shares without interest will be posted to the Qualifying Shareholder's address on the register of member of the Company by ordinary post at his/her/its/their own risk on Monday, 14 December 2015. If the number of excess Offer Shares allotted to the Qualifying Shareholders is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be posted to the Qualifying Shareholder's address on the register of members of the Company by ordinary post at his/her/its/their own risk on Monday, 14 December 2015.

No action has been taken to permit the offering of the Offer Shares or the distribution of this Prospectus, the Application Form or the Excess Application Form in any territory outside Hong Kong. Subject to the paragraph headed "Rights of the Overseas Shareholders" above, no person receiving an Application Form and/or an Excess Application Form in any territory outside Hong Kong may treat it as an offer or invitation to apply for any Offer Shares, unless in the relevant territory such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for Offer Shares to satisfy himself/herself/itself/themselves as to the observance of the laws and regulations of the relevant territory, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. No application for excess Offer Shares will be accepted from any person whose address is outside Hong Kong unless the Company is satisfied (in its absolute discretion) that such acceptance would not involve a breach of any applicable laws or regulatory requirements of any need for compliance with any registration or other legal or regulatory requirements. The Company reserves the right to refuse to accept any application for excess Offer Shares where it believes that doing so would violate the applicable securities or other laws or regulations of the territory of residence of the applicant.

In the event that the Board noted unusual patterns of excess applications and had reason to believe that any application may have been made with the intention to abuse the mechanism set out in the paragraph headed "Application for excess Offer Shares" in this "Letter from the Board", such application(s) for excess Offer Shares may be rejected at the sole discretion of the Board.

If the Underwriter exercises its right to terminate its obligations under the Underwriting Agreement before the Latest Time for Termination, the Open Offer will not proceed and the monies received in respect of applications for the Offer Shares without interest will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first named person, by means of cheques crossed "**ACCOUNT PAYEE ONLY**" to be despatched by ordinary post to their registered addresses and in the case of joint applicants to the registered address of the applicant whose name first appears on the register of members of the Company at their own risk on Monday, 14 December 2015.



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## LETTER FROM THE BOARD

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### SHAREHOLDING STRUCTURE OF THE COMPANY

The table below set out the shareholding structure of the Company assuming that there is no change in the shareholding structure of the Company from the Latest Practicable Date to immediately after the completion of the Open Offer.

	As at the Latest Practicable Date		Upon completion of the Open Offer (assuming all Offer Shares are subscribed for by the Qualifying Shareholders)		Upon completion of the Open Offer (assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders other than the Undertaken Shareholder under the Undertakings)	
	<i>No. of Approximate Shares</i>	<i>%</i>	<i>No. of Approximate Shares</i>	<i>%</i>	<i>No. of Approximate Shares</i>	<i>%</i>
Da Tang Xi Shi International, the Underwriter ( <i>Note</i> )	194,837,528	57.47	272,772,539	57.47	330,447,785	69.62
<i>Public:</i>						
Existing public Shareholders	144,188,115	42.53	201,863,361	42.53	144,188,115	30.38
Total	<u>339,025,643</u>	<u>100.00</u>	<u>474,635,900</u>	<u>100.00</u>	<u>474,635,900</u>	<u>100.00</u>

*Note:*

The Undertaken Shareholder has irrevocably undertaken to the Company that (i) it will not dispose of 194,837,528 Shares beneficially owned by it from the date of the Undertakings up to and including the Record Date; and (ii) it will procure the acceptance of the Offer Shares which will represent the assured allotment to it or its nominee(s) as holders of such Shares under the Open Offer.

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## LETTER FROM THE BOARD

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### INFORMATION ON THE UNDERWRITER

Da Tang Xi Shi International is an investment holding company incorporated in the BVI with limited liability. As at the Latest Practicable Date, it was wholly-owned by Da Tang Xi Shi International Group Limited 大唐西市國際集團有限公司. Da Tang Xi Shi International Group Limited 大唐西市國際集團有限公司 was 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 as to approximately 50.60% was owned by Mr. Lu Jianzhong, as to approximately 13.80% was owned by Mr. Liang Lei\* (梁雷), as to approximately 13.80% was owned by Mr. Yang Xingwen\* (楊興文), as to approximately 13.80% was owned by Mr. Yu Baoan\* (于寶安) and as to approximately 8.00% was owned by 寧波歐盈宏創投資合夥企業 (Ningbo Ouying Hongchuang Investment Partnership\*) respectively.

As at the Latest Practicable Date, Da Tang Xi Shi International held 194,837,528 Shares, representing approximately 57.47% of the entire issue share capital of the Company.

### REASONS FOR BENEFITS OF THE OPEN OFFER AND 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.

The gross proceeds from the Open Offer will be approximately HK\$420.39 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be approximately HK\$418.24 million.

With reference to the composite document of the Company dated 27 July 2015 in relation to the unconditional mandatory cash general offer, Da Tang Xi Shi International, being the controlling Shareholder, will conduct a review of the business operations and financial position of the Group for the purpose of developing a sustainable business plan or strategy for the Group. Subject to the result of the review and should suitable investment or business opportunities arise, Da Tang Xi Shi International may diversify the business of the Group with the objective of broadening its sources of income. The Board considers that it is prudent to strengthen the financial position of the Company and increase its available financial resources to prepare for the capital needs if any investment opportunity materialises and provide sufficient surplus capital to support the development of the Group. Considering the uncertainties in the global financial market, the Directors are of the view that it is reasonable for the Company to enhance the capital base by the Open Offer with a view to create more buffer for the Company to mitigate the business and financial risk and enhance the financial flexibility of the Group. In addition, as the Group is actively seeking for investment opportunity in different industry that could enhance corporate development and broaden the income base of the Group, sufficient cash reserve is crucial for the development of the Group.

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## LETTER FROM THE BOARD

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The Group plans to invest, develop and operate an online marketplace for art and collections including but not limited to wine, tea, coins and jewelry. The Group has engaged an international consulting firm to formulate a detailed business plan with financial forecast. The aim of the Group is to provide consumers an enjoyable online shopping experience for high end art and collections. Online direct sales and online marketplace are the two major online retail business models of the Group's online marketplace for art and collections:

- under the online direct sales business model, the Group procures and manages its own inventories, sells products directly to consumers online, and provides delivery and aftersales services; and
- under the online marketplace business model, the Group operates an intermediary platform that facilitates transactions between merchants and consumers.

It is the intention of the Group to initiate its online direct sales business model first by building up a sufficient inventory level of art and collections. Leveraging from the strong product knowledge and strong merchandise sourcing capabilities for art and collection of Da Tang Xi Shi International Group, being the controlling Shareholder of the Group, the Group plans to source more relevant investment opportunities for development of expansion of its art and collections business. Da Tang Xi Shi International Group has currently deployed over 20 experts and staff related to art and antique businesses.

The gross proceeds from the Open Offer will be approximately HK\$420.39 million. The net proceeds from the Open Offer after deducting all relevant expenses are estimated to be approximately HK\$418.24 million.

The Group intends to apply:

- approximately HK\$48.00 million to repay for the loan from a related party;
- approximately HK\$80 million for the development of online market for art and collections including (i) HK\$35.00 million for capital expenditure of core technology software and hardware acquisition and development; (ii) HK\$25.00 million for operational working capital; (iii) HK\$20.00 million for sales and marketing expenditure;
- approximately HK\$78.69 million for the acquisition of the Old Coins as the inventory to develop the online market of art and collections as mentioned in the Announcement;
- approximately RMB24.32 million (equivalent to approximately HK\$29.84 million) for the acquisition of the Mao Tai Wine as the inventory to develop the online market of art and collections as mentioned in the Announcement;
- approximately RMB30.00 million for the expansion of the operation scale of the Group through renting additional commercial area and employing 5-10 experienced management personnel/expertise in art and antique industries, being existing staff of Da Tang Xi Shi International, as to develop the art and collections related business; and

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## LETTER FROM THE BOARD

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- the remaining for (i) potential strategic partnership with the Group and (ii) potential vertical and horizontal acquisition opportunities which may create synergies for its art and collections related business. Discussions are currently in progress with several high caliber counterparties, the Directors consider the Group will be able to enter into formal agreement with better terms upon the completion of the Open Offer.

### Information of the Old Coins to be Acquired

As set out in the Asset Purchase Agreement, the Old Coins comprise of 8.114 million of antique coins of the Chinese ancient dynasties, Byzantine Empire and Sassanid Empire and 5,000 sets of antique coins of Qing dynasty. The details of the Old Coins are shown as below:

Category	Amount	Consideration (HK\$) (Approximately)
Qin dynasty	560,000	29.28 million
Han dynasty	3,000,000	18.30 million
Tang dynasty	4,250,000	17.08 million
Song dynasty	300,000	3.66 million
Qing dynasty	5,000 (set)	2.44 million
Byzantine empire	1,000	6.10 million
Sassanid empire	3,000	1.83 million
	<b>Total</b>	<b>78.69 million</b>

As mentioned in the Announcement, the consideration of HK\$78.69 million for the acquisition of the Old Coins was arrived at after arm's length negotiation between the parties to the Asset Purchase Agreement on normal commercial terms with reference to market value of the Old Coins and will be subject to further verification by an independent third party valuation expert. The Old Coins are considered to be popular art and collections in the PRC and the generic collections are currently trading on the exchange platform of Nanjing Cultural and Art Asset Exchange Square in the PRC since 2013. The Old Coins package offered by the antique vendor is of high variety in terms of ancient dynasties and cultures. The Directors consider it will enhance the diversity and variety of inventory reserves for the online market place of art and collections, particularly for the collector client base in specific dynasty or culture.

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## LETTER FROM THE BOARD

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### Information of the Mao Tai Wine to be Acquired

As set out in the Wine Purchase Agreement, the Mao Tai Wine comprises of 3,700 bottles of vintage Chinese Mao Tai wine in different years ranging from 1983 to 2000. The details of the Mao Tai Wine are shown as below:

Year	Amount (bottle)	Consideration (RMB) (Approximately)	Price per bottle (RMB) (Approximately)	Previous auction transaction price range (RMB) (Approximately) (Note)
1983-1986	1,100	13.75 million	12,500	29,000-41,000
1987-1990	400	2.74 million	6,850	13,000-26,000
1991-1996	600	3.03 million	5,050	7,000-12,000
1997-2000	1,600	4.80 million	3,000	6,000-7,000
<b>Total</b>	<b>3,700</b>	<b>24.32 million</b>		

*Note:*

Reference is made to the Mao Tai wine booklet published by Poly International Auction Co., Ltd. in 2015.

The total consideration for the purchase of the Mao Tai Wine shall be approximately RMB24.32 million (approximately HK\$29.84 million), subject to positive or negative adjustment not exceeding 10% thereof depending on the valuation by an independent third party valuation expert. It was arrived at after arm's length negotiation between the parties to the Wine Purchase Agreement on normal commercial terms with reference to market value of the Mao Tai Wine and will be subject to further verification by the valuation of an independent third party valuation expert. Chinese Mao Tai wine is one of the world's most famous liquors which has a long history. The vintage Mao Tai Wine is considered to be popular art and collections in the PRC which has been common auction items across the global auction houses. The Directors consider the Mao Tai Wine package offered by the wine vendor will enrich the inventory reserves for the online market place of art and collections, the price of which is below the aforesaid previous auction transaction price range.

The Board has considered other fund raising alternatives before resolving to the Open Offer, including but not limited to debt financing, placing of new Shares and rights issue. Debt financing or bank loans would result in additional interest burden to and higher gearing ratio of the Group and subject the Group to repayment obligations. Given the fund raising size of the Company, the Directors consider that it will not be feasible for the Company to obtain the required amount from bank financing at favourable terms. Placing of new Shares would only be available to certain places who were not necessarily the existing Shareholders and would dilute the shareholding of the existing Shareholders in the Company. The Directors considered that it would be unfair to those Shareholders who had stayed with the Company for a considerable time, especially when the prospect of the Company is expected to improve.

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## LETTER FROM THE BOARD

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Although rights issue, as compared to an Open Offer, is an alternative to Shareholders who do not wish to take up the entitlements by selling their entitled nil-paid rights, rights issue would involve extra administrative work and cost for the preparation, printing, posting and processing of trading arrangements in relation to the nil-paid rights. In addition, as the average trading volume in the past twelve months before the date of the Announcement, is only approximately 0.56% of the total issued Shares, there is uncertainty of the existence of a market to trade the nil-paid rights. Having considered and balanced against the additional administrative work and cost in connection with the trading arrangements of nil-paid rights, and given that all Qualifying Shareholders could participate in the Open Offer, the Directors are of the view that raising funds by way of the Open Offer is a more cost effective option than rights issue. In addition, the Company has approached three principal financial institutions in respect of possible open offer and was informed that all three of the financial institutions are unwilling to underwrite the Open Offer given the fund raising size and market conditions. The Board, after due and careful consideration, sought the approval of the substantial shareholder, Da Tang Xi Shi International, to assist in materializing the proposed Open Offer by undertaking the position as the Underwriter.

Having considered other fund raising alternatives for the Group, such as placing of new Shares, and taking into account the benefits and cost of each of the alternatives, the Directors (including the independent non-executive Directors) are of the view that the Open Offer is in the interest of the Company and the Shareholders as a whole since it offers the Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company.

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## LETTER FROM THE BOARD

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### FUND RAISING EXERCISES OF THE COMPANY IN THE PAST 12 MONTHS

Apart from the fund raising activities mentioned below, the Company had not raised any other funds by equity issue in the past twelve months immediately preceding the Latest Practicable Date:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of net proceeds as at the Latest Practicable Date</b>
15 September 2015 and 6 October 2015	Placing of 55,023,081 new Shares with an aggregate principal amount of HK\$137.60 million	Approximately HK\$135.00 million	for general working capital of the Group and for settlement of certain liabilities of the Group	(i) Approximately HK\$2.0 million was used for general working capital of the Group; and  (ii) the remaining balance of approximately HK\$133.0 million was maintained at the Group's bank accounts and is intended to be used as general working capital for the Group for the marine, construction and structural steel engineering cost, administrative expenses, staff cost, and finance cost and repayment of certain liabilities for the forthcoming 18 months.

Save for the above, the Company had not conducted any other fund raising exercise in the past 12 months immediately preceding the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### WARNING OF THE RISK OF DEALINGS IN SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.

Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Monday, 16 November 2015 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 4:00 p.m. on Wednesday, 9 December 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

By the order of the Board  
**UDL Holdings Limited**  
**Wong Kwok Tung Gordon Allan**  
*Executive Director (Chief Executive Officer)*



**1. FINANCIAL INFORMATION**

Details of the financial information of the Group for each of the three years ended 31 July 2013, 2014 and 2015 are disclosed in the annual reports of the Company for the financial years ended 31 July 2013 (pages 21 to 112), 31 July 2014 (pages 21 to 106), and 31 July 2015 (pages 25 to 112), respectively, and are incorporated by reference into this Prospectus.

The said annual reports of the Company are available on the Company's website at [www.udl.com.hk/](http://www.udl.com.hk/) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).

**2. FINANCIAL AND TRADING PROSPECTS**

The existing principal business activity of the Company is investment holding and its subsidiaries are principally engaged in (i) sale of vessels; (ii) marine engineering; (iii) construction and structural steel engineering and related services. For the year ended 31 July 2015, the turnover of the Group decreased from HK\$119.72 million for the year ended 31 July 2014 to HK\$89.04 million, representing a drop of approximately 25.63%. The loss attributable to owners of the Company has increased 226.26% from HK\$11.69 million for the year ended 31 July 2014 to HK\$38.14 million for the year ended 31 July 2015. There was no revenue derived from sale of vessels for the year ended 31 July 2015 (2014: HK\$15.20 million) with a loss of HK\$0.600 million (2014: HK\$20.10 million). In the light of the forthcoming mega-infrastructure projects to be rolled out, the Group will continue to explore opportunities in the vessel trade sector. For the year ended 31 July 2015, the marine engineering sector recorded a revenue of HK\$62.34 million (2014: HK\$80.32 million) and a loss of HK\$29.21 million (2014: HK\$22.69 million). The Group plans to focus on the marine engineering sector in Hong Kong and discontinued its marine engineering operation in Singapore during the year ended 31 July 2015. The construction and structural steel engineering sector recorded a revenue of HK\$26.70 million (2014: HK\$24.21 million) and a gain of HK\$2.57 million (2014: HK\$7.84 million). While the Group observes prospects in the civil engineering construction industry in Hong Kong in recent years, the growth is slowing down while risk factors including surging costs remain. It is noted that the Group recorded continuous losses in the past five financial years and the losses for the year attributable to owners of the Company fluctuated up and down year from year in the amount of approximately HK\$38.14 million, HK\$11.71 million, HK\$76.05 million, HK\$40.52 million and HK\$72.07 million for the year ended 31 July 2015, 2014, 2013, 2012 and 2011 respectively. Having considered the market competition is high and construction costs remain as a major risk factor, the Group shall continue to put effort to improve and enhance its existing businesses

With reference to the composite document of the Company and Da Tang Xi Shi International dated 27 July 2015 and the joint announcement by the Company and Da Tang Xi Shi International dated 17 August 2015 in relation to the mandatory unconditional cash offer, Da Tang Xi Shi International has become controlling shareholder of the Company with 57.47% shareholding interest. It will conduct a review of the business operations and financial position of the Group for the purpose of developing a sustainable business plan or strategy for the Group. Subject to the result of the review and should suitable investment or business opportunities arise, Da Tang Xi Shi International may diversify the business of the Group with the objective of broadening its sources of income. It is the intention of the Group to invest in the art and collections related business to enrich its source of income. The Group plans to invest, develop

and operate an online marketplace for art and collections including but not limited to wine, tea, coins and jewelry. Reference is made to the announcement dated 2 November 2015 where it is announced that, the Company entered into the asset purchase agreement and wine purchase agreement for the acquisition of antique coins and Chinese Mao Tai wine as to initiate its online marketplace for art and collections.

The Group will continue to development and enhance its existing businesses. At the same time, the Group will actively explore and identify investment opportunities in relation to the art and collections business, and exercise the predominance of the Group in fullest to diversify the business portfolio so as to enhance the long-term growth potential of the Group and maximize the Shareholders' benefits.

### **3. INDEBTEDNESS STATEMENT**

#### **Borrowings**

As at the close of business on 30 September 2015, being the Latest Practicable Date prior to the printing of this Prospectus for the purpose of this indebtedness statement, the Group had outstanding borrowings from a related company of approximately HK\$47,320,000. As at the close of business on 30 September 2015, the Group had obligations under finance lease of approximately HK\$154,000.

#### **Contingent liabilities**

At the close of business on 30 September 2015, the Group's contingent liabilities are set out below:

UDL Contracting Limited ("UDL Contracting"), a wholly-owned subsidiary of the Company commenced legal action under HCA 1209 of 2007 against two defendants on 8 June 2007 to claim damages in relation to the construction of a printing workshop carried out by UDL Contracting. Default judgement in the sum of approximately HK\$162 million was awarded by the court in favour of UDL Contracting on 27 June 2007. However, one defendant took out a summons to apply to set aside the default judgement which has been consented by UDL Contracting. The legal counsels are of the opinion that UDL Contracting is unlikely to incur any liability save for legal costs. The legal costs of the first defendant have been settled amicably upon the claim against the first defendant having been stayed to arbitration. No substantial action has been taken by the second defendant. UDL Contracting is considering further actions on the case.

The directors are of the opinion, after having sought the legal advice from the Company's legal counsel, that the claim can be successfully defended. As a result, no provision has been made in the financial statements.

#### **Disclaimer**

Save as aforesaid and apart from intra-group liabilities, at the close of business on 30 September 2015, the Group did not have any outstanding loan capital, debt securities, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills and payables) or acceptable credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

### **4. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the financial resources available to the Group, including the existing cash and bank balances, the estimated net proceeds from the Open Offer and other internal resources available to the Group, the Group has sufficient working capital for its present requirements and for at least 12 months from the date of this Prospectus.

**5. MATERIAL ADVERSE CHANGE**

The Company is not aware of any material adverse change in the financial or trading position of the Group since 31 July 2015, being the date to which the latest published audited financial statements of the Company were made up.

**6. EVENTS AFTER 31 JULY 2015 BEING THE DATE ON WHICH THE LATEST PUBLISHED AUDITED FINANCIAL STATEMENTS OF THE GROUP WERE MADE UP**

- (a) On 6 October 2015, the Company completed the placing of 55,023,081 placing shares to not less than six placees, who are independent third parties, at the price of HK\$2.50 per placing share pursuant to the terms and conditions of the placing agreement dated 15 September 2015 (the “Placing Agreement”). The net proceeds from the placing is approximately HK\$135.0 million to be utilised for general working capital and settlement of certain liabilities of the Group.
- (b) On 16 October 2015, UDL Ventures Limited, a wholly-owned subsidiary of the Company, entered into an agreement (the “Agreement”) with an independent third party, the purchaser, pursuant to which, UDL Ventures Limited has conditionally agreed to sell, and the purchaser has conditionally agreed to purchase the entire equity interests in Net Excel Management Limited and its subsidiaries and joint ventures (collectively the “Net Excel Group”) at a consideration equal to the greater of (i) the net asset value of the Net Excel Group as set out in consolidated management accounts of the Net Excel Group as at the date of completion of the transaction; and (ii) US\$1.00. The Agreement is conditional upon all requirements imposed by The Stock Exchange of Hong Kong Limited under the Listing Rules or otherwise in connection with the transaction contemplated by the Agreement having been fully complied with.

For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after the completion of the Open Offer.

### 1. UNAUDITED PRO FORMA STATEMENT OF CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement of consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of the Group prepared in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the Open Offer on the consolidated net tangible assets of the Group as if the Open Offer had been completed on 31 July 2015 and taking into account certain assumptions.

The Unaudited Pro Forma Financial Information of the Group has been prepared for illustration purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group immediately had the Open Offer been completed as at 31 July 2015 or at any future date after completion of the Open Offer.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the consolidated net assets of the Group as at 31 July 2015, as extracted from the published annual report for the year ended 31 July 2015 of the Company and the adjustments described below:

		Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after completion of the Open Offer	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company after completion of the Open Offer
Consolidated net tangible assets of the Group attributable to owners of the Company as at 31 July 2015	Estimated net proceeds from the Open Offer	Consolidated net tangible assets per Share attributable to the owners of the Company as at 31 July 2015	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company after completion of the Open Offer
HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$ (Note 4)
Based on 135,610,257 Offer Shares to be issued at subscription price of HK\$3.10 per Offer Share	91,514	418,240	509,754
			0.27
			1.07

*Notes:*

- (1) The amount is extracted from the audited consolidated statement of financial position of the Group as at 31 July 2015 as set out in the published annual report of the Company for the year ended 31 July 2015.
- (2) The estimated net proceeds from the Open Offer are based on 135,610,257 Offer Shares to be issued (based on 339,025,643 Shares in issue (note 5) and on the basis of two Offer Shares for every five existing Shares held on the record date) at the subscription price of HK\$3.10 per Offer Share, after deduction of the estimated expenses of approximately HK\$2,152,000 directly attributable to the Open Offer.
- (3) The consolidated net tangible assets per Share attributable to the owners of the Company as at 31 July 2015 is calculated based on the consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 July 2015 of HK\$91,514,000 and 339,025,643 Shares as at the Latest Practicable Date.
- (4) The unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Open Offer is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group of approximately HK\$509,754,000 and 474,635,900 Shares in issue following the completion of the Open Offer, which is 339,025,643 Shares in issue as detailed above, increased by 135,610,257 Offer Shares issued under the Open Offer assuming the Open Offer had been completed on 31 July 2015.
- (5) On 6 October 2015, the Company completed the placing by issuing 55,023,081 Placing Shares at a subscription price of HK\$2.50 per Placing Share. On the same date, the Company had 339,025,643 Shares in issue.
- (6) The unaudited pro forma financial information of the Group presented above does not take account of any trading results or other transactions of the Group entered into subsequent to 31 July 2015.



國富浩華(香港)會計師事務所有限公司  
Crowe Horwath (HK) CPA Limited  
Member Crowe Horwath International

香港 銅鑼灣 禮頓道77號 禮頓中心9樓  
9/F Leighton Centre,  
77 Leighton Road,  
Causeway Bay, Hong Kong

## 2. REPORT FROM THE REPORTING ACCOUNTANT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

#### TO THE DIRECTORS OF UDL HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of UDL Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 July 2015, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of the Prospectus.

The unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Open Offer on the Group's financial position as at 31 July 2015 as if the Open Offer had taken place at 31 July 2015. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial statements for the year ended 31 July 2015, on which an audit report has been published.

#### Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion of Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

#### Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagement 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus”, issued by the HKICPA. This standard requires that the reporting accountant compiles with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Open Offer at 31 July 2015 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant’s judgment, having regard to the reporting accountant’s understanding of the nature of the Company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Crowe Horwath (HK) CPA Limited**

*Certified Public Accountants*

**Alvin Yeung Sik Hung**

Practising Certificate Number: P05206

Hong Kong, 23 November 2015



## 1. RESPONSIBILITY STATEMENT

This Prospectus includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately upon completion of the Open Offer are as follows:

<i>Authorised share capital:</i>	<i>HK\$</i>
<u>480,000,000</u> Shares	<u>240,000,000</u>

*Assuming there is no change to the issued share capital of the Company on or before the Record Date:*

<i>Issued and fully paid share capital or credited as fully paid:</i>	
339,025,643 Shares in issue as at the Latest Practicable Date	169,512,821.5
<u>135,610,257</u> Offer Shares to be issued	<u>67,805,128.5</u>
<u>474,635,900</u> Shares in issue and fully paid immediately upon completion of the Open Offer	<u>237,317,950</u>

As at the Latest Practicable Date, the Company had no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

No capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

All Shares in issue rank pari passu in all respects with each other including, in particular, as to rights to dividends, voting rights and return of capital.

The issued Shares are listed and traded on the Main Board. None of the securities of the Company is listed, or dealt in, on any other exchange, nor is any listing of or permission to deal in the securities of the Company being, or proposed to be, sought on any other stock exchange.

As at the Latest Practicable Date, there were no arrangement under which future dividends are waived or agreed to be waived.

**3. DISCLOSURE OF INTERESTS****(i) Directors****(a) Interest of Directors and chief executive in the Company**

As at the Latest Practicable Date, none of the Directors or chief executives had any interests or short positions in the shares or underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules.

**(b) Directors' service contracts**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation)).

**(c) Directors' interests in assets**

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which have been since 31 July 2015, being the date to which the latest published audited financial statements of the Group were made up, acquired by or disposed of or leased to any member of the Group or are proposed to be acquired by or disposed of or leased to any member of the Group.

**(d) Directors' interests in contracts or arrangements**

As at the Latest Practicable Date, none of the Directors were materially interested, directly or indirectly, in any contract or arrangement entered into with any member of the Group which contract or arrangement is subsisting and which is significant in relation to the business of the Group.

**(e) Directors' interests in competing businesses**

As at the Latest Practicable Date, none of the Directors and their respective close associates have any interest in any businesses which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group other than those businesses to which the Directors and their close associates were appointed to represent the interests of the Company and/or the Group.

**(f) Directorship or employment with substantial Shareholders**

Save for Mr. Wong Kwok Tung Gordon Allan being a director and employee of Da Tang Xi Shi International, none of the Directors is a director or employee of a company which had any interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as at the Latest Practicable Date.

**(ii) Substantial Shareholders**

As at the Latest Practicable Date, so far as was known to the Directors, the following persons, other than a Director or chief executive of the Company, had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

Name of Shareholder	Nature of interest/capacity	Number of Shares held (Note 3)	Approximate percentage of interests in the issued share capital of the Company as at the Latest Practicable Date
Da Tang Xi Shi International	Beneficial owner	330,447,785	97.47% (long position)
Da Tang Xi Shi International Group Limited (Note 1)	Interest in corporation	330,447,785	97.47% (long position)
大唐西市文化產業投資集團有限公司 (Da Tang Xi Shi Investment Group Limited*) (Note 1)	Interest in corporation	330,447,785	97.47% (long position)
Mr. Lu Jianzhong	Interest in corporation	330,447,785	97.47% (long position)
Ms. Zhu Ronghua (Note 2)	Interest of spouse	330,447,785	97.47% (long position)

*Notes:*

1. As at the Latest Practicable Date, Da Tang Xi Shi International was wholly owned by Da Tang Xi Shi International Group Limited. Da Tang Xi Shi International Group Limited was 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\*) which was owned by Mr. Lu Jianzhong as to approximately 50.60%.
2. Ms. Zhu Ronghua is the spouse of Mr. Lu Jianzhong.
3. Of these Shares, 194,837,528 Shares are beneficially owned by Da Tang Xi Shi International; 77,935,011 Shares represent the number of the Offer Shares to be accepted by Da Tang Xi Shi International; and 57,675,246 Shares represent the maximum amount of the Offer Shares underwritten by Da Tang Xi Shi International pursuant to the Underwriting Agreement.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company was aware of any other person (other than a Director or chief executive of the Company) or corporation which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

**4. CORPORATE INFORMATION****Board of Directors***Executive Director*

Mr. Wong Kwok Tung Gordon Allan  
(*Chief executive officer*)

*Non-executive Director*

Dr. Lam Lee G.

*Independent non-executive Directors*

Mr. Cheng Yuk Wo  
Mr. Choi, Victor Wang Tao  
Mr. Mak Ming Chuen

*Audit Committee*

Mr. Cheng Yuk Wo (*Chairman*)  
Mr. Choi, Victor Wang Tao  
Mr. Mak Ming Chuen

*Remuneration Committee*

Dr. Lam Lee G. (*Chairman*)  
Mr. Wong Kwok Tung Gordon Allan  
Mr. Cheng Yuk Wo

	<i>Nomination Committee</i> Mr. Wong Kwok Tung Gordon Allan ( <i>Chairman</i> ) Mr. Cheng Yuk Wo Mr. Mak Ming Chuen
<b>Registered office</b>	Crawford House 4th Floor 50 Cedar Avenue Hamilton HM11 Bermuda
<b>Head office and principal place of business in Hong Kong</b>	Room 702, 7th Floor Aitken Vanson Centre 61 Hoi Yuen Road Kwun Tong Kowloon Hong Kong
<b>Company secretary</b>	Ms. Yuen Wing Yan, Winnie
<b>Authorised representatives</b>	Mr. Wong Kwok Tung Gordon Allan Ms. Yuen Wing Yan, Winnie
<b>Hong Kong branch share registrar and transfer office</b>	Tricor Tengis Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
<b>Auditors</b>	Crowe Horwath (HK) CPA Limited
<b>Principal Bankers</b>	Industrial and Commercial Bank of China (Asia) Limited Bank of Communications Co., Ltd. Hong Kong Branch Wing Lung Bank Limited
<b>Stock code</b>	620
<b>Website</b>	<a href="http://www.udl.com.hk">www.udl.com.hk</a> <a href="http://www.irasia.com/listco/hk/udl">www.irasia.com/listco/hk/udl</a>

**5. PARTIES INVOLVED IN THE OPEN OFFER**

<b>The Company</b>	UDL Holdings Limited Room 702, 7th Floor Aitken Vanson Centre 61 Hoi Yuen Road Kwun Tong Kowloon Hong Kong
<b>Underwriter</b>	Da Tang Xi Shi International Holdings Limited Room 2506A, 25/F, Bank of America Tower 12 Harcourt Road Central Hong Kong
<b>Financial adviser of the Company</b>	Octal Capital Limited 801-805, 8th Floor, Nan Fung Tower 88 Connaught Road Central Hong Kong
<b>Legal advisers to the Company</b>	DLA Piper Hong Kong 17th Floor, Edinburgh Tower The Landmark, 15 Queen's Road Central Hong Kong
<b>Reporting Accountants</b>	Crowe Horwath (HK) CPA Limited Unit 701, 7/F., Citicorp Centre 18 Whitfield Road, Causeway Bay Hong Kong
<b>Hong Kong branch share registrar and transfer office</b>	Tricor Tengis Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong

**6. LITIGATION**

UDL Contracting Limited (“UDL Contracting”), a wholly-owned subsidiary of the Company commenced legal action under HCA 1209 of 2007 against two defendants on 8 June 2007 to claim damages in relation to the construction of a printing workshop carried out by UDL Contracting. Default judgement in the sum of approximately HK\$162,000,000 was awarded by the court in favour of UDL Contracting on 27 June 2007. However, one defendant took out a Summons to apply to set aside the default judgement which has been consented by UDL Contracting. No substantial action has been taken by the second defendant. UDL Contracting is considering further actions on the case.

The aforesaid litigation has no material impact on the Group's operation and financial position.

As at the Latest Practicable Date, save as disclosed above, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was pending or threatened against either the Company or any of its subsidiaries.

## 7. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the Latest Practicable Date:

- (a) the Placing Agreement; and
- (b) the Underwriting Agreement.

## 8. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

### Executive Director

**Mr. Wong Kwok Tung Gordon Allan**, aged 41, was appointed as an executive Director of the Company in July 2015. He has extensive financial and accounting experience in various industries, and has previously worked in an accounting firm and an investment bank. He holds a bachelor of commerce degree from the University of Sydney and is a member of the Institute of Chartered Accountants in Australia. He is also a director of Da Tang Xi Shi International, the existing controlling shareholder of the Company.

### Non-executive Director

**Dr. Lam Lee G.**, aged 56, was appointed as a non-executive Director of the Company in October 2015. He has over 30 years of international experience in general management, strategy consulting, corporate governance, direct investment, investment banking and fund management across the telecommunications/media/technology (TMT), consumer/healthcare, infrastructure/real estates, energy/resources and financial services sectors, and he also serves on the board of directors and the investment committee of a number of publicly-listed companies and investment funds in the Asia Pacific region. He holds a Bachelor of Science in Mathematics and Sciences, a Master of Science in Systems Science and a Master of Business Administration, all from the University of Ottawa in Canada, a Post-graduate Diploma in Public Administration from Carleton University in Canada, a Post-graduate Diploma in English and Hong Kong Law and a Bachelor of Laws (Hons) from Manchester Metropolitan University in United Kingdom, a Postgraduate Certificate in Laws from the City University of Hong Kong, a Master of Laws from the University of Wolverhampton in United Kingdom, a Certificate in Professional Accountancy from the Chinese University of Hong Kong SCS, a Master of Public Administration and a Doctor of Philosophy from the University of Hong Kong. He is a solicitor of the High Court of Hong Kong and an Honorary Fellow of CPA Australia. He is also appointed as a non-executive director of China LNG Group

Limited (stock code: 931) and Sunwah Kingsway Capital Holdings Limited (stock code: 188), which are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). He is also an independent non-executive director of CSI Properties Limited (stock code: 497), Glorious Sun Enterprises Limited (stock code: 393), Imagi International Holdings Limited (stock code: 585), Mei Ah Entertainment Group Limited (stock code: 391) and Vongroup Limited (stock code: 318), which are listed on the Stock Exchange. He is also a lead independent director of Rowsley Limited (stock code: A50) and Asia-Pacific Strategic Investments Limited (stock code: 5RA), which are listed on The Stock Exchange of Singapore. He is also an independent director of Top Global Limited (stock code: 519) which is listed on The Stock Exchange of Singapore. He is also an independent non-executive director of Sunwah International Limited (stock code: TSX SWH) which is listed on Toronto Stock Exchange. He is also the chairman and independent non-executive director of Vietnam Equity Holding (stock code: 3MS) and Vietnam Property Holding (stock code: 3MT) which are listed on Stuttgart Stock Exchange. He is also an independent non-executive director of Coalbank Limited (stock code: ASX CBQ) which is listed on Australian Stock Exchange.

#### **Independent non-executive Directors**

**Mr. Cheng Yuk Wo**, aged 54, was appointed as an independent non-executive Director of the Company in November 2015. He is a fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, and a member of the Institute of Chartered Accountants of Ontario, Canada and the Chartered Professional Accountants of Canada. He is a co-founder of a Hong Kong merchant banking firm and is the proprietor of a certified public accountant practice in Hong Kong. Mr. Cheng obtained a Master of Science (Economics) degree in Accounting and Finance from the London School of Economics, England and a Bachelor of Arts (Honours) degree in Accounting from the University of Kent, England. Mr. Cheng had worked at Coopers and Lybrand (now known as PricewaterhouseCoopers) in London and with Swiss Bank Corporation (now known as UBS AG) in Toronto.

Mr. Cheng is also an independent non-executive director of CSI Properties Limited (stock code: 497), C.P. Lotus Corporation (stock code: 121), Chong Hing Bank Limited (stock code: 1111), Goldbond Group Holdings Limited (stock code: 172), HKC (Holdings) Limited (stock code: 190), Imagi International Holdings Limited (stock code: 585), CPMC Holdings Limited (stock code: 906), Top Spring International Holdings Limited (stock code: 3688), Liu Chong Hing Investment Limited (stock code: 194) and Chia Tai Enterprises International Limited (stock code: 3839), the shares of all of which are listed on The Stock Exchange of Hong Kong Limited. In the last three years preceding the date of appointment, he was an independent non-executive director of South China Land Limited (stock code: 8155) and an executive director of 21 Holdings Limited (stock code: 1003).

**Mr. Choi, Victor Wang Tao**, aged 42, was appointed as an independent non-executive Director of the Company in November 2015. He has over 20 years of experience in financial management in port and public utility industries. He is a qualified accountant and holds a Bachelor’s degree in Economics from the University of Sydney. He is a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia.



**Mr. Mak Ming Chuen**, aged 42, was appointed as an independent non-executive Director of the Company in November 2015. He is currently serves as a director of Guangzhou Yuegou e-Commerce Limited, company specializing in building and operating a cross border electronic business trading platform for non-staple food and was the chief financial officer in one of a wholly owned subsidiary of New World Development Co., Ltd. He has extensive experience in financial and accounting field, and has previously worked for Ernst & Young in their Hong Kong auditing department. He holds a Bachelor's degree in Accounting and Finance at the Manchester Metropolitan University.

#### **9. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed "Expert and Consent" in this appendix, have been delivered to the Registrar of Companies in Hong Kong for registration pursuant to section 342C of the Companies (WUMP) Ordinance.

#### **10. LEGAL EFFECT**

The Prospectus Documents and all acceptance of any offer or application in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all person concerned bound by the provisions (other than the penal provisions) of Section 44A and 44B of the Companies (WUMP) Ordinance.

#### **11. MISCELLANEOUS**

- (a) The company secretary of the Company is Ms. Yuen Wing Yan, Winnie.
- (b) The registered office of the Company is situated at Crawford House, 4th Floor, 50 Cedar Avenue, Hamilton HM11, Bermuda and the Company's principal place of business in Hong Kong is located at Room 702, 7th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.
- (c) The branch share registrar of the Company in Hong Kong is Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) In case of any inconsistency, the English text of this Prospectus shall prevail over its Chinese text.

**12. EXPERT AND CONSENT**

The following sets out the qualifications of the expert who have given their opinions or advice as contained in this Prospectus:

<b>Name</b>	<b>Qualifications</b>
Crowe Horwath (HK) CPA Limited	Certified Public Accountants
(a)	Crowe Horwath (HK) CPA Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its letter, statement or advice and references to its name in the form and context in which they are included.
(b)	As at the Latest Practicable Date, Crowe Horwath (HK) CPA Limited did not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
(c)	As at the Latest Practicable Date, Crowe Horwath (HK) CPA Limited did not have any interest, direct or indirect, in any asset which have been since 31 July 2015, being the date to which the latest published audited financial statements of the Group were made up, acquired by or disposed of or leased to any member of the Group or are proposed to be acquired by or disposed of or leased to any member of the Group.

**13. EXPENSES**

The expenses in connection with the Open Offer, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges, registration and other related expenses, are estimated to amount to approximately HK\$2.15 million and are payable by the Company.

**14. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours at Room 702, 7th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong from the date of this Prospectus up to and including the Latest Time for Acceptance:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the material contract referred to the paragraph headed “Material Contracts” to this appendix;
- (c) the annual reports of the Company for the three financial years ended 31 July 2013, 31 July 2014 and 31 July 2015;
- (d) the letter of written consents referred to in the paragraph headed “Expert and Consent” in this appendix;
- (e) the independent reporting accountants’ report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus; and
- (f) this Prospectus.