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**HARBOUR FRONT LIMITED**

**(the “Offeror”)**

*(Incorporated in the British Virgin Islands  
with limited liability)*



**UDL HOLDINGS LIMITED**  
**太元集團有限公司**

**(the “Company”)**

*(Incorporated in Bermuda with limited liability)*

**MANDATORY CONDITIONAL CASH OFFER BY**



**KINGSWAY SW SECURITIES LIMITED**

**ON BEHALF OF  
HARBOUR FRONT LIMITED  
FOR ALL THE ISSUED SHARES  
OF UDL HOLDINGS LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY  
HARBOUR FRONT LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

- The Offer was closed at 4:00 p.m. on Monday, 13 January 2003.
- The Offeror received valid acceptances of the Offer in respect of 590,286 Shares, representing approximately 0.065 per cent. of the total issued share capital of the Company.
- The Offer has not become unconditional and therefore has lapsed. Shareholders who have accepted the Offer will be returned their respective Share certificate(s) by ordinary post and at their own risk within ten days from the date of this announcement.

Reference is made to the joint announcements (the “Joint Announcements”) issued by the Company and the Offeror dated 4 October 2002 in relation to, inter alia, the rights issue and the possible offer of the Company and dated 30 November 2002 in relation to, inter alia, the Offer and the results of the rights issue, and the composite offer document (the “Composite Offer Document”) dated 23 December 2002 issued jointly by the Company and the Offeror. Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the Joint Announcements and the Composite Offer Document.

The respective boards of directors of the Company and the Offeror announce that as at 4:00 p.m. on Monday, 13 January 2003, being the First Closing Date of the Offer, the Offeror received valid acceptances of the Offer in respect of 590,286 Shares, representing approximately 0.065 per cent. of the total issued share capital of the Company. Taking into account the valid acceptances received pursuant to the Offer, the Offeror and parties acting in concert with it were interested in 413,558,285 Shares, representing approximately 45.53 per cent. of the total issued share capital of the Company as at 4:00 p.m. on the First Closing Date.

Since the Offeror has not received acceptances of the Offer which, together with the Shares already owned or held by the Offeror and parties acting in concert with it as at 4:00 p.m. on the First Closing Date, would result in the Offeror and parties acting in concert with it owning or holding 50 per cent. or more of the voting rights of the Company, the Offer has not become unconditional. As the Offeror has not extended the Offer which has not become unconditional, the Offer lapsed at 4:00 p.m. on the First Closing Date.

Shareholders who have accepted the Offer will be returned their respective Share certificate(s) by ordinary post and at their own risk within ten days from the date of this announcement.

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, 13 January 2003

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than the information relating to the Group and confirm, after having made all reasonable inquiries, that to the best of their knowledge, opinions (other than those expressed by the Group) expressed in this announcement have been arrived at after due and careful consideration and there are no other material facts (other than those relating to the Group) 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 other than the information relating to the Offeror and confirm, after having made all reasonable inquiries, that to the best of their knowledge, opinions (other than those expressed by the Offeror) expressed in this announcement have been arrived at after due and careful consideration and there are no other material facts (other than those relating to the Offeror) 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”.