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UDL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 620)

(1) PROPOSED SETTLEMENT AGREEMENT AND ISSUE OF PROMISSORY NOTES;

(2) PROPOSED RIGHTS ISSUE OF RIGHTS SHARES OF HK\$0.01 EACH
AT HK\$0.03 PER RIGHTS SHARE, PAYABLE IN FULL ON ACCEPTANCE
(IN THE PROPORTION OF 12 RIGHTS SHARES
FOR EVERY FIVE EXISTING SHARES HELD);

(3) VERY SUBSTANTIAL ACQUISITIONS AND
CONNECTED TRANSACTIONS; AND

(4) VERY SUBSTANTIAL DISPOSAL,
BUY BACK AND CONNECTED TRANSACTIONS

DELAY IN DESPATCH OF CIRCULAR

Reference is made to the Announcement dated 29 December 2005 in relation to (1) the proposed Settlement Agreement and issue of Promissory Notes; (2) the proposed Rights Issue of Rights Shares of HK\$0.01 each at HK\$0.03 per Rights Share (in the proportion of 12 Rights Shares for every five existing Shares held); (3) the Acquisitions and connected transactions; and (4) the Disposal, Buy Back and connected transactions. As the Circular encompasses information regarding, among others, the Rights Issue, the Acquisitions, the Disposal and the related connected transactions, more time is required for putting together and finalising the information necessary for inclusion in the Circular, in particular the financial information of the Group and YHCD and the valuation reports, and the despatch of the Circular will therefore be postponed. It is currently expected that the Circular will be despatched to the Shareholders no later than 27 January 2006.

Reference is made to the announcement (“**Announcement**”) of UDL Holdings Limited (“**Company**”) dated 29 December 2005. Unless otherwise stated, terms defined in the Announcement shall have the same meanings when used herein. The Announcement is in relation to (1) the proposed Settlement Agreement and issue of Promissory Notes; (2) the proposed Rights Issue of Rights Shares of HK\$0.01 each at HK\$0.03 per Rights Share (in the proportion of 12 Rights Shares for every five existing Shares held); (3) the Acquisitions and connected transactions; and (4) the Disposal, Buy Back and connected transactions (collectively, the “**Transactions**”). Pursuant to Rules 14.38 and 14A.49 of the Listing Rules, the Company is required to send the Circular containing further details of the Transactions to the Shareholders and arrange for its publication within 21 days after the publication of the Announcement.

As the Circular encompasses information regarding, among others, the Rights Issue, the Acquisitions, the Disposal and the related connected transactions, more time is required for putting together and finalising the information necessary for inclusion in the Circular, in particular the financial information of the Group and YHCD and the valuation reports, and the despatch of the Circular will therefore be postponed. It is currently expected that the Circular will be despatched to the Shareholders no later than 27 January 2006.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rules 14.38 and 14A.49 of the Listing Rules by extending the despatch date of the Circular to no later than 27 January 2006.

By Order of the Board
UDL Holdings Limited
Lee Ka Lun, Stephen
Director

Hong Kong, 19 January 2006

As at the date of this announcement, the Board comprises three executive Directors namely Mrs. Leung Yu Oi Ling, Irene, Ms. Leung Chi Yin, Gillian, and Mr. Lee Ka Lun, Stephen and three independent non-executive Directors, namely Mr. Pao Ping Wing, JP, Professor Yuen Ming Fai, Matthew and Ms. Tse Mei Ha.

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