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**Appointment of independent financial adviser  
in relation to the Possible Offer by  
Kingsway SW Securities Limited  
on behalf of Harbour Front for all the Shares  
(other than those Shares already owned or agreed to be  
acquired by Harbour Front and parties acting in concert  
with it after closing of the Rights Issue)  
and**

**Adjournment of the hearing of the summons with respect to the Petition**

The Directors wish to announce that the Company has appointed Chateron Corporate Finance Limited to act as the independent financial adviser to advise the Independent Board Committee in respect of the Possible Offer.

The Directors would like to inform the Shareholders that the hearing of the summons with respect to the Petition originally fixed on 18 and 19 November 2002 has been adjourned due to unavailability of the Petitioners' counsel. The Company has been advised by its Bermuda lawyers that it has been adjourned to the first available 2 day hearing date after 13 December 2002. The Company will make further announcement once the result of the summons is available.

**Shareholders and investors are advised to exercise extreme caution when dealing in the Shares and the nil-paid Rights Shares for the Rights Issue.**

Reference is made to the joint announcement dated 4 October 2002 (the "Joint Announcement") issued by the Company and Harbour Front in relation to, inter alia, the Rights Issue and the Possible Offer, and the prospectus dated 11 November 2002 (the "Prospectus") issued by the Company in relation to, inter alia, the Rights Issue and the Possible Offer. Unless otherwise stated, terms used herein shall have the same meanings as those defined in the Joint Announcement and the Prospectus.

## **Appointment of independent financial adviser in respect of the Possible Offer**

The Directors wish to announce that the Company has appointed Chateron Corporate Finance Limited to act as the independent financial adviser to advise the independent board committee of the Company (the “Independent Board Committee”) in respect of the Possible Offer. If the Rights Issue becomes unconditional and Harbour Front by applying and subscribing for excess Rights Shares, together with Kingsway SW Securities and parties acting in concert with it take up new Shares representing more than 2% of the issued share capital of the Company as enlarged by the Rights Issue, Harbour Front will be required under Rule 26.1 of the Takeovers Code to make a general offer for the Shares other than those owned or agreed to be acquired by it and parties acting in concert with it. As such, a copy of the letter of advice from Chateron Corporate Finance Limited to the Independent Board Committee regarding the Possible Offer will be included in the composite offer document and is expected to be despatched to the Shareholders on or before 9 December 2002, which is within seven days of the Rights Issue becoming unconditional.

## **Adjournment of the hearing of the summons with respect to the Petition**

As referred in the paragraph headed “Litigation against the Company in Bermuda” in the section headed “Letter from the Board” of the Prospectus, the hearing of the summons with respect to the Petition was originally fixed on 18 and 19 November 2002. However, it has been adjourned due to unavailability of the Petitioners’ counsel. The Company has been advised by its Bermuda lawyers that it has been adjourned to the first available 2 day hearing date after 13 December 2002. The Company believes that this is an apparent intent of the Petitioners to prolong the nuisance value to the proper corporate actions by the Company including but not limited to the current Rights Issue exercise. It is the Company’s position that such actions with the ulterior motive to derail or at least delay the necessary actions by the Company should not be encouraged and the Company will make further announcement once the result of the summons is available.

As stated in the paragraphs headed “Litigation against the Company in Bermuda” in the section headed “Letter from the Board” and “Litigations” in Appendix II of the Prospectus, the Company has been advised by its Bermuda lawyers that, regardless of whether the Petitioners are successful in claiming against the Company with respect to the primary relief, the Company is not prohibited from proceeding with the Rights Issue under either Bermuda law, the Company’s bye-laws or memorandum of association. The Company has also been further advised by its Hong Kong lawyers that similarly there is no such prohibition under the regulatory regime in Hong Kong. The Directors are of the view that the Petition will not have any material impact on the Group and the Shareholders.

**Shareholders and investors are advised to exercise extreme caution when dealing in the Shares and the nil-paid Rights Shares for the Rights Issue.**

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

Hong Kong, 20 November 2002

*The directors of the Company accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, the opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, the opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

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