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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**

**DESPATCH OF CIRCULAR,
EXPECTED TIMETABLE FOR RIGHTS ISSUE,
CLOSURE OF REGISTER OF MEMBERS
AND
NOTICE OF SPECIAL GENERAL MEETING**

Reference is made to (1) the Announcement dated 29 December 2005 and (2) the announcement of the Company dated 19 January 2006 relating to the delay in despatch of the Circular.

The Circular was despatched to the Shareholders on 27 January 2006. This announcement contains, among others, the expected timetable for the Rights Issue and information on the closure of register of members of the Company. The notice of SGM is also attached to this announcement.

Reference is made to (1) the announcement (“**Announcement**”) of UDL Holdings Limited (“**Company**”) dated 29 December 2005 and (2) the announcement of the Company dated 19 January 2006 relating to the delay in despatch of the Circular. Unless otherwise stated, terms defined in the Announcement shall have the same meanings when used herein.

DESPATCH OF CIRCULAR

The Circular was despatched to the Shareholders on 27 January 2006.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is indicative only and it has been prepared on the assumption that (1) the Rights Issue will be approved by the Independent Shareholders at the SGM and (2) the Rights Issue Documents will be despatched to the Qualifying Shareholders on the Business Day immediately following the date on which the SGM is held. The expected timetable is subject to change, and any such changes will be announced in a separate announcement by the Company as and when appropriate.

2006

Despatch of the Circular with notice of SGM	Friday, 27 January
Last day of dealings in Shares on a cum-rights basis	Wednesday, 8 February
First day of dealings in Shares on an ex-rights basis	Thursday, 9 February
Latest time for lodging transfer of Shares in order to qualify for the Rights Issue	4:00 p.m. on Friday, 10 February
Register of members of the Company closed	Monday, 13 February to Tuesday, 14 February (both dates inclusive)
Time of the SGM	9:45 a.m. on Tuesday, 14 February
Record Date	Tuesday, 14 February
Register of members re-opens	Wednesday, 15 February
Announcement of results of SGM appears on newspapers	Wednesday, 15 February
Despatch of Rights Issue Documents	Wednesday, 15 February
First day of dealings in nil-paid Rights Shares	Friday, 17 February
Latest time for splitting of nil-paid Rights Shares	4:00 p.m. on Tuesday, 21 February
Last day of dealings in nil-paid Rights Shares	Friday, 24 February
Latest Time for Acceptance	4:00 p.m. on Wednesday, 1 March
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Monday, 6 March
Announcement of results of acceptance of and excess applications for the Rights Shares appears on newspapers	Tuesday, 7 March
Despatch of refund cheques in respect of unsuccessful or partially unsuccessful excess applications for excess Rights Shares on or before	Tuesday, 7 March
Despatch of certificates for fully-paid Rights Shares on or before	Tuesday, 7 March
Commencement of dealings in fully-paid Rights Shares	9:30 a.m. on Thursday, 9 March

All time references contained in this announcement refer to Hong Kong time.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place on 1 March 2006 if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning,

in force in Hong Kong on such day at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be postponed to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 12:00 noon and 4:00 p.m..

If the Latest Time for Acceptance does not take place on 1 March 2006, the dates mentioned in the expected timetable above may be affected. A press announcement will be made by the Company in such event.

WARNING OF THE RISK OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Shares will be dealt in on an ex-rights basis from Thursday, 9 February 2006. Dealing in the Rights Shares in the nil-paid form will take place from Friday, 17 February 2006 to Friday, 24 February 2006 (both days inclusive). If the conditions of the Rights Issue are not fulfilled and/or waived, or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed and the Rights Issue will lapse.

Any persons contemplating buying or selling Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in the Rights Shares in their nil-paid form, bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholders or other persons contemplating dealings in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

In order to be registered as a member of the Company on the Record Date, the Shareholders must lodge any transfers of Shares (with the relevant Share certificate(s)) with the Company’s branch share registrar in Hong Kong by 4:00 p.m. on Friday, 10 February 2006. The last day of dealings in Shares on a cum-rights basis is therefore expected to be Wednesday, 8 February 2006. The Shares are expected to be dealt with on an ex-rights basis from Thursday, 9 February 2006.

The Company’s branch share registrar in Hong Kong is Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong.

CLOSURE OF REGISTER OF MEMBERS

It is intended that the Company’s register of members will be closed from Monday, 13 February 2006 to Tuesday, 14 February 2006 (both dates inclusive) for the purpose of, among other things, establishing entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

NOTICE OF SGM

Attached to this announcement is the notice convening the SGM.

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

Hong Kong, 27 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.

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting of UDL Holdings Limited (“**Company**”) will be held on Tuesday, 14 February 2006 at 9:45 a.m. at Room 306, 3rd Floor, Hong Kong International Trade & Exhibition Centre, No. 1 Trademart Drive, Kowloon Bay, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT**

- (a) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting or agreeing to grant on or before 6 March 2006 the listing of, and permission to deal in, the Rights Shares (as defined below), in both nil-paid and fully paid forms; and (ii) subject to and conditional upon the obligations of Harbour Front Limited (“**Harbour Front**”) and Emperor Securities Limited (“**Underwriter**”) under the underwriting agreement dated 29 December 2005 made between the Company, Harbour Front and the Underwriter (“**Underwriting Agreement**”), a copy of which has been produced to this meeting and marked “**A**” and initialled by the chairman of the meeting for identification purpose, becoming unconditional:
- (aa) the Underwriting Agreement be and is hereby confirmed, approved and ratified;
- (bb) the issue of 2,374,133,524 shares of HK\$0.01 each in the Company (each, a “**Rights Share**”) pursuant to an offer by way of rights to holders of shares of HK\$0.01 each of the Company (each, a “**Share**”) at HK\$0.03 per Rights Share (“**Rights Issue**”) in the proportion of 12 Rights Shares for every five Shares held by holders of Shares (“**Shareholders**”) whose names appear on the register of members of the Company on 14 February 2006 (or such other date as the Company may agree with the Underwriter in writing) (“**Record Date**”) other than those Shareholders whose addresses on the register of members of the Company are outside Hong Kong on the Record Date and whom the directors of the Company (“**Directors**”), after taking into account the legal opinions provided by legal advisers if the Directors consider it necessary, consider their exclusion from the Rights Issue to be necessary or expedient on and otherwise subject to the terms and conditions set out in the circular to the Shareholders dated 27 January 2006 (“**Circular**”), a copy of which has been produced to this meeting and marked “**B**” and initialled by the chairman of the meeting for identification purpose, and on such other terms and conditions as may be determined by the Directors be and is hereby approved; and
- (cc) the Directors be and are hereby authorised to allot and issue the Rights Shares on terms and conditions as set out in the Circular and on such other terms and conditions as may be determined by the Directors and to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors may in their absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Rights Issue and the Underwriting Agreement or any of the transactions contemplated thereunder;
- (b) the conditional sale and purchase agreement dated 29 December 2005 made between the Company as purchaser and Best Year (Asia) Limited as vendor in respect of the sale and purchase of the entire issued share capital of, and shareholder’s loans to, Denlane Shipbuilding Pte Limited (“**YHCD Agreement**”), a copy of which has been produced to the meeting and marked “**C**” and initialled by the chairman of the meeting for identification purpose, be and is hereby approved;
- (c) the conditional sale and purchase agreement dated 29 December 2005 made between the Company as purchaser and Multi-Ventures Limited as vendor in respect of the acquisition of 13 vessels more particularly described in that agreement (“**Multi-Ventures Agreement**”), a copy of which has been produced to the meeting and marked “**D**” and initialled by the chairman of the meeting for identification purpose, be and is hereby approved;
- (d) the conditional sale and purchase agreement dated 29 December 2005 made between the Company as purchaser and Buggy Development Company Limited as vendor in respect of the acquisition of 20 vessels more particularly described in that agreement (“**Buggy Agreement**”), a copy of which has been produced to the meeting and marked “**E**” and initialled by the chairman of the meeting for identification purpose, be and is hereby approved;
- (e) the conditional sale and purchase agreement dated 29 December 2005 made between the Company as vendor and Harbour Front as purchaser in respect of the disposal by the Company of the entire issued share capital of, and shareholder’s loans to, each of UDL Marine Assets (Hong Kong) Limited and UDL Marine Assets (Singapore) Pte Limited (“**Disposal Agreement**”), a copy of which has been produced to the meeting and marked “**F**” and initialled by the chairman of the meeting for identification purpose, be and is hereby approved;
- (f) the conditional sale and purchase agreement dated 29 December 2005 made between the Company as purchaser and Harbour Front as vendor in respect of the acquisition of nine vessels more particularly described in that agreement (“**Buy Back Agreement**”), a copy of which has been produced to the meeting and marked “**G**” and initialled by the chairman of the meeting for identification purpose, be and is hereby approved; and

- (g) the Directors be and are hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors may in their absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the YHCD Agreement, the Multi-Ventures Agreement, the Bussy Agreement, the Disposal Agreement and the Buy Back Agreement or any of them or any of the transactions contemplated under any of such agreements.”

Yours faithfully,
For and on behalf of the board of Directors
UDL Holdings Limited
Lee Ka Lun, Stephen
Director

Hong Kong, 27 January 2006

Principal place of business in Hong Kong:

Room 702, 7th Floor
Aitken Vanson Centre
61 Hoi Yuen Road
Kwun Tong
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the above meeting may appoint a proxy to attend and, on a poll vote on his behalf and such proxy need not be a member of the Company.
- (2) In order to be valid, the form of proxy, together with any power of attorney or authority under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (3) Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.

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

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