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RESUMPTION OF TRADING

The Directors would like to advise that in view of the recent development of the Company in its negotiation with the Scheme Administrator on the Plan as mentioned in the Company's announcement dated 24 December 2001, the Directors have decided to postpone a proposed rights issue.

An application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 19 June 2002. **As the Plan may or may not be proceeded, holders of the shares and potential investors of the Company should exercise caution when dealing with the shares of the Company.**

Reference is made to the suspension of trading in the shares of UDL Holdings Limited ("Company") from 9:30 a.m. on 30 May 2002 at the request of the Company pending the release of an announcement in relation to a proposed rights issue.

The directors of the Company ("Directors") would like to advise that the Company, after prolonged negotiation with the common administrator ("Scheme Administrator") of the respective schemes of arrangement of the Company and its scheme participating subsidiaries ("Scheme") as disclosed in the Company's circular dated 1 March 2000, which were all effective 28 April 2000, on a plan for the provision of funds to the Scheme for expeditious implementation and early distribution of dividend to the scheme creditors ("Plan") as mentioned in the Company's announcement dated 24 December 2001, the Company, after reviewing and adjusting the Plan for compatibility with the provisions of the Scheme, has recently obtained a breakthrough which may lead to an imminent conclusion in the formulation of the Plan with the Scheme Administrator.

Since successful conclusion and implementation of the Plan, if so taken place, could enhance the financial strength of the Company and its subsidiaries and thus achieving the same if not more than the original purpose of the Directors to conduct the possible rights issue, the Directors have decided to postpone the aforesaid possible rights issue in view of the aforesaid progress of the formulation of the Plan. **As at the date of this announcement, the Company has not entered into any written agreement with the Scheme Administrator in respect of the Plan. Further announcement will be made by the Company as and when appropriate.**

An application has been made to the Stock Exchange for resumption of trading in the securities of the Company with effect from 9:30 a.m. on 19 June 2002. **As the Plan may or may not be proceeded, holders of the shares and potential investors of the Company should exercise caution when dealing with the shares of the Company.**

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

Hong Kong, 18 June 2002

* *For identification purpose only*

“Please also refer to the published version of this announcement in The Standard”.