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HARBOUR FRONT LIMITED

(Incorporated in the British Virgin Islands with limited liability)



UDL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

JOINT ANNOUNCEMENT

**Allotment result of Rights Issue of 302,767,434 Rights Shares of HK\$0.01 each
at HK\$0.025 per Rights Share
on the basis of one Right Share for every two existing Shares
held by the Qualifying Shareholders of UDL Holdings Limited,**

**Understatement of 4,000 Shares held by Harbour Front and parties acting in
concert with it as at the Record Date in the Prospectus and**

Mandatory conditional general 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 the Rights Issue became unconditional)**

Financial Adviser



Kingsway Capital Limited

Allotment results of the Rights Issue

The Board is pleased to announce that as at 4:00 p.m. on 27 November 2002, the Company had received 43 valid acceptances for 262,113,615 Rights Shares provisionally allotted under the Rights Issue (representing approximately 86.57% of the total number of Rights Shares provisionally allotted) and 31 valid excess applications for 279,509,907 Rights Shares (representing approximately 92.32% of the total number of Rights Shares provisionally allotted), amounting to 541,623,522 Rights Shares in aggregate (representing approximately 178.89% of the total number of Rights Shares provisionally allotted).

Amongst the valid acceptances for 262,113,615 Rights Shares provisionally allotted under the Rights Issue, Harbour Front and the parties acting in concert with it had fully subscribed for an aggregate of 127,618,826 Rights Shares provisionally allotted to Harbour Front and parties acting in concert with it under the Rights Issue (representing approximately 42.15% of the total number of Rights Shares provisionally allotted).

Amongst the 31 valid excess applications for 279,509,907 Rights Shares, Harbour Front had applied for 175,148,608 excess Rights Shares (representing approximately 57.85% of the total number of Rights Shares provisionally allotted) under the Rights Issue, of which 19,074,348 excess Rights Shares were undertaken by them. 30,111,520 excess Rights Shares had been allotted to Harbour Front in accordance with the Allotment Mechanism. Save for the above, no Rights Shares were accepted and applied by any other connected persons as defined in the Listing Rules.

If excluding 175,148,608 excess Rights Shares applied by Harbour Front, there were 30 valid excess applications for 104,361,299 Rights Shares (representing approximately 34.47% of the total number of Rights Shares provisionally allotted).

The Rights Issue was oversubscribed and the Rights Issue became unconditional on Friday, 29 November 2002.

The Directors are of the view that the allocation of excess Rights Shares was fully complied with the Allotment Mechanism as stated in the Prospectus and was fair to all the Qualifying Shareholders who had applied for the excess Rights Shares.

Understatement of 4,000 Shares held by Harbour Front and parties acting in concert with it as at the Record Date in the Prospectus

The Directors would like to inform the Shareholders that due to previous arithmetic error made by Harbour Front, the Shares held by Harbour Front and parties acting in concert with it as at the Record Date had been understated by 4,000 Shares in the Prospectus. The Directors are informed by Harbour Front that such understatement was a long outstanding error since May 2001. As such, Harbour Front and parties acting in concert with it as at the Record Date were interested in 255,237,653 Shares instead of 255,233,653 Shares as disclosed in the Prospectus, and the actual number of Rights Shares provisionally allotted to Harbour Front and parties acting in concert with it was 127,618,826 Rights Shares instead of 127,616,826 Rights Shares as disclosed in the Prospectus. Accordingly, Harbour Front and parties acting in concert with it had subscribed for an additional of 2,000 Rights Shares to an aggregate of 127,618,826 Rights Shares provisionally allotted to Harbour Front and parties acting in concert with it under the Rights Issue.

The Directors, based on the advice from the Company's Hong Kong legal adviser, are of the view that such misstatement would not materially affect the contents of the Prospectus and cause the Prospectus misleading. Also, they consider that it will not have any material effect on the Company and Rights Issue or cause any prohibition on the Rights Issue and the Offer subsequent thereto.

Mandatory conditional general offer by Kingsway SW Securities Limited

Immediately after the completion of the Rights Issue, Harbour Front, by applying for and subscribing an aggregate of 175,148,608 excess Rights Shares (of which 19,074,348 excess Rights Shares were undertaken by Harbour Front on 4 October 2002), together with the parties acting in concert with it has taken up 30,111,520 new Shares in accordance with the allotment basis of excess Rights Shares as stated in the paragraph headed "Allocation of excess Rights Shares" of this announcement, representing approximately 3.32% of the issued share capital of the Company as enlarged by the Rights Issue. Accordingly, Harbour Front is required under Rule 26.1 of the Takeovers Code to make a general offer for all the Shares of the Company other than those already owned or agreed to be acquired by it and parties acting in concert with it after the completion of the Rights Issue.

Harbour Front and parties acting in concert with it are beneficially interested in an aggregate of 412,967,999 Shares (representing approximately 45.47% of issued share capital of the Company as enlarged by the Rights Issue), which is less than 50% of the voting rights of the Company as enlarged by the Rights Issue upon completion of the Rights Issue and therefore the Offer is conditional.

Pursuant to the Takeovers Code, Kingsway SW Securities, on behalf of Harbour Front, will make a conditional Offer for all the issued Shares other than those already owned or agreed to be acquired by Harbour Front or parties acting in concert with it at HK\$0.025 per Share after the completion of the Rights Issue.

An Independent Board Committee have been appointed by the Board for the purpose of advising the Independent Shareholders as to whether the terms of the Offer are fair and reasonable so far as they are concerned. Also, the Company has appointed Chateron Corporate Finance Limited as independent financial adviser to advise the Independent Board Committee in respect of the Offer.

The Composite Offer Document is required to be despatched to the Shareholders within seven days after the Rights Issue becoming unconditional, which is expected to be on or before Friday, 6 December 2002. As the Company has just finalised and published the annual results for the year ended 31 July 2002, additional time is required for relevant parties to opine on the Offer and to prepare the Composite Offer Document. The Company has applied to the Executive under Rule 8.2 of the Takeovers Code for an extension of time to despatch the Composite Offer Document on or before Friday, 3 January 2003.

The detailed timetable with respect to the Offer has not been fixed and will be announced once available.

Reference is made to the announcement dated 4 October 2002 (the “Announcement”) issued by the Company and Harbour Front in respect of the Rights Issue and the Possible Offer and prospectus dated 11 November 2002 (the “Prospectus”) issued by the Company in respect of the Rights Issue and the Possible Offer. Words and expressions defined in the Announcement and the Prospectus shall have the same meanings when used herein unless otherwise defined.

ALLOTMENT RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that as at 4:00 p.m. on 27 November 2002, the Company had received 43 valid acceptances for 262,113,615 Rights Shares provisionally allotted under the Rights Issue (representing approximately 86.57% of the total number of Rights Shares provisionally allotted) and 31 valid excess applications for 279,509,907 Rights Shares (representing approximately 92.32% of the total number of Rights Shares provisionally allotted), amounting to 541,623,522 Rights Shares in aggregate (representing approximately 178.89% of the total number of Rights Shares provisionally allotted).

Amongst the valid acceptances for 262,113,615 Rights Shares provisionally allotted under the Rights Issue, Harbour Front and the parties acting in concert with it had fully subscribed for an aggregate of 127,618,826 Rights Shares provisionally allotted to Harbour Front and parties acting in concert with it under the Rights Issue (representing approximately 42.15% of the total number of Rights Shares provisionally allotted).

Amongst the 31 valid excess applications for 279,509,907 Rights Shares, Harbour Front had applied for 175,148,608 excess Rights Shares (representing approximately 57.85% of the total number of Rights Shares provisionally allotted) under the Rights Issue, of which 19,074,348 excess Rights Shares were undertaken by them. 30,111,520 excess Rights Shares had been allotted to Harbour Front in accordance with the Allotment Mechanism.

Save for the above, no Rights Shares were accepted and applied by any other connected persons as defined in the Listing Rules.

If excluding 175,148,608 excess Rights Shares applied by Harbour Front, there were 30 valid excess applications for 104,361,299 Rights Shares (representing approximately 34.47% of the total number of Rights Shares provisionally allotted).

The Rights Issue was oversubscribed and the Rights Issue became unconditional on Friday, 29 November 2002.

ALLOCATION OF EXCESS RIGHTS SHARES

As referred to in the paragraph headed “Application for excess Rights Shares” under the section headed “Letter from the Board” of the Prospectus, allotment of excess Rights Shares (the “Allotment Mechanism”) would be made by the Company on a fair and reasonable basis as follows:

Preference (the “Preferential Treatment”) will be given to applications for less than a board lot of Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings.

If the Rights Shares are oversubscribed, the Directors will firstly allot the remaining excess Rights Shares after the aforesaid preferential allotment in proportion to the amount of nil-paid Rights Shares provisionally allotted to those Qualifying Shareholders who apply for the excess Rights Shares. Any application for such amount of excess Rights Shares which is less than the amount as calculated herein will be satisfied in full.

Any further remaining excess Rights Shares will be allotted to applicants in proportion to the excess Rights Shares applied by them after netting off their respective entitlements as calculated in the previous paragraph.

Amongst the 31 valid applications for excess Rights Shares, 4 applications for an aggregate of 3,600,000 excess Rights Shares were unsuccessful. It was because these 4 applicants had applied for more than one board lot of Shares. As such, no Preferential Treatment was given to these 4 applicants. Also, each of these 4 applicants were holding less than one board lot of Shares and they are not entitled to any board lot of Shares in accordance with the Allotment Mechanism. Furthermore, each of these 4 applicants applied for excess Rights Shares in multiple of whole board lot of Shares. As a result, there were 27 success excess applications for 275,909,907 Rights Shares.

Based on the above mechanism, the Directors have allocated 40,653,819 excess Rights Shares as follows:

Number of excess Rights Shares successfully applied for	Number of success applications	Number of excess Rights Shares allotted to successful applicants	Approximate % of allotment
1 - 34,998	13	225,648	100.00%
53,999	1	13,999	25.92%
85,000	1	5,000	5.88%
130,000	1	10,000	7.69%
239,900	1	39,900	16.63%
247,903	1	7,903	3.18%
439,850	1	39,850	9.05%
1,273,999	1	113,999	8.94%
4,545,000	1	31,000	0.68%
6,015,000	1	20,000	0.33%
7,500,000	1	20,000	0.26%
10,000,000	1	10,000	0.10%
20,005,000	1	9,525,000	47.61%
50,000,000	1	480,000	0.96%
175,148,608	1	30,111,520	17.19%
Total: <u>275,909,907</u>	<u>27</u>	<u>40,653,819</u>	

There are no further remaining excess Rights Shares available for allotment to applicants in proportion to the excess Rights Shares applied by them after netting off their respective entitlements as calculated in the previous paragraph.

The Directors are of the view that the allocation of excess Rights Shares was fully complied with the Allotment Mechanism as stated in the Prospectus and was fair to all the Qualifying Shareholders who had applied for the excess Rights Shares.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED COMPANY

The Board meetings (the “Board Meetings”) were held on 28 and 29 November 2002 to approve the annual results of the Company for the year ended 31 July 2002.

In addition to the 19,074,348 excess Rights Shares undertaken by Harbour Front on 4 October 2002 as disclosed in the Announcement and the Prospectus, Harbour Front had applied for an additional 156,074,260 excess Right Shares under the Rights Issue during the period of one month immediately preceding the Board Meetings. As the Directors are of the view that the application and subscription of excess Rights Shares should not be deemed as purchase of Shares and therefore Rule A of the “Model Code for Securities Transactions by Directors of Listed Company” of Appendix 10 to the Listing Rules did not apply in this case.

However, the Stock Exchange considered that the application of additional of 156,074,260 excess Rights Shares made by Harbour Front under the Rights Issue during the period of one month immediately preceding the Board Meetings might have constituted a breach of Rule A of the “Model Code for Securities Transactions by Directors of Listed Company”. The Stock Exchange is looking into the matter and has reserved its rights to take appropriate action against the Company and/or its Directors.

Harbour Front referred to the Allotment Mechanism as stated in the Prospectus and applied for 175,148,608 excess Rights Shares under the Rights Issue to fulfill the undertaking irrevocably given by them with respect to the application of 19,074,348 excess Rights Shares on 4 October 2002.

The Directors are of view that 30,111,520 excess Rights Shares allotted to Harbour Front in the allotment result was fully complied with the Allotment Mechanism as stated in the Prospectus and does not consider that there are any other relevant circumstances that could justify deviation from the Allotment Mechanism as stated above.

UNDERSTATEMENT OF 4,000 SHARES HELD BY HARBOUR FRONT AND PARTIES ACTING IN CONCERT WITH IT AS AT THE RECORD DATE IN THE PROSPECTUS

The Directors would like to inform the Shareholders that, due to previous arithmetic error made by Harbour Front, the Shares held by Harbour Front and parties acting in concert with it as at the Record Date had been understated by 4,000 Shares in the Prospectus. The Directors are informed by Harbour Front that such understatement was a long outstanding error since May 2001. As such, Harbour Front and parties acting in concert with it as at the Record Date were interested in 255,237,653 Shares instead of 255,233,653 Shares as disclosed in the Prospectus, and the actual number of Rights Shares provisionally allotted to Harbour Front and parties acting in concert with it was 127,618,826 Rights Shares instead of 127,616,826 Rights Shares as disclosed in the Prospectus. Accordingly, Harbour Front and its parties acting in concert with it had subscribed for an additional of 2,000 Rights Shares to an aggregate of 127,618,826 Rights Shares provisionally allotted to Harbour Front and parties acting in concert with it under the Rights Issue.

As the understatement of 4,000 Shares only represents approximately 0.00066% of the issued share capital of the Company before the Rights Issue, the Directors are of the view that such immaterial understatement should not affect the Qualifying Shareholders to make the decision for subscription of their provisionally allotted Rights Shares or excess Rights Shares and therefore should not have any material impact to the results of the Rights Issue.

The Directors, based on the advice from the Company's Hong Kong legal adviser, are of the view that such misstatement would not materially affect the contents of the Prospectus and cause the Prospectus misleading. Also, they consider that it will not have any material effect on the Company and Rights Issue or cause any prohibition on the Rights Issue and the Offer subsequent thereto.

SHAREHOLDINGS OF HARBOUR FRONT AND PARTIES ACTING IN CONCERT WITH IT

Harbour Front and parties acting in concert with it, as at the latest date of acceptance of the Rights Issue, were beneficially interested in 255,237,653 Shares, representing approximately 42.15% of the issued share capital of the Company before the Rights Issue.

Under the Rights Issue, Harbour Front and parties acting in concert with it subscribed for 127,618,826 Rights Shares through acceptance of their provisional allotment, and they have also applied for an aggregate of 175,148,608 excess Rights Shares, including 19,074,348 excess Rights Shares as undertaken on 4 October 2002.

Out of 175,148,608 excess Rights Shares applied for by Harbour Front and parties acting in concert with it, 30,111,520 Rights Shares have been allocated to them in accordance with the abovementioned allotment basis as stated in the paragraph headed "Allocation of excess Rights Shares" of this announcement.

Immediately after the completion of the Rights Issue, Harbour Front and parties acting in concert with it are beneficially interested in an aggregate of 412,967,999 Shares, representing approximately 45.47% of the issued share capital of the Company as enlarged by the Rights Issue.

The shareholding structure of the Company immediately before and after the Rights Issue are as follows:

	Immediately before Rights Issue		Immediately after Rights Issue	
	Number of Shares	%	Number of Shares	%
Harbour Front and its nominees	254,740,653		412,222,499	
Mrs. Leung	297,000		445,500	
Miss Leung	100,000		150,000	
Mr. Leung Chi Hong, Jerry	100,000		150,000	
Sub-total	255,237,653	42.15	412,967,999	45.47
Scheme Administrator and Scheme creditors (<i>Note</i>)	252,306,195	41.67	252,306,195	27.78
Public	97,991,020	16.18	243,028,108	26.75
Total:	<u>605,534,868</u>	<u>100.00</u>	<u>908,302,302</u>	<u>100.00</u>

(*Note*) As stated in Note 2.7 under the sub-paragraph headed “Possible change in shareholding structure of the Company before and after the Rights Issue” in the section headed “Letter from the Board” of the Prospectus, the Shares held by the Scheme Administrator on trust for the benefits of the non-preferential Scheme creditors are considered as public. For details, please refer to the relevant section of the Prospectus.

MANDATORY CONDITIONAL GENERAL OFFER BY KINGSWAY SW SECURITIES LIMITED ON BEHALF OF HARBOUR FRONT

Immediately after the completion of the Rights Issue, Harbour Front, by applying for and subscribing an aggregate of 175,148,608 excess Rights Shares (of which 19,074,348 excess Rights Shares were undertaken by Harbour Front on 4 October 2002), together with the parties acting in concert with it has taken up 30,111,520 new Shares in accordance with the abovementioned allotment basis as stated in the paragraph headed “Allocation of excess Rights Shares” of this announcement, representing approximately 3.32% of the issued share capital of the Company as enlarged by the Rights Issue. Accordingly, Harbour Front is required under Rule 26.1 of the Takeovers Code to make a general offer (the “Offer”) for all the Shares of the Company other than those already owned or agreed to be acquired by it and parties acting in concert with it after the completion of the Rights Issue.

Harbour Front and parties acting in concert with it are holding less than 50% of the voting rights of the Company as enlarged by the Rights Issue upon completion of the Rights Issue. Accordingly the Offer is conditional upon Harbour Front having received valid acceptances of the Offer which, together with voting rights already owned by Harbour Front and parties acting in concert with it as at the first closing date of the Offer as defined in Rule 15.1 of the Takeovers Code, will result in Harbour Front and parties acting in concert with it holding more than 50% of the voting rights of the Company. The Offer will not become unconditional and will lapse if the abovementioned acceptance condition is not satisfied by the closing date of the Offer period. In this regard, Harbour Front does not intend to extend the period of the Offer after the first closing date of the Offer as referred to above but it reserves the right to do so in accordance with the Takeovers Code.

Pursuant to the Takeovers Code, Kingsway SW Securities, on behalf of Harbour Front, will make a conditional Offer for all the issued Shares other than those already owned or agreed to be acquired by Harbour Front or parties acting in concert with it at HK\$0.025 per Share. For details of the Offer and information of Harbour Front, please refer to the paragraph headed "Possible Offer" under the section headed "Letter from the Board" of the Prospectus.

An independent board committee ("Independent Board Committee") have been appointed by the Board for the purpose of advising the Shareholders other than Harbour Front and parties acting in concert with it ("Independent Shareholders") as to whether the terms of the Offer are fair and reasonable so far as they are concerned. Also, the Company has appointed Chateron Corporate Finance Limited as independent financial adviser to advise the Independent Board Committee in respect of the Offer.

The composite offer document ("Composite Offer Document") containing, among other things, information on the Company and the Offer, the recommendation of the independent board committee and Chateron Corporate Finance Limited to the Independent Board Committee in respect of the Offer and acceptance and transfer forms is required to be despatched to the Shareholders within seven days after the Rights Issue becoming unconditional, which is expected to be on or before Friday, 6 December 2002. As the Company has just finalised and published the annual results for the year ended 31 July 2002, additional time is required for relevant parties to opine on the Offer and to prepare the Composite Offer Document. The Company has applied to the Executive under Rule 8.2 of the Takeovers Code for an extension of time to despatch the Composite Offer Document on or before Friday, 3 January 2003.

Independent Shareholders are advised to refer to the Composite Offer Document for details of the Offer and further information about the Company and Harbour Front. Independent Shareholders are also advised to read the Composite Offer Document carefully before making a decision in respect of the Offer.

The detailed timetable with respect to the Offer has not been fixed and will be announced once available.

GENERAL

The refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares will be despatched by ordinary post to those entitled thereto their registered addresses, without interest, at their own risk on or before Tuesday, 3 December 2002.

Certificates for all fully-paid Rights Shares will be despatched by ordinary post to those entitled thereto their registered addresses at their own risk on or before Tuesday, 3 December 2002.

The first day of dealings in the fully-paid Rights Shares in their fully-paid form is expected to commence at 9:30 a.m. on Thursday, 5 December 2002.

By Order of the Board
HARBOUR FRONT LIMITED
Leung Yu Oi Ling, Irene
Director

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

Hong Kong, 30 November 2002

The directors of the Company and Harbour Front collectively and individually 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 and Harbour Front 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”.