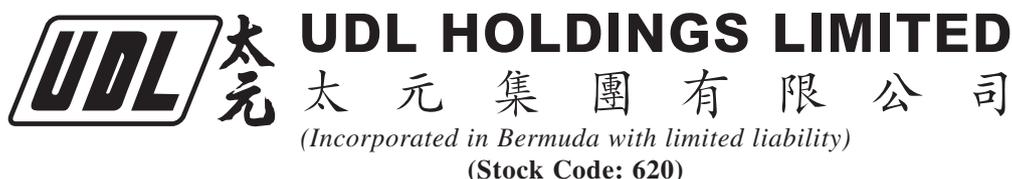


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DISCLOSEABLE TRANSACTION IN RELATION TO THE ARTWORKS ACQUISITION

Financial Adviser to the Company



THE ARTWORKS ACQUISITION

The Board is pleased to announce that on 7 December 2015 (after trading hours), CHKCAEE entered into the Artworks Purchase Agreement with the Artworks Vendor pursuant to which CHKCAEE has conditionally agreed to acquire the Artworks from the Artworks Vendor.

The consideration of the Artworks Acquisition is HK\$52.26 million which shall be satisfied in cash by CHKCAEE to the Artworks Vendor at the Artworks Acquisition Completion.

The Artworks Acquisition Completion is conditional upon the satisfaction of the conditions as set out in the sub-paragraph headed “Conditions precedent to the Artworks Acquisition”.

IMPLICATIONS UNDER THE LISTING RULES ON THE ARTWORKS ACQUISITION

Since certain of the applicable percentage ratios of the Artworks Acquisition exceed 5% but are less than 25%, the Artworks Acquisition will constitute a discloseable transaction for the Company for the purposes of, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. As at the date of the Artworks Purchase Agreement, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Artworks Vendor is an Independent Third Party from the Company under the Listing Rules.

THE ARTWORKS ACQUISITION

The Board is pleased to announce that on 7 December 2015 (after trading hours), CHKCAEE entered into the Artworks Purchase Agreement with the Artworks Vendor pursuant to which CHKCAEE has conditionally agreed to acquire the Artworks from the Artworks Vendor. The principal terms of the Artworks Purchase Agreement are set out below:

Date

7 December 2015

Parties

Seller: Hong Kong Antique & Artistic Production Investment Limited, a company incorporated in Hong Kong with limited liability

Hong Kong Antique & Artistic Production Investment Limited is principally engaged in art collections trading business

Purchaser: China Hong Kong Cultural Asset and Equity Exchange Limited, a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of the Company

As at the date of the Artworks Purchase Agreement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Artworks Vendor is an Independent Third Party from the Company under the Listing Rules.

Assets to be acquired

Pursuant to the Artworks Purchase Agreement, at the Artworks Acquisition Completion, CHKCAEE agrees to purchase from the Artworks Vendor, and the Artworks Vendor agrees to sell, transfer, convey, assign and deliver to CHKCAEE, all of the following assets free and clear of all encumbrances:

- (a) the painting and other art collections as specified in the section headed "Information about the Artworks";
- (b) all valuation certificates relating to the painting and other art collections in the possession by the Artworks Vendor; and
- (c) all of the Artworks Vendor's rights, claims, credits, causes of action or rights of setoff against third parties relating to the painting and other art collections, 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 painting and other art collections (collectively, the "**Artworks**").

Consideration

The consideration for the purchase of the Artworks is HK\$52.26 million which shall be satisfied in cash fully by CHKCAEE to the Artworks Vendor at the Artworks Acquisition Completion.

The consideration of HK\$52.26 million was arrived at after arm's length negotiation between the parties to the Artworks Purchase Agreement on normal commercial terms with reference to market value of the Artworks and will be subject to further verification by the valuation of the Artworks by an Independent Third Party valuation expert.

Conditions precedent to the Artworks Acquisition

The Artworks Acquisition Completion shall be conditional upon the fulfillment of the condition of which CHKCAEE having been satisfied with the valuation of the Artworks by an Independent Third Party valuation expert.

If the above condition cannot be fulfilled on or before 31 December 2015 (or such later date as may be agreed between the parties), the Artworks Purchase Agreement shall terminate and become unenforceable provided that such termination shall be without prejudice to the rights and remedies of either party in respect of any antecedent breach of the Artworks Purchase Agreement by the other party.

Artworks acquisition completion

The Artworks Acquisition Completion shall take place on and before 11:00 A.M. on 31 December 2015, at the office of CHKCAEE, or at such other time and location as CHKCAEE and the Artworks Vendor may agree in writing. The Artworks shall be delivered to and received by an authorised person specifically designated by CHKCAEE by prior written notice (issued by a director of CHKCAEE) to the Artworks Vendor.

INFORMATION ABOUT THE ARTWORKS

As set out in the Artworks Purchase Agreement, the Artworks comprise of two blue-and-white porcelains in the consideration amount of HK\$12.00 million and fourteen paintings and three calligraphies from Zhang Da Qian, Qi Bai Shi, Shi Nu, Zhao Wang Yun, He Hai Xia, Huang Zhou and Cai He Ding in the aggregate consideration amount of HK\$40.26 million. The above Artworks package is considered to be popular art and collections across the globe which has been common auction items across the global auction houses.

REASONS FOR AND BENEFITS OF THE ARTWORKS ACQUISITION

Reference is made to the announcement of the Company dated 2 November 2015, the Group plans to invest, develop and operate an online marketplace for art and collections including but not limited to wine, tea, coins and jewellery. 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. The Directors consider that Artworks Acquisition 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 Chinese paintings and calligraphies. The terms and conditions of the Artworks Acquisition Agreement were determined on normal commercial terms after arm's length negotiations between CHKCAEE and the Artworks Vendor.

The Directors (including the independent non-executive Directors) consider that (a) the Artworks Acquisition has been made on normal commercial terms, (b) such terms are fair and reasonable and (c) the Artworks Acquisition is in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES ON THE ARTWORKS ACQUISITION

Since certain of the applicable percentage ratios of the Artworks Acquisition exceed 5% but are less than 25%, the Artworks Acquisition will constitute a discloseable transaction for the Company for the purposes of, and are subject to the reporting and announcement requirements under, Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Artworks Acquisition” the acquisition of the Artworks by CHKCAEE from the Artworks Vendor pursuant to the terms and conditions of the Artworks Purchase Agreement

“Artworks Acquisition Completion”	the completion of the Artworks Acquisition pursuant to the terms and conditions of the Artworks Purchase Agreement
“Artworks Purchase Agreement”	the asset purchase agreement dated 7 December 2015 entered into between CHKCAEE and Artworks Vendor for the sale and purchase of the Artworks
“Artworks Vendor”	Hong Kong Antique & Artistic Production Investment Limited, a company incorporated in Hong Kong with limited liability
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“CHKCAEE”	China Hong Kong Cultural Asset and Equity Exchange Limited, a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of the Company
“Company”	UDL Holdings Limited (太元集團有限公司), a company incorporated under the laws of Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 620)
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“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
“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
“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
“Substantial Shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Reminbi, the lawful currency of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
UDL HOLDINGS LIMITED
Wong Kwok Tung Gordon Allan
Executive Director (Chief Executive Officer)

Hong Kong, 7 December 2015

As at the date of this announcement, the Board comprises one executive Director, namely Mr. Wong Kwok Tung Gordon Allan (chief executive officer); one non-executive Director, namely Dr. Lam Lee G.; and three independent non-executive Directors, namely Mr. Cheng Yuk Wo, Mr. Choi, Victor Wang Tao and Mr. Mak Ming Chuen.

* *For identification purpose only*