

**INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31ST JANUARY, 2002**

INTERIM RESULTS

The Directors of UDL Holdings Limited (the “Company”) would like to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31st January, 2002 as follows:

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 31st January, 2002

	<i>Note</i>	Six months ended 31st January 2002 HK\$'000	Six months ended 31st January 2001 HK'000
TURNOVER			
Continuing operations	<i>1</i>	27,332	32,445
Cost of sales		<u>(16,810)</u>	<u>(13,430)</u>
		10,522	19,015
Other revenue		910	1,310
Administrative expenses		<u>(10,808)</u>	<u>(11,742)</u>
		624	8,583
Provision for the decline in the recoverable amount of vessels		(21,987)	–
Provision for bad and doubtful debts		<u>(18,978)</u>	<u>(816)</u>
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	<i>2</i>	(40,341)	7,767
Finance costs		<u>(5,834)</u>	<u>(5,704)</u>
PROFIT/(LOSS) BEFORE TAXATION		(46,175)	2,063
Taxation	<i>3</i>	<u>1,974</u>	<u>86</u>
PROFIT/(LOSS) BEFORE MINORITY INTERESTS		(44,201)	2,149
Minority interests		<u>–</u>	<u>21</u>

NET PROFIT/(LOSS) FROM ORDINARY
ACTIVITIES ATTRIBUTABLE TO
SHAREHOLDERS

		<u>(44,201)</u>	<u>2,170</u>
		<i>HK Cents</i>	<i>HKCents</i>
EARNINGS/(LOSS) PER SHARE			
– Basic	4	<u>(7.3)</u>	<u>0.4</u>

Notes:

1. TURNOVER AND SEGMENTAL INFORMATION

The Group's turnover and contribution to profit/(loss) from operations analysed by principal activities and by geographic locations are as follows:

	Turnover <i>HK\$'000</i>		Contribution to profit/(loss) from operating activities <i>HK\$'000</i>	
	31st January 2002	31st January 2001	31st January 2002	31st January 2001
By principal activity:				
Continuing operations:				
Marine engineering	<u>27,332</u>	<u>32,445</u>	<u>(40,341)</u>	<u>7,767</u>
By geographical area of operation:				
The People's Republic of China	27,332	20,826	(17,910)	4,986
Hong Kong, S.A.R.	–	11,619	(22,431)	2,781
Singapore	<u>27,332</u>	<u>32,445</u>	<u>(40,341)</u>	<u>7,767</u>

2. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

The Group's profit/(loss) from operating activities is arrived at after charging/(crediting):

	Six months ended 31st January 2002 HK\$'000	Six months ended 31st January 2001 HK'000
Depreciation		
Owned fixed assets	6,666	8,097
Leased fixed assets	–	48
Auditors' remuneration	338	328
Provision for the decline in the recoverable amount of vessels	21,987	–
Provision for doubtful receivables	18,978	816
(Profit)/loss on disposal of fixed assets	(45)	1,215
Interest Income	<u>–</u>	<u>(5)</u>

3. TAXATION

No provision has been provided for Hong Kong profits tax as the Group did not have any assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of taxation prevailing in the countries in which the Group operates. Previous year over provision for taxation has been written back in the period.

4. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings per share for the period ended 31st January, 2002 is based on the net loss from ordinary activities attributable to shareholders of HK\$44,201,000 (2001: profit of 2,170,000) and the number of 605,534,868 shares (2001: 504,612,390 shares) in issue during the period.

Diluted loss per share for the period ended 31st January, 2002 is not presented as there is no outstanding options exercisable as at the balance sheet date and a diluted profit per share for 31st January, 2001 is not shown because there was no outstanding share options exercisable as at the balance sheet date.

MANAGEMENT DISCUSSION AND ANALYSIS

Review and operations

During the period under review, the Group focused on recovery of receivables, disposal of certain of the Group's vessels to reduce its debt servicing obligations, the opposition of the appeals to the Scheme of Arrangement of seven of its subsidiaries in the Court of Final Appeal, and the implementation of the Scheme of Arrangement of the Company and its 24 subsidiaries (the "Scheme").

Liquidity and financial resources

As at 31st January, 2002, the Company had in aggregate secured bank and other borrowing approximately HK\$106,605,000. The Company's cash, bank balances and pledged bank deposits amounted to approximately HK\$182,000 as at 31st January, 2002. As the Group has shareholders deficit, no appropriate gearing ratio as at 31st January, 2002 could be calculated.

Employees

As at 31st January, 2002, there are approximately 16 staff and 48 contract workers in the Group. The Directors are actively reviewing staffing levels and remuneration package with a view to maintain a cost-effective management structure.

Prospects

The Company would further explore opportunities in vessels hiring and disposing of certain vessels to reduce the Group's debt servicing obligations, re establishing the Group's assets base and expediting implementation of the Scheme.

AUDIT COMMITTEE

The Company's Audit Committee was formed on 2nd January, 1999, and is presently comprising the independent non-executive directors, Messrs Pao Ping Wing and Wong Pui Fai.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited interim financial statements for the six months ended 31st January, 2002.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 31st January, 2002, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

COMPLIANCE WITH CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not during the six months ended 31st January, 2002, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

PUBLICATION OF INTERIM REPORT ON STOCK EXCHANGE WEBSITE

The Interim Report of the Company containing all the information required by the Listing Rules will be published on the website of the Stock Exchange.

By order of the Board
UDL Holdings Limited
Leung Yu Oi Ling Irene
Chairman

Hong Kong, 26th April, 2002

"Please also refer to the published version of this announcement in the Hong Kong i-Mail"