
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Stock Exchange of Hong Kong Limited ("Stock Exchange") and Hong Kong Securities Clearing Company Limited ("HKSCC") take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

Capitalised terms used in this prospectus shall have the same meanings as defined in the section headed "Definitions" in this prospectus.

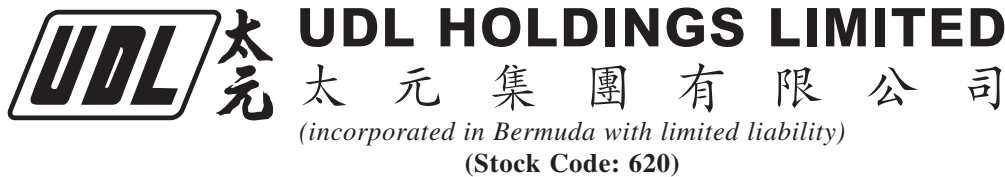
If you are in doubt as to any aspect of this prospectus or as to the action to be taken, you should obtain professional advice.

If you have sold or transferred all your shares in UDL Holdings Limited ("Company"), you should at once hand this prospectus, together with the accompanying Provisional Allotment Letter and Excess Application Form, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

A copy of this prospectus, together with copies of the Provisional Allotment Letter, the Excess Application Form and (where applicable) the documents mentioned in the paragraph headed "Documents delivered to the Registrars of Companies" in Appendix III to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies Ordinance and filed with the Registrar of Companies in Bermuda pursuant to section 26 of the Companies Act 1981 of Bermuda. The Registrar of Companies in Hong Kong and the Registrar of Companies in Bermuda take no responsibility as to the contents of this prospectus.

Dealing in the securities of the Company and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS and you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange as well as the compliance with the stock admission requirements of HKSCC, the Rights Shares in their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS Operational Procedures in effect from time to time.



**RIGHTS ISSUE OF 68,073,121 RIGHTS SHARES OF HK\$0.50 EACH
AT HK\$0.70 PER RIGHTS SHARE, PAYABLE IN FULL ON ACCEPTANCE
(IN THE PROPORTION OF ONE RIGHTS SHARE
FOR EVERY THREE CONSOLIDATED SHARES HELD)
BY NO LATER THAN 4:00 P.M. ON TUESDAY, 9 OCTOBER 2012**

Underwriter

HARBOUR FRONT LIMITED

It should be noted that the Underwriter reserves the right to terminate its obligations under the Underwriting Agreement on the occurrence of certain events. The Underwriter may terminate its commitment under the Underwriting Agreement prior to the Latest Time for Termination if prior to the Latest Time for Termination:

- (1) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (c) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
 - (d) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the shares of the Company generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this paragraph includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (3) this prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriter is material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue.

If the Underwriting Agreement is terminated by the Underwriter on or before the Latest Time for Termination or does not become unconditional, the Rights Issue will not proceed.

The Consolidated Shares have been dealt in on an ex-rights basis since Monday, 17 September 2012. Dealings in the Rights Shares in their nil-paid form will take place from Tuesday, 25 September 2012 to Thursday, 4 October 2012 (both days inclusive). If the conditions of the Rights Issue are not fulfilled and/or waived at or before 4:00 p.m. on Friday, 12 October 2012 (or such later time and/or date as the Company and the Underwriter may determine), the Underwriting Agreement shall terminate and the Rights Issue will not proceed. Any persons contemplating buying or selling Consolidated Shares up to the date on which all the conditions of the Rights Issue are fulfilled and/or waived, and any dealing in the Rights Shares in their nil-paid form between Tuesday, 25 September 2012 to Thursday, 4 October 2012 (both days inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealing in the Consolidated Shares or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

The latest time for acceptance and payment for the Right Shares is 4:00 p.m. on Tuesday, 9 October 2012. The procedures for acceptance and transfer are set out on pages 9 to 10 of this prospectus.

21 September 2012

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EXPECTED TIMETABLE

2012

Latest time for lodging transfer of the Consolidated Shares to qualify for the Rights Issue	4:30 p.m. on Tuesday, 18 September
Register of members of the Company closed	Wednesday, 19 September to Thursday, 20 September (both days inclusive)
Record Date for the Rights Issue.	Thursday, 20 September
Register of members re-opens	Friday, 21 September
Despatch of the Rights Issue Documents.	Friday, 21 September
First day of dealings in nil-paid Rights Shares	Tuesday, 25 September
Latest time for splitting of nil-paid Rights Shares.	4:00 p.m. on Thursday, 27 September
Original counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of new certificates for the Consolidated Shares) re-opens	9:00 a.m. on Friday, 28 September
Parallel trading in the Consolidated Shares (in the form of new and existing certificates) commences.	9:00 a.m. on Friday, 28 September
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	Friday, 28 September
Last day of dealings in nil-paid Rights Shares	Thursday, 4 October
Latest Acceptance Date.	4:00 p.m. on Tuesday, 9 October
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Friday, 12 October
Announcement of allotment results of the Rights Issue.	Tuesday, 16 October

EXPECTED TIMETABLE

2012

Despatch of refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares on or before	Wednesday, 17 October
Despatch of certificates for fully-paid Rights Shares on or before	Wednesday, 17 October
Expected first day of dealings in fully-paid Rights Shares	9:00 a.m. on Thursday, 18 October
Temporary counter for trading in board lots of 800 Consolidated Shares (in the form of existing share certificates) closes	4:00 p.m. on Monday, 22 October
Parallel trading in the Consolidated Shares (in the form of new and existing certificates) ends	Monday, 22 October
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	Monday, 22 October
Last day of free exchange of existing certificates for the Shares into new certificates for the Consolidated Shares	Thursday, 25 October

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

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place at the time stated above if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 9 October 2012. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 9 October 2012. Instead the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares does not take place on 9 October 2012, the dates mentioned may be affected. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

FORCE MAJEURE

It should be noted that the Underwriter reserves the right to terminate its obligations under the Underwriting Agreement on the occurrence of certain events. The Underwriter may terminate its commitment under the Underwriting Agreement prior to the Latest Time for Termination if prior to the Latest Time for Termination:

- (1) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (c) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
 - (d) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the shares of the Company generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this paragraph includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (3) this prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriter is material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue.

If the Underwriting Agreement is terminated by the Underwriter on or before the Latest Time for Termination or does not become unconditional, the Rights Issue will not proceed.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcements of the Company dated 6 August 2012 and 14 August 2012 in connection with, among other matters, the Rights Issue
“associate(s)”	shall have the same meaning as defined in the Listing Rules
“BMA”	the Bermuda Monetary Authority
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning number 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	UDL Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	the ordinary share(s) of HK\$0.50 each in the capital of the Company immediately after the Share Consolidation
“Director(s)”	the director(s) of the Company
“Excess Application Form(s)”	form(s) of application for excess Rights Shares
“Excluded Shareholders”	Overseas Shareholders to whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries from time to time
“Harbour Front”	Harbour Front Limited, a company incorporated in BVI and the controlling shareholder of the Company. Each of Mrs. Leung Yu Oi Leung, Irene, Miss Leung Chi Yin, Gillian and Mr. Leung Chi Hong, Jerry, all being executive Directors, holds one-third of the issued share capital of Harbour Front

DEFINITIONS

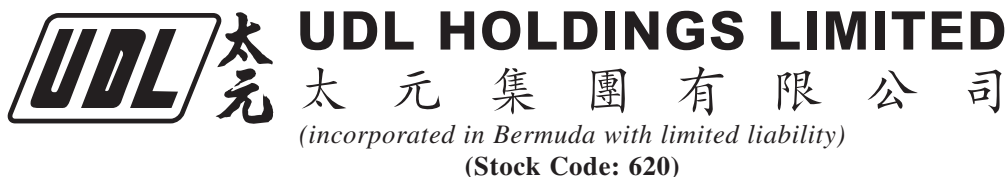
“Harbour Front Concert Parties”	Harbour Front and parties acting in concert with it
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Acceptance Date”	9 October 2012, being the last date for acceptance of and payment for the Rights Shares and application for excess Rights Shares
“Latest Practicable Date”	17 September 2012, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on 9 October 2012 or such later time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of Rights Shares and if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above 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.
“Latest Time for Termination”	4:00 p.m. on 12 October 2012, being the third Business Day after the Latest Acceptance Date
“Last Trading Day”	3 August 2012, being the last full trading day of the Shares prior to the release of the Announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) on that date is/are outside Hong Kong
“PRC”	the People’s Republic of China, which, for the purpose of this prospectus, excludes, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Provisional Allotment Letter(s)”	provisional allotment letter(s) for the Rights Issue
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	20 September 2012 or such other date as may be agreed between the Company and the Underwriter in accordance with the relevant regulations or requirements

DEFINITIONS

“Rights Issue”	the proposed issue of Rights Shares on the basis of one Rights Share for every three Consolidated Shares to the Qualifying Shareholders by way of rights or to holders of nil-paid Rights Shares at the Subscription Price, pursuant to the terms and conditions of the Rights Issue
“Rights Issue Documents”	this prospectus, the Provisional Allotment Letter and Excess Application Form
“Rights Share(s)”	68,073,121 new Consolidated Share(s) to be issued by the Company pursuant to the Rights Issue
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company convened and held at 10:00 a.m. on 13 September 2012 for the purpose of approving the Share Consolidation
“Share(s)”	ordinary shares which have a par value of HK\$0.01 each in the capital of the Company before the Share Consolidation becoming effective
“Share Consolidation”	the consolidation of every 50 Shares of HK\$0.01 each into one Consolidated Share of HK\$0.50 each
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	subscription price of HK\$0.70 per Rights Share
“UK”	the United Kingdom
“Underwriter”	Harbour Front
“Underwriting Agreement”	the underwriting agreement dated 6 August 2012 and entered into between the Company and Harbour Front in relation to the Rights Issue
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

* the English translation of the Chinese name of the relevant companies is for information purposes only, and should not be regarded as the official English translation of such name.

LETTER FROM THE BOARD



Executive Directors:

Mr. Leung Yat Tung
Mrs. Leung Yu Oi Ling, Irene
Miss Leung Chi Yin, Gillian
Mr. Leung Chi Hong, Jerry

Registered office:

Crawford House
4th Floor
50 Cedar Avenue
Hamilton HM11
Bermuda

Independent non-executive Directors:

Mr. Pao Ping Wing, JP
Professor Yuen Ming Fai, Matthew
Ms. Tse Mei Ha

Principal place of business in Hong Kong:

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

21 September 2012

*To the Qualifying Shareholders and,
for information only, the Excluded Shareholders*

Dear Sir or Madam

**RIGHTS ISSUE OF 68,073,121 RIGHTS SHARES OF HK\$0.50 EACH
AT HK\$0.70 PER RIGHTS SHARE, PAYABLE IN FULL ON ACCEPTANCE
(IN THE PROPORTION OF ONE RIGHTS SHARE
FOR EVERY THREE CONSOLIDATED SHARES HELD)
BY NO LATER THAN 4:00 P.M. ON TUESDAY, 9 OCTOBER 2012**

INTRODUCTION

Reference is made to the Announcement, in which the Company announced, among other matters, the Rights Issue.

At the SGM held on 13 September 2012, an ordinary resolution was passed by poll by the Shareholders to approve the Share Consolidation. On 14 September 2012, the Share Consolidation became effective and dealings in the Consolidated Shares commenced.

The primary purpose of this prospectus is to provide you with further details of the Rights Issue, including information on dealings in, transfer and acceptance of the Rights Shares, and certain financial and other information in respect of the Group.

LETTER FROM THE BOARD

PROPOSED RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue:	One Rights Share for every three Consolidated Shares held on the Record Date
Number of the Consolidated Shares in issue:	204,219,363 Consolidated Shares as at the Latest Practicable Date
Number of Rights Shares:	68,073,121 Rights Shares

The nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represent approximately 33.33% of the Company's existing issued share capital and 25% of the Company's issued share capital as enlarged by the issue of the Rights Shares.

Share option scheme

As at the Latest Practicable Date, the Company had 20,000,000 outstanding share options which are beneficially owned by an employee of the Company (who is neither a Director, chief executive nor substantial Shareholder) with an exercise price of HK\$0.04 per Share. As a result of the Rights Issue, the exercise price and the number of Consolidated Shares to be issued upon exercise of such share options may have to be adjusted in accordance with the rules of the share option scheme of the Company and in compliance with the Listing Rules and the relevant rules, guidance and listing decisions issued by the Stock Exchange. The Company will instruct its auditors or an approved independent financial adviser to certify the adjustments, if any, to such share options and will inform the holder of the adjustments, if any, accordingly.

The option holder had given an undertaking to the Company that he will not exercise any of his outstanding share options from the date of the Underwriting Agreement up to the date of completion of the Rights Issue (both days inclusive).

Save as disclosed above, there are no other outstanding share options granted under the share option scheme of the Company or any other warrants, options or securities convertible into Consolidated Shares.

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.70 per Rights Share, payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

LETTER FROM THE BOARD

The Subscription Price:

- represents a premium of approximately 2.94% over the closing price of HK\$0.68 per Consolidated Share as quoted on the Stock Exchange on the Latest Practicable Date;
- represents a discount of approximately 57.6% to the adjusted closing price of HK\$1.65 per Consolidated Share based on the closing price of HK\$0.033 per Share as quoted on the Stock Exchange on 3 August 2012, being the Last Trading Day and adjusted taking into account the effect of the Share Consolidation;
- represents a discount of approximately 56.3% to the adjusted average closing price of HK\$1.6 per Consolidated Share based on the average closing price of HK\$0.032 per Share for the five consecutive trading days up to and including 3 August 2012, being the Last Trading Day and adjusted taking into account the effect of the Share Consolidation;
- represents a discount of approximately 56.3% to the adjusted average closing price of HK\$1.6 per Consolidated Share based on the average closing price of approximately HK\$0.032 per Share for the 10 consecutive trading days up to and including 3 August 2012, being the Last Trading Day and adjusted taking into account the effect of the Share Consolidation;
- represents a discount of approximately 50.4% to the theoretical ex-rights price of approximately HK\$1.41 per Consolidated Share after the Rights Issue based on the closing price of HK\$0.033 per Share as quoted on the Stock Exchange on 3 August 2012, being the Last Trading Day and adjusted taking into account the effect of the Share Consolidation; and
- represents a discount of approximately 26.3% to the audited consolidated net tangible asset value as at 31 July 2011 of approximately HK\$0.95 per Consolidated Share based on that per Share of approximately HK\$0.019 (which is calculated by dividing the audited consolidated net tangible asset value as at 31 July 2011 by the number of Shares in issue as at the date of the Announcement) and adjusted taking into account the effect of the Share Consolidation.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Underwriter with reference to the prevailing market conditions and current financial condition of the Group. The Directors (including the independent non-executive Directors) consider the Subscription Price to be fair and reasonable and to be in the interests of the Company and the Shareholders as a whole and could enhance the attractiveness of the Rights Issue, so as to encourage Shareholders to participate in the Rights Issue without exerting excessive financial burden on the part of the Shareholders. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company.

Status of the Rights Shares

The Rights Shares, when allotted and fully-paid, will rank pari passu with the Consolidated Shares in issue in all respects. Holders of such Rights Shares will be entitled to receive all future dividends and distributions which are declared after the date of allotment and issue of the Rights Shares.

LETTER FROM THE BOARD

Fractional entitlements

Fractional entitlements for the nil-paid Rights Shares will not be issued but will be aggregated and sold, if a premium (net of expenses) can be obtained, for the benefit of the Company.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted on or around 17 October 2012 to Qualifying Shareholders who have accepted and applied for (where appropriate), and paid for the Rights Shares by ordinary post at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on 17 October 2012 by ordinary post to the applicants at their own risk.

Qualifying Shareholders

The Company will send the Rights Issue Documents to the Qualifying Shareholders only.

To qualify for the Rights Issue, the Shareholder must be registered as a member of the Company at the close of business on the Record Date. However, Overseas Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date to whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place will not be regarded as Qualifying Shareholders.

The Company retains the right, however, in its discretion to vary the requirements set out above to avoid any offer of Rights Shares to Shareholders (without compliance with registration or other legal requirements) outside Hong Kong.

Rights of Excluded Shareholders

The Rights Issue Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than Hong Kong and Bermuda. The Company will send this prospectus (without the Provisional Allotment Letters and Excess Application Forms) to the Excluded Shareholders for their information only.

Based on the register of members of the Company, there were 25 Shareholders with registered addresses in eight jurisdictions outside Hong Kong as at the Latest Practicable Date. Pursuant to Rule 13.36(2) of the Listing Rules, the Board has made enquiries with its legal advisers in these eight jurisdictions as to whether there is any legal restriction under the applicable securities legislation of the relevant jurisdiction or requirement of any relevant regulatory body or stock exchange with respect to the offer of Rights Shares to such Overseas Shareholders.

LETTER FROM THE BOARD

The Company has been advised by its legal advisers on the laws of Malaysia that the Company would need to take additional steps to ensure compliance with the regulatory requirements of the relevant regulatory authorities in Malaysia if the Rights Issue is to be offered to the Overseas Shareholder with a registered address in such jurisdiction. Having considered the circumstances, the Directors are of the view that it is not expedient to extend the Rights Issues to such Overseas Shareholder taking into consideration that the time and costs involved in complying with the legal requirements of these jurisdictions would outweigh the possible benefits to the relevant Overseas Shareholder and the Company. In addition, the Company has been advised by its legal advisers on the laws of Australia that under Australia's Corporations Act 2001 (Cth), unless a suitable exemption applies, the Company can only offer shares or other securities to persons located in Australia using a prospectus or other disclosure document that complies with the requirements of Part 6D.2 of that Act and which has been lodged with the Australian Securities and Investment Commission before the making of the offer. Having noted this requirement and considered the exemptions that may be available in the circumstances, the Directors consider that it is not expedient to comply with this requirement or seek to rely on any such exemptions and therefore consider it expedient not to offer Rights Shares to the Overseas Shareholder with a registered address in Australia or Shareholders who will otherwise receive the offer in Australia. Thus, the Rights Issue will not be extended to the Overseas Shareholders in Malaysia and Australia. The Company will send this prospectus, for information only, to such Overseas Shareholders with registered addresses in Malaysia and Australia but will not send them the Provisional Allotment Letters and the Excess Application Forms.

The Company has also been advised by its legal advisers on the laws of Macau, New Zealand, the PRC, Singapore, Taiwan and UK that either (i) there is no legal restriction under the applicable legislation of the relevant jurisdictions or requirement of any relevant regulatory body or stock exchange with respect to the offer of the Rights Issue to the Overseas Shareholders in the relevant jurisdictions; or (ii) the Company would be exempt from obtaining approval from, and/or registration or lodgement of the Rights Issue Documents with, the relevant regulatory authorities under the applicable laws and regulations of the relevant jurisdictions since the Company would meet the relevant requirements for exemption under the relevant jurisdictions. Based on the advice of the Company's legal advisers on the laws of Macau, New Zealand, the PRC, Singapore, Taiwan and UK, the Directors believe that the Rights Issue Documents would not be required to be registered or lodged with the relevant regulatory bodies under the relevant laws and regulations of these six jurisdictions and may be despatched to the Overseas Shareholders with registered addresses in these six jurisdictions without any restrictions. In view of this, the Directors have decided to extend the Rights Issue to the Overseas Shareholders with registered addresses in Macau, New Zealand, the PRC, Singapore, Taiwan and UK and such Overseas Shareholders, together with the Shareholders with registered addresses in Hong Kong, are Qualifying Shareholders for the purpose of the Rights Issue. The Company will send the Rights Issue Documents to such Qualifying Shareholders.

LETTER FROM THE BOARD

In addition, the Company has been advised by its legal advisers on the laws of the PRC that while the Overseas Shareholder with its registered address in the PRC may be lawfully offered the Rights Shares, it needs to comply with the relevant PRC laws and regulations and the necessary approval and registration requirements under the applicable PRC laws if it wishes to take up the Rights Shares. Therefore, although the Overseas Shareholder with its registered address in the PRC will not be excluded from the Rights Issue, such Overseas Shareholder is advised to consult its own professional advisers whether it would be beneficial or expedient for it to participate in the Rights Issue and if so, to ensure that it has complied with all the applicable PRC laws and regulations before taking up the Rights Shares.

The attention of the Overseas Shareholders having his/her/its/their registered address(es) in the PRC, Singapore and UK is drawn to Appendix IV to this prospectus.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, to be sold as soon as practicable after dealings in nil-paid Rights Shares commence, if a premium, net of expenses, can be obtained. The proceeds of each sale, less expenses, of HK\$100 or more will be paid to the Excluded Shareholders in Hong Kong dollars pro rata to their respective shareholding. The Company will keep individual amounts of less than HK\$100 for its own benefit.

Procedures for acceptance and transfer

Qualifying Shareholders will find enclosed with this prospectus a Provisional Allotment Letter which entitles Qualifying Shareholders to subscribe for the number of Rights Shares shown therein. **If you wish to exercise your rights to subscribe for all the Rights Shares specified in the Provisional Allotment Letter, you will need to lodge the Provisional Allotment Letter in accordance with the instructions printed thereon, together with a remittance (or such other mode of payment as may be agreed between the Company and such Qualifying Shareholder) for the full amount payable on acceptance, with Tricor Tengis Limited, the Company's branch share registrar and transfer office in Hong Kong, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Tuesday, 9 October 2012. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "UDL HOLDINGS LIMITED – RIGHTS ISSUE ACCOUNT" and crossed "ACCOUNT PAYEE ONLY".**

It should be noted that unless the duly completed Provisional Allotment Letter, together with the appropriate remittance (or such other mode of payment as may be agreed between the Company and such Qualifying Shareholder), has been lodged with Tricor Tengis Limited, the Company's branch share registrar and transfer office in Hong Kong at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Tuesday, 9 October 2012, whether by the original allottee or any person in whose favour the rights have been validly transferred, the relevant provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application on Excess Application Forms by Qualifying Shareholders.

LETTER FROM THE BOARD

If you wish to accept only part of your provisional allotment and/or to transfer part of your right to subscribe for the Rights Shares provisionally allotted to you or to transfer your rights to more than one person, the entire Provisional Allotment Letter must be surrendered by no later than 4:00 p.m. on Thursday, 27 September 2012, to Tricor Tengis Limited, the Company's branch share registrar and transfer office in Hong Kong at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong which will cancel the entire Provisional Allotment Letter and issue new Provisional Allotment Letters in the denominations required.

The Provisional Allotment Letter contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of your provisional allotment.

All cheques and cashier's orders accompanying completed Provisional Allotment Letters will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of a Provisional Allotment Letter with a cheque and/or a cashier's order, whether by you or by any nominated transferee, will constitute a warranty by the applicant that the cheque and/or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any Provisional Allotment Letter in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlement given pursuant to which will be deemed to have been declined and will be cancelled.

Save as described under the paragraph headed "Rights of Excluded Shareholders" above, no action has been taken to permit the offering of the Rights Shares or the distribution of the Rights Issue Documents in any territory other than Hong Kong. Accordingly, no person receiving the Rights Issue Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy itself/himself/herself before acquiring any rights to subscribe for the provisionally allotted Rights Shares or excess Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is an Excluded Shareholder.

If the Underwriter terminates the Underwriting Agreement before the Latest Time for Termination, the monies received in respect of acceptance of Rights Shares will be returned to the Qualifying Shareholders or such other persons in whose favour the nil-paid Rights Shares shall have been validly transferred without interest by means of cheques despatched by ordinary post to the respective addresses on the register of members at their own risk on or before 17 October 2012.

LETTER FROM THE BOARD

Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for any unsold entitlements of the Excluded Shareholders, unsold Rights Shares created by adding together fractions of the Rights Shares and any nil-paid Rights Shares provisionally allotted but not accepted.

Applications may be made by completing the Excess Application Form in accordance with the instructions printed thereon and lodging the same with a separate remittance (or such other mode of payment as may be agreed between the Company and such Qualifying Shareholder) for the excess Rights Shares applied for with Tricor Tengis Limited, the Company's branch share registrar and transfer office in Hong Kong, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Tuesday, 9 October 2012. **All remittances accompanying the Excess Application Forms must be made in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "UDL HOLDINGS LIMITED – EXCESS APPLICATION ACCOUNT" and crossed "ACCOUNT PAYEE ONLY".** The Directors will allocate the excess Rights Shares on a fair and equitable basis on the following principles:

- (1) preference shall be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings;
- (2) any excess Rights Shares remaining after satisfying the allocation under paragraph (1) above shall then be allocated to the remaining applicants of the excess Rights Shares in proportion to their "respective proportion" which is to be calculated with reference to the number of nil-paid Rights Shares provisionally allotted to a Qualifying Shareholder and the aggregate number of nil-paid Rights Shares provisionally allotted to all Qualifying Shareholders; and
- (3) any further remaining excess Rights Shares will be allocated to applicants in proportion to the excess Rights Shares applied by them after netting off their respective entitlements as calculated in paragraph (2) above.

The Shareholders with the Consolidated Shares held by a nominee company should note that for the purposes of principle (1) above, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. The Shareholders with their Consolidated Shares held by a nominee company are advised to consider whether they would like to arrange registration of the relevant Consolidated Shares in the name of the beneficial owner(s) prior to the Record Date.

LETTER FROM THE BOARD

Principle (1) is devised to facilitate Shareholders holding odd lot of Consolidated Shares to top-up their Consolidated Shares to a board lot and is thus considered as fair and equitable. In addition, it is fair to the Shareholders that, in accordance with principle (2), the remaining excess Rights Shares were allocated to the remaining applicants of the excess Rights Shares in proportion to (without involving any fraction of a Consolidated Share) their “respective proportion” (which was calculated with reference to the number of nil-paid Rights Shares provisionally allotted to such Qualifying Shareholder and the aggregate number of nil-paid Rights Shares provisionally allotted to all such Qualifying Shareholders) since the percentage shareholding of each Shareholder (except for those who did not take up their rights entitlements under the provisional allotment and/or apply for excess Right Shares) after the completion of the Rights Issue be largely maintained. The Board considers that the allocation of the excess Rights Shares based on the principles set out above is fair and equitable and such allocation mechanism is in line with the allocation basis adopted by the Company in its previous rights issue exercises.

The Qualifying Shareholder(s) will be notified of any allotment of excess Rights Shares made to him/her/it/them on or about Tuesday, 16 October 2012 by way of an announcement.

If no excess Rights Shares are allotted to the Qualifying Shareholder(s) who has/have applied for excess Rights Shares, it is expected that a cheque for the amount tendered on application in full without interest will be posted to the Qualifying Shareholder’s address on the register of members of the Company by ordinary post at his/her/its/their own risk on or about Wednesday, 17 October 2012. If the number of excess Rights Shares allotted to the Qualifying Shareholder(s) is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be posted to the Qualifying Shareholder’s address on the register of members of the Company without interest at the Qualifying Shareholder’s own risk on or about Wednesday, 17 October 2012.

All cheques and cashier’s orders will be presented for payment immediately following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the Excess Application Form together with a cheque or cashier’s order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier’s order will be honoured on first presentation. If any cheque or cashier’s order accompanying a completed Excess Application Form is dishonoured on first presentation, without prejudice to the other rights of the Company, such Excess Application Form is liable to be rejected.

An Excess Application Form is for use only by the Qualifying Shareholder(s) to whom it is addressed and is not transferable. All documents, including cheques, will be despatched by ordinary post at the risk of the recipients to their addresses as appeared on the Company’s register of members.

If the Underwriter terminates the Underwriting Agreement before the Latest Time for Termination, the monies received in respect of applications for excess Rights Shares will be returned to the applicants without interest by means of cheques despatched by ordinary post to their addresses on the register of members of the Company at the risk of such applicants on or before 17 October 2012.

Under the current expected timetable of the Rights Issue, the period during which applications for Rights Shares (including those for excess Rights Shares) can be made falls within the 60-day period immediately preceding the expected publication date of the Group’s annual results for the year ended 31 July 2012 (i.e. the “black-out period”). As such, the Directors and their respective associates (including Harbour Front Concert Parties) would not be able to apply for excess Rights Shares in compliance with the Listing Rules.

LETTER FROM THE BOARD

Application for listing of the Right Shares on the Stock Exchange

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

Provisional allotments of the Rights Shares made to Qualifying Shareholders will be transferable and there will be trading in the nil-paid entitlements on the Stock Exchange from Tuesday, 25 September 2012 to Thursday, 4 October 2012 (both days inclusive). It is expected that dealings in the Rights Shares (in their fully-paid forms) on the Stock Exchange will commence on Thursday, 18 October 2012. However, it should be noted that if the Underwriter exercises its right to terminate its obligations under the Underwriting Agreement, the Rights Issue will not proceed. Nil-paid Rights Shares are expected to be traded in board lots of 2,000. Dealings in nil-paid and fully-paid Rights Shares will be subject to the payment of stamp duty, Stock Exchange trading fee, Securities and Futures Commission transaction levy or any other applicable fees and charges in Hong Kong.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Irrevocable undertakings

At the Latest Practicable Date, the Harbour Front Concert Parties were interested in an aggregate of 127,877,024 Consolidated Shares, representing approximately 62.62% of the issued share capital of the Company. As disclosed in the announcement of the Company dated 14 August 2012, pursuant to an undertaking executed by each of the Harbour Front Concert Parties (collectively the “**Undertakings**”), each of the Harbour Front Concert Parties has irrevocably and unconditionally undertaken to the Company that he/she/it will, amongst others, (i) accept or procure acceptance on or before the Latest Acceptance Date or such other date as may be agreed between the Company and the Underwriter pursuant to the Underwriting Agreement of such number of Rights Shares (“**Provisionally Allotted Shares**”) which will be provisionally allotted to him/her/it or his/her/its nominees in respect of the number of Consolidated Shares that are registered in his/her/its name and/or in his/her/its nominees’ names as at the Record Date; and (ii) procure that provisional allotment letters in respect of the Provisionally Allotted Shares shall be lodged with the Company’s branch share registrar in Hong Kong with payment in accordance with the terms of the Rights Issue Documents on or before the Latest Acceptance Date.

LETTER FROM THE BOARD

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled:

- (1) the Share Consolidation having become effective;
- (2) the passing of the necessary resolution(s) by the Shareholders at the SGM to approve the Share Consolidation by no later than the date of despatch of the Rights Issue Documents;
- (3) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms); and
- (4) the Underwriting Agreement becoming unconditional and not being terminated by the Underwriter in accordance with its terms.

None of the Company and the Underwriter may waive conditions (1), (2) and (3) set out above and the conditions of the Underwriting Agreement are set out in the paragraph headed “Conditions of the Underwriting Agreement” below. As at the Latest Practicable Date, conditions (1) and (2) above have been fulfilled.

Reasons for the Rights Issue and the use of proceeds

The principal activity of the Company is investment holding and the principal activities of its principal subsidiaries are marine engineering, construction and structural steel engineering and related services, vessel sales and hotel operation.

As part of its overall business development strategy, the Group has recently participated in tendering of certain major construction and/or civil engineering projects either in joint venture with major contractors or as a specialist port works contractor in both public and private sectors and in development of new engineering and construction streams. It is expected that the Group would be awarded with some of these contracts which have been successfully admitted into final assessment stage. On 14 September 2012, the Group was awarded by the Hong Kong government a contract of HK\$215 million where the Group has a 49% share in a joint venture with an international contractor.

For the projects that the Group had submitted tender bids, financial criteria as to a minimum amount of employed capital and working capital were set. Employed capital referred to share capital, whereas working capital could be provided by share capital, long term bank loan or deferred loan by related parties. Tender value of such projects, which are generally for a term of three to four years, ranged from around HK\$200 million to over HK\$13,000 million. The aggregate employed capital and working capital requirement for the Company’s subsidiary to satisfy the financial criteria under such tenders amount to over HK\$30 million and HK\$90 million respectively.

LETTER FROM THE BOARD

To satisfy these financial requirements, the capital base of the Group needs to be strengthened instead of merely relying on the continuing revolving finance provided by Harbour Front for its working capital as detailed below. By implementing the Rights Issue, the current needs for capital strengthening of the Group can be met in order to allow the Group's continuous business development. Upon full subscription of the Rights Shares and assuming no further Consolidated Shares will be allotted and issued from the date of the Announcement to the Record Date, the Company will receive proceeds, net of expenses of approximately HK\$1.4 million (including the commission to be paid to the Underwriter and the related professional fees and expenses), of approximately HK\$46.25 million. The Directors intend to use full amount of the net proceeds from the Rights Issue as general working capital of the Group, in particular for the fulfilment of the abovementioned financial requirements purpose, but given the continuing finance arrangement with Harbour Front and the outstanding loan owed to Harbour Front as mentioned below, as the Company thinks fit, surplus cash flow from the Rights Issue net of the Group's operational needs will be used to repay part of the outstanding loan under the said revolving finance arrangement (details are provided below) so as to reduce as much as possible interest expenses incurred by the Group. Subsequent needs of finance for the Group's operations will then be provided through drawdown of the revolving Facility (as defined below).

Finance arrangement with Harbour Front

To provide source of funding for the Company to finance the Group's operations, the Company together with its wholly-owned subsidiary, UDL Ventures Limited (collectively, the "**Companies**"), has secured a financing facility from Harbour Front Assets Investments Limited ("**HFAI**"), a wholly-owned subsidiary of Harbour Front, pursuant to supplemental agreement No.2 dated 27 September 2011 to the revolving finance agreement dated 30 May 2009 (collectively the "**Finance Agreement**"). As at 31 July 2012, the outstanding amount of the loan was approximately HK\$71 million. The major terms of such facility ("**Facility**") under the Finance Agreement are set out below:

Facility:	Revolving facilities of up to HK\$260,000,000, the aggregate amount of drawing by the Companies shall not exceed HK\$260,000,000
Drawing:	Drawdown of the Facility shall be made for general working capital of the Group from time to time
Interest:	Best lending rate as quoted by The Hong Kong and Shanghai Banking Corporation Limited per annum on the amount of Facility drawn down
Repayment:	The Companies shall be obliged to repay the amount of the Facility drawn down together with any interest accrued thereon in the following circumstances and manner:

LETTER FROM THE BOARD

Principal amount together with interest accrued thereon shall be repaid (in whole or in part) when:

- (a) the Group generate income from its/their operations; or
- (b) the Group receive any loan or finance proceeds by entering into a loan or finance agreement or arrangement with any parties other than HFAI or its nominees with the prior consent of HFAI; or
- (c) expiration and/or termination of the Finance Agreement as provided therein; or
- (d) the Group generate surplus cash flow from disposal of its assets or business.

Expiration: The Finance Agreement shall expire on 30 November 2012, subject to further extension by mutual agreement if so required. The Company intends to extend the Finance Agreement with Harbour Front upon expiry to 31 December 2013 based on the same terms.

The Directors consider that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

Underwriting arrangements

Underwriting Agreement

Date: 6 August 2012. The Underwriting Agreement was entered into by the parties before the trading hours on 6 August 2012.

Parties:

- (1) the Company; and
- (2) Harbour Front, the controlling shareholder of the Company, which, together with parties acting in concert with it, is interested in approximately 62.62% of the existing issued share capital of the Company as at the Latest Practicable Date. Harbour Front is principally engaged in investment holding and its ordinary course of business does not include underwriting.

Number of Rights Shares underwritten: 68,073,121 Rights Shares (“**Underwritten Shares**”)

LETTER FROM THE BOARD

Commission: 2.50% of the total Subscription Price of the Rights Shares (other than such number of Rights Shares which will be allotted and issued under the Rights Issue in respect of the Consolidated Shares owned by the Harbour Front Concert Parties as at the Record Date and as at the Latest Practicable Date, such Consolidated Shares amounted to 127,877,024 Consolidated Shares) underwritten by the Underwriter.

Under the terms of the Underwriting Agreement, the Company and the Underwriter have agreed that, if by the Latest Acceptance Date, there is any Underwritten Share not taken up, the Company shall, before 6:00 p.m. on the first Business Day after the Latest Acceptance Date, notify or procure its share registrar in Hong Kong on behalf of the Company to notify the Underwriter in writing of the number of Underwritten Shares not taken up (the “**Untaken Shares**”) and the Underwriter shall subscribe or procure subscription for such Untaken Shares not later than 4:00 p.m. on the third Business Day after (but not including) the Latest Acceptance Date in full.

Conditions of the Underwriting Agreement

The obligations of the Underwriter in underwriting the Underwritten Shares are conditional upon:

- (1) the Share Consolidation having become effective;
- (2) the passing of the necessary resolution(s) by the Shareholders at the SGM to approve the Share Consolidation by no later than the date of despatch of the Rights Issue Documents;
- (3) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (4) the filing and registration of all documents relating to the Rights Issue, which are required to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies Ordinance and the filing of all documents relating to the Rights Issue, which are required to be filed with the Registrar of Companies in Bermuda in accordance with the Companies Act of Bermuda;
- (5) the posting of this prospectus and the relevant documents to Qualifying Shareholders; and
- (6) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement.

None of the Company and the Underwriter may waive the conditions (1), (2), (3), (4) and (5) set out above. The Underwriter may waive the condition (6) set out above in whole or in part by written notice to the Company. As at the Latest Practicable Date, conditions (1) and (2) above have been fulfilled.

LETTER FROM THE BOARD

If the conditions of the Underwriting Agreement are not satisfied and/or waived (to the extent such condition is capable of being waived) in whole or in part by the Underwriter by 12 October 2012 or such later date or dates as the Underwriter may agree with the Company in writing, the Underwriting Agreement shall terminate and no party will have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breach.

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, the ability to terminate its obligations thereunder on the occurrence of certain events. The Underwriter may terminate its commitment under the Underwriting Agreement prior to the Latest Time for Termination if prior to the Latest Time for Termination:

- (1) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (c) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
 - (d) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the shares of the Company generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or

LETTER FROM THE BOARD

- (3) this prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriter is material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue.

If the Underwriting Agreement is terminated by the Underwriter on or before the Latest Time for Termination or does not become unconditional, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN THE SHARES OF THE COMPANY AND NIL-PAID RIGHTS SHARES

The Consolidated Shares have been dealt in on an ex-rights basis from 17 September 2012. Dealings in the Rights Shares in the nil-paid form will take place from 25 September 2012 to 4 October 2012 (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 Consolidated Shares 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 Consolidated Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

EXPECTED TIMETABLE

A detailed expected timetable for the Rights issue is set out in the section headed “Expected timetable” in this prospectus.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND AFTER THE RIGHTS ISSUE

The following table illustrates the shareholding changes as a result of the Rights Issue based on the shareholding of Harbour Front Concert Parties as at the Latest Practicable Date:

	As at the Latest Practicable Date		Assuming all rights entitlements are taken up by the respective Shareholder		Assuming no Shareholder has taken up its rights entitlements and the Underwriter is required to perform its underwriting obligation pursuant to the Underwriting Agreement in full	
	<i>No. of Consolidated Shares</i>	<i>%</i>	<i>No. of Consolidated Shares</i>	<i>%</i>	<i>No. of Consolidated Shares</i>	<i>%</i>
Harbour Front Concert Parties (<i>Note 1</i>)	127,877,024	62.62	170,502,696	62.62	195,950,145	71.96
Non-public (<i>Note 2</i>)	96	<i>Note 3</i>	128	<i>Note 3</i>	96	<i>Note 3</i>
Public	76,342,243	37.38	101,789,660	37.38	76,342,243	28.04
	<u>204,219,363</u>	<u>100%</u>	<u>272,292,484</u>	<u>100%</u>	<u>272,292,484</u>	<u>100%</u>

Notes:

- Mrs. Leung Yu Oi Ling, Irene, Miss Leung Chi Yin, Gillian and Mr. Leung Chi Hong, Jerry, each being an executive Director, holds one-third of the issued share capital of Harbour Front. As at the Latest Practicable Date, Harbour Front Concert Parties were interested in 127,877,024 Consolidated Shares, representing approximately 62.62% of the issued share capital of the Company. Subsequent to the date of the Announcement, and up to the Latest Practicable Date, Harbour Front Concert Parties have acquired 50,000,000 then Shares (which represent 1,000,000 Consolidated Shares) in the market.
- These Consolidated Shares are registered in the name of the spouse of Professor Yuen Ming Fai, Matthew, one of the independent non-executive Directors.
- The percentage shareholding is negligible.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

LETTER FROM THE BOARD

FUND-RAISING EXERCISES OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company has not carried out any fund raising exercise or issued any equity securities in the 12-month period immediately preceding the Latest Practicable Date.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this prospectus.

Yours faithfully,
For and on behalf of the Board of
UDL Holdings Limited
Leung Yu Oi Ling, Irene
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited statements of financial position together with the notes to the annual accounts of the Group for each of the three years ended 31 July 2009, 2010 and 2011 are disclosed in the 2009 annual report, 2010 annual report and 2011 annual report of the Company respectively, and the unaudited financial information of the Group for the six months ended 31 January 2012 is disclosed in the interim report of the Company for the six months ended 31 January 2012, which are all published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.udl.com.hk).

Among the three years ended 31 July 2011, the Company's auditors issued a qualified audit opinion arising from limitation of audit scope for the Group's financial statements for each of the year ended 31 July 2009 and 2010. As disclosed in the 2009 and 2010 annual reports of the Company, the Group had intangible assets with a total carrying value of approximately HK\$30.9 million which represented two licences for port work for the Hong Kong government and one licence for structural steel engineering work in the PRC. The Company's auditors were unable to determine whether or not such carrying amount was free from material misstatement as at 31 July 2009 and thus issued a qualified audit opinion for the Group's financial statements for the years ended 31 July 2009 and 2010. The Company's auditors issued an unqualified audit opinion for the Group's financial statements for the year ended 31 July 2011.

2. STATEMENT OF INDEBTEDNESS**Borrowings**

At the close of business on 31 July 2012, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this prospectus, the Group had outstanding borrowings of approximately HK\$82,226,000, comprising secured short-term bank loan of approximately HK\$9,994,000 secured by the Group's hotel properties and land use rights with a total audited carrying amount as at 31 July 2011 of approximately HK\$258,390,000 and personal guarantee executed by Mr. Wong Man Kong, Peter of Silk Road Development Company Limited and Gansu Dunhuang Lodge Hotel Co., Ltd, and loans from related companies of approximately HK\$72,232,000.

Debt instruments

As at 31 July 2012, the Group had promissory notes with principal amount of approximately HK\$188,270,000.

Debt securities

As at 31 July 2012, the Group had no debt securities outstanding.

Contingent liabilities

Save as the contingent liabilities in respect of a number of legal proceedings in Hong Kong and Bermuda as disclosed in the paragraph headed “Litigation” in Appendix III to this prospectus, as at the close of business on 31 July 2012, the Group did not have any significant contingent liabilities.

Disclaimers

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have outstanding indebtedness at the close of business on 31 July 2012 or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or similar indebtedness, liabilities under acceptance (other than normal trade bills and payables), acceptance credits, mortgages, charges, debentures, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities and any guarantees or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material changes in the financial or trading position or prospects of the Group since 31 July 2011, being the date the latest audited consolidated financial statements of the Group to which was made up.

4. WORKING CAPITAL

The Directors are of the opinion that, in the absence of unforeseen circumstances and after taking into account the internal financial resources, the cash flows to be generated from the operating activities and the expected net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements and for the period up to twelve months from the date of this prospectus.

5. BUSINESS PROSPECTS**Trend of the business of the Group**

In the light of changing business environment and global demand, the Group continues developing and optimising its established strength as well as venturing into new opportunities, such as the new technology sector which include special dredging and reclamation method to deal with the more stringent environmental policies and public concerns, to further enhance the value for our Shareholders. The Group has recently participated in tendering of certain major construction projects and in development of new engineering and construction streams. Given the enhanced capital base of the Group, further efforts will be made to strengthen the operational base of its engineering team comprising specialised equipment owned by the Group and teams of engineering staff and operatives.

Marine engineering

The Group has recently secured a marine engineering contract from the Hong Kong government and has also been under final negotiation for certain marine engineering contracts which will require the use of the Group's specialised equipment and expertise. The aggregate amount of such contracts (including both the secured contract and those under final negotiation) is more than HK\$30 million with a term of six to twelve months. The aggregate capital requirement of such contracts is around HK\$9 million. As the marine engineering market condition has improved, the Group will continue to secure marine engineering contracts in public and private sectors with the advantages given by its track record and available resources. On 14 September 2012, in addition to the award of a main contract as detailed in the paragraph headed "Contracting" below, the Group was awarded a marine engineering contract by the joint venture formed by the Group and the international contractor as disclosed below. The net aggregate amount of marine engineering works secured by the Group (including the marine engineering contract awarded on 14 September 2012 as mentioned above) is approximately HK\$100 million.

Business development in structural steel engineering and shipbuilding has been progressed under the joint venture company, Universal Harbour Investment Limited, which 50% is owned by the Company (the "**JV Company**"). The JV Company will continue to explore opportunities of cooperating with other independent third parties including established market players in structural steel engineering and shipbuilding business in the future.

Contracting

The Group has recently participated in the tendering of major civil engineering contracts either in joint venture with major contractors or as specialist port works contractor in both public and private sectors. The aggregate amount of such contracts is more than HK\$620 million and the aggregate capital requirement is around HK\$13 million. Some of these tenders have been successfully admitted into the final assessment stage and it is expected that awards of such contract would be granted by the end of 2012. On 14 September 2012, the Group was awarded by the Hong Kong government a contract of HK\$215 million where the Group has a 49% share in a joint venture with an international contractor.

It is foreseeable that the performance in the contracting divisions will improve generally, as the Hong Kong government has indicated to push forward ten large scale infrastructure projects in the coming years.

Vessel sales and marine construction business

The Group's vessel sale and dredging business started well before the 90s' and in 1991 when the Company became listed on the Stock Exchange. Vessel sale and dredging business then remained the important business segment of the Group in the subsequent years. Dredging operation was a significantly important logistic support for the Group's contracting business. With the improved market and increased demand, rental of its engineering fleet has also started to pick up both volume and price gradually.

In view of the Group's past experience and operations with extensive customers and vendors network, which was built up in the 90s' in the shipbuilding industry which closely relates to the marine construction engineering industry, recently the Group has already resumed its vessel sale business and has received considerable enquires for the supply of various kinds of reconditioned second hand marine engineering vessels.

Accordingly, the Group's marine construction engineering operations are expected to be expanded accordingly and to make positive contribution to the Group's revenue in the coming financial year.

Hotel operations

The Group continues with its newly acquired hotel operation in the western part of the PRC. The management of the Group has been closely monitoring this business segment. Business of this segment has been growing as planned, yet inflation in the PRC imposes substantial pressure on the hotel operation. The Group is enhancing its marketing and cost control of this segment in order to strive for a business breakthrough.

Financial and trading prospects of the Group for the current financial year

The Rights Issue and the finance facility provided under the Finance Agreement are expected to (1) further strengthen the capital base of the Company; (2) allow the Group to expand its marine engineering, contracting, vessel sale and marine construction business; (3) provide additional resources for its business development including improvement works of its specialised equipment; and (4) provide additional working capital for the Group's operations in the future. Given the further enhanced capital base of the Company, the Group believes it will be in a better position to secure contracts, orders and additional financial resources for its long term development through other alternative means including attracting investment from strategic investors or debt finance.

**(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP**

The unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of the Group has been prepared by the Directors in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 January 2012.

The Unaudited Pro Forma Financial Information of the Group has been prepared based on the unaudited equity attributable to owners of the Company as at 31 January 2012 as extracted from the published interim report of the Company for the six months ended 31 January 2012, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group following the Rights Issue.

APPENDIX II
**UNAUDITED PRO FORMA STATEMENT OF ADJUSTED
CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 January 2012 <i>(Note 2)</i> <i>HK\$'000</i>	Estimated net proceeds from the Rights Issue <i>(Note 3)</i> <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue <i>HK\$'000</i>
Rights Issue of 68,073,121 Rights Shares <i>(Note 1)</i>	177,492	46,250	223,742
Unaudited consolidated net tangible assets per Share attributable to owners of the Company as at 31 January 2012 before completion of the Rights Issue <i>(Note 4)</i>			0.017
Unaudited pro forma adjusted consolidated net tangible assets per Consolidated Share attributable to owners of the Company immediately after completion of the Rights Issue <i>(Note 5)</i>			0.822

Notes:

1. The Rights Issue of 68,073,121 Rights Shares is based on 204,219,363 Consolidated Shares in issue upon the Share Consolidation becoming effective. 204,219,363 Consolidated Shares is calculated based on 10,210,968,152 issued shares of the Company as at 31 January 2012 after taking into account the Share Consolidation which will consolidate each 50 issued and unissued shares into 1 Consolidated Share.
2. The unaudited consolidated net assets of the Group as at 31 January 2012 are extracted from the unaudited condensed consolidated financial statements of the Group as set out in the interim report of the Company for the six months ended 31 January 2012 issued on 27 March 2012.
3. The amount represented the estimated net proceeds from the Rights Issue based on 68,073,121 Rights Shares to be issued at the subscription price of HK\$0.70 per Rights Share after the deduction of estimated related expenses of approximately HK\$1,400,000. The estimated related expenses are the commission to be paid to the Underwriter and fees paid or payable to various professional parties that directly attributable to the Rights Issue.
4. The number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company as at 31 January 2012 before the Rights Issue and the Share Consolidation is based on 10,210,968,152 Shares of the Company in issue as at 31 January 2012.
5. The number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets per Consolidated Share attributable to owners of the Company immediately after completion of the Rights Issue is based on 272,292,484 Consolidated Shares (on the basis that there were 204,219,363 Consolidated Shares in issue as at 31 January 2012 and 68,073,121 Rights Shares were issued pursuant to the Rights Issue) were in issue upon completion of the Rights Issue. The calculation takes no account of any shares to be issued upon exercise of share options.
6. No adjustment has been made to reflect any trading result or other transaction of the Group entered into subsequent to 31 January 2012.

**(B) REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF ADJUSTED
CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The following is the text of a report received from CCIF CPA Limited, Certified Public Accountants, in respect of the unaudited pro forma financial information of the Group for the sole purpose of incorporation in this prospectus.

**CCIF****CCIF CPA LIMITED**

34/F The Lee Gardens
33 Hysan Avenue
Causeway Bay Hong Kong

21 September 2012

The Board of Directors
UDL Holdings Limited
Room 702, 7 Floor
Aitken Vanson Centre
61 Hoi Yuen Road
Kwun Tong, Kowloon
Hong Kong

Dear Sirs

We report on the unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of UDL Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the Rights Issue on the basis of one Rights Share for every three Consolidated Shares held on the record date might have affected the financial information presented, for inclusion in Appendix II to this prospectus dated 21 September 2012. The basis of preparation of the Unaudited Pro Forma Financial Information is set out on page 26 to this prospectus.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

It is our responsibility to form an opinion, as requires by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation for the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Form Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgments and assumptions of the directors of the Company, and because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 31 January 2012 or any future date.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully

CCIF CPA Limited
Certified Public Accountants
Hong Kong
Leung Chun Wa
Practising Certificate Number P04963

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of providing information regarding the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and following completion of the Rights Issue were and will be as follows:

<i>Authorised:</i>	<i>HK\$</i>
480,000,000 Consolidated Shares	240,000,000.00
 <i>Issued and fully paid or credited as fully paid or to be issued under the Rights Issue:</i>	
204,219,363 Consolidated Shares as at the Latest Practicable Date	102,109,681.50
68,073,121 Rights Shares to be issued	34,036,560.50
272,292,484 Consolidated Shares	136,146,242.00
272,292,484 Consolidated Shares	136,146,242.00

All the Consolidated Shares in issue and to be issued rank and will rank *pari passu* in all respects with each other including rights to dividends, voting and return of capital.

No share or loan capital of the Company has been issued or is proposed to be issued for cash or otherwise and no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any such capital, except for the Right Shares.

The Consolidated Shares are listed on the Stock Exchange. No part of the share or loan capital of the Company is listed or dealt in, nor is listing or permission to deal in the share or loan capital of the Company being, or proposed to be, sought on any other stock exchange.

The BMA has given its general permission for exchange control purposes for the issue and transfer of the Rights Shares to and between non-residents of Bermuda, subject to the condition that the securities of the Company shall continue to be listed on the Stock Exchange or any other appointed stock exchange, such as the New York Stock Exchange. In addition, the Company will deliver a copy of this prospectus to the Registrar of Companies in Bermuda for filing pursuant to section 26 of the Companies Act. However, the BMA and the Registrar of Companies in Bermuda accept no responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed in this prospectus.

3. DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, the interests and short positions of each Director in the shares or underlying shares of the Company and chief executive of the Company in the Consolidated Shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange, were as follows:

Long position in the Consolidated Shares and underlying Consolidated Shares

Name of Director/ chief executive	Notes	Number of Consolidated Shares and nature of interest		Approximate percentage of the Company's issued share capital
		Personal	Other	
Leung Yat Tung	1, 3, 4, 6	2,018,013	193,154,813	95.57%
Leung Yu Oi Ling, Irene	1, 3, 4, 6	16,000	195,156,826	95.57%
Leung Chi Yin, Gillian	1, 2, 3	444,784	193,133,213	94.79%
Leung Chi Hong, Jerry	1, 2, 3	330,135	193,133,213	94.73%
Yuen Ming Fai, Matthew	5	–	96	0.00%

Notes:

- These Consolidated Shares include (i) 68,073,121 Rights Shares which Harbour Front has agreed to underwrite pursuant to the Underwriting Agreement; and (ii) 125,056,664 Consolidated Shares held by Harbour Front Limited, the trustee of a unit trust. All of the units in the unit trust are held by Infiniti Trust (Asia) Limited, the trustee of a discretionary trust, the beneficiaries of which are Mrs. Leung Yu Oi Ling, Irene and her children, namely, Miss Leung Chi Yin, Gillian, Mr. Leung Chi Hong, Jerry and Mr. Leung Kai Hong, Kaiser. Mr. Leung Yat Tung is the founder of the discretionary trust.
- 2,400 Consolidated Shares are held by Y. T. Leung Trading Company Limited, which is beneficially owned by Miss Leung Chi Yin, Gillian and Mr. Leung Chi Hong, Jerry.
- 1,028 Consolidated Shares are held by Vital Strategic Corporate Consultancy Limited, which is beneficially owned by Harbour Front Limited, Mrs. Leung Yu Oi Ling, Irene, Miss Leung Chi Yin, Gillian, Mr. Leung Chi Hong, Jerry and Mr. Leung Kai Hong, Kaiser as to 18%, 20%, 22%, 20% and 20% respectively.
- 8,000 Consolidated Shares are held by Top Union Investments Limited, which is 100% beneficially owned by Mrs. Leung Yu Oi Ling, Irene.
- 96 Consolidated Shares are held by Mrs. Yuen Chiu Yin May, May. Mrs. Yuen is the spouse of Professor Yuen Ming Fai, Matthew.
- 2,018,013 Consolidated Shares are held by Mr. Leung Yat Tung, spouse of Mrs. Leung Yu Oi Ling, Irene; whereas 16,000 Consolidated Shares are held by Mrs. Leung Yu Oi Ling, Irene, spouse of Mr. Leung Yat Tung.
- The above percentage of interest in Company is calculated on the basis of 204,219,363 Consolidated Shares in issue as at the Latest Practicable Date.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any of its interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

- (b) As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 July 2011, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group save for the (i) the formation of Universal Harbour Investment Limited (“**JV Company**”) on 27 September 2011 by UDL Ventures Limited, a wholly owned subsidiary of the Company, and Harbour Front Assets Investments Limited, a wholly owned subsidiary of Harbour Front; and (ii) the disposal by UDL Ventures Limited to JV Company of the entire issued share capital of Lead Ocean Assets Management Limited and the net amount of loans and indebtedness owing from Lead Ocean Assets Management Limited and its subsidiaries to UDL Ventures Limited (collectively the “**Lead Ocean Sale Shares and Debts**”) pursuant to an agreement dated 27 September 2011 (“**Disposal Agreement**”), particulars of which were disclosed in the circular of the Company dated 25 October 2011.
- (c) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group since 31 July 2011, being the date to which the latest published audited financial statements of the Company were made up, and which was significant in relation to the business of the Group save for (i) the shareholders agreement (“**Shareholders Agreement**”) dated 27 September 2011 entered into between UDL Ventures Limited and Harbour Front Assets Investments Limited in relation to the formation of JV Company; and (ii) the Disposal Agreement, particulars of which were disclosed in the circular of the Company dated 25 October 2011.

4. SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, so far as was known to the Directors, the following are details of the persons (other than a Director or chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company were as follows:

Name of Shareholder	Number of Consolidated Shares held	Approximate percentage of interest
Harbour Front	193,129,785 (Note 1)	94.57%

Notes:

- These Consolidated Shares include (i) 68,073,121 Rights Shares which Harbour Front has agreed to underwrite pursuant to the Underwriting Agreement; and (ii) 125,056,664 Consolidated Shares held by Harbour Front Limited, the trustee of a unit trust. All of the units in the unit trust are held by Infiniti Trust (Asia) Limited, the trustee of a discretionary trust, the beneficiaries of which are Mrs. Leung Yu Oi Ling, Irene and her children, namely, Miss Leung Chi Yin, Gillian, Mr. Leung Chi Hong, Jerry and Mr. Leung Kai Hong, Kaiser. Mr. Leung Yat Tung is the founder of the discretionary trust.
- The above percentage of interest in the Company is calculated on the basis of 204,219,363 Consolidated Shares in issue as at the Latest Practicable Date.

Save as disclosed above, there was no person known to the Directors, who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

5. SERVICE AGREEMENTS

As at the Latest Practicable Date, there was no existing or proposed service contract, excluding contract expiring or terminable by the employer within one year, without payment of compensation (other than statutory compensation) between any of the Directors with any member of the Group.

6. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Company) have been entered into by the Company and/or member(s) of the Group within two years immediately preceding the date of this prospectus which are or may be material:

- a sale and purchase agreement dated 26 April 2011 entered into between Sunfill Limited, a wholly owned subsidiary of the Company, as purchaser and Culture Resources Development Company Limited as vendor in relation to sale and purchase of the entire issued share capital of Silk Road Development Company Limited and all liabilities and debts owing by Silk Road Development Company Limited to Culture Resources Development Company Limited and its subsidiaries at a consideration of approximately HK\$205.21 million;

- (b) the Shareholders Agreement dated 27 September 2011 entered into between UDL Ventures Limited and Harbour Front Assets Investments Limited in relation to the formation of JV Company, pursuant to which, amongst others, the parties thereto would contribute a maximum aggregate of HK\$100 million to JV Company;
- (c) the Disposal Agreement dated 27 September 2011 entered into between UDL Ventures Limited as vendor and JV Company as purchaser in relation to the disposal of the Lead Ocean Sale Shares and Debts by UDL Ventures Limited to JV Company at a consideration of approximately HK\$127.57 million; and
- (d) the Underwriting Agreement.

7. COMPETING INTEREST

Save for the JV Company which is principally engaged in structural steel engineering and ship building and is indirectly owned as to 50% by each of the Company and Harbour Front, as at the Latest Practicable Date, none of the Directors and their respective associates was interested in any business apart from the business of the Group, which competed or was likely to compete, either directly or indirectly, with that of the Group.

8. LITIGATION

- (a) On 31 July 2002, Charterbase Management Limited, one of the petitioners, issued a writ in Bermuda (“Bermuda Writ”) against the Company and against Mrs. Leung Yu Oi Ling, Irene, Mr. Chan Kim Leung, Miss Leung Chi Yin, Gillian, Mr. Pao Ping Wing, *JP* and Mr. Wong Pui Fai who were directors of the Company in April 2001, at the time of the special general meeting on 17 May 2001. Mr. Wong Pui Fai and Mr. Chan Kim Leung resigned as the directors of the Company on 28 April 2002 and on 27 September 2002, respectively. The Bermuda Writ recited the basis of the petitioners’ complaint with respect of Charterbase Management Limited, namely, that the circular regarding the subscription of 100,922,478 Shares by Harbour Front (“Subscription”) misdescribed the Scheme Administrator’s voting capacity in respect of the Shares held by the Scheme Administrator under the Scheme. The Bermuda Writ alleged that the Company was negligent and its directors were negligent and/or in breach of their fiduciary duty in mis-describing the Scheme Administrator’s voting capacity in the circular regarding the Subscription. The Bermuda Writ claimed HK\$3,000,000 being Charterbase Management Limited’s estimated costs of the petitioners’ complaint. On 15 August 2002 the Company entered an appearance to the Bermuda Writ, and the Company filed its defence on 12 September 2002. The Company has been advised by its Bermuda lawyers that it has good grounds to resist the Bermuda Writ. Charterbase Management Limited has taken no further steps in the proceedings since the defence was filed.

- (b) The Company and the Group had pending litigation in respect of the statement of claim for HCA 624 of 2005 dated 28 September 2005. The Group's solicitor is of the view that there are three claims which duplicate partly with each others: the Fonfair Company Limited ("Fonfair") claim against the defendants for the amount of HK\$19,568,644.66 together with interest and costs, the Money Facts Limited ("Money Facts") claim for the amount of HK\$13,334,211.42 (HK\$12,874,121.48 of which is pleaded by Money Facts as part of its loss and damage suffered by virtue of its 7,900/12,008th interest held in Fonfair) together with interest and costs, and the Leung Yuet Keung claim for the amount of HK\$15,190,409.54 (HK\$6,667,105.71 of which is pleaded by Mr. Leung Yuet Keung as part of his loss and damage suffered by virtue of his 3,950/7,900th interest held in Money Facts) together with interest and costs. As pleaded by the plaintiffs, (a) Harbour Front, which is the majority shareholder of the Company, holds 3,958 out of the 12,008 issued ordinary shares of Fonfair and 3,950 out of the 7,900 issued ordinary shares of Money Facts; (b) Money Facts holds 7,900 out of the 12,008 issued ordinary shares of Fonfair; and (c) Mr. Leung Yuet Keung holds 3,950 out of the 7,900 issued ordinary shares of Money Facts. Based on legal advice, the directors of the Company do not believe it probable that the court will place judgement against the Company and the Group, and therefore, no provision has therefore been made in respect of these claims.
- (c) UDL Contracting Limited ("UDL Contracting"), a wholly-owned subsidiary of the Company commenced legal action under HCA 1209 of 2007 against two defendants on 8 June 2007 to claim damages in relation to the construction of a printing workshop carried out by UDL Contracting. Default judgement in the sum of approximately HK\$162 million was awarded by the court in favour of UDL Contracting on 27 June 2007. However, one defendant took out a summons to apply to set aside the default judgement which has been consented by UDL Contracting. The legal counsels are of the opinion that UDL Contracting is unlikely to incur any liability save for legal costs. The legal costs of the first defendant have been settled amicably upon the claim against the first defendant having been stayed to arbitration. No substantial action has been taken by the second defendant. UDL Contracting is considering further actions on the case. No asset is recognised in respect of this claim, and the recovery of this claim is a Scheme Asset. Based on an irrevocable letter of undertaking dated 23 October 2008 provided by Harbour Front, UDL Contracting is entitled to the reimbursement of the recovery costs upon success in the Scheme Asset recovery actions.
- (d) UDL Dredging Limited ("UDL Dredging"), a wholly-owned subsidiary of the Company, has filed a claim against a contractor, Leighton Contractors (Asia) Limited under arbitration to recover a sum of approximately HK\$14.6 million in respect of construction work services rendered relating to an aviation fuel facility in Hong Kong. UDL Dredging has also filed a claim under HCCT 54 of 2010 against this contractor to recover a sum of approximately HK\$4.8 million in respect of other services rendered on the same project. This action has subsequently been stayed to arbitration by consent. The contractor and UDL Dredging have entered into a confidential settlement agreement after mediation.

- (e) UDL Marine (Singapore) Pte Ltd (“UMSG”), a wholly-owned subsidiary of the Company, commenced proceedings against Jurong Town Corporation (“JTC”) in relation to an application for renewal of the lease at 3 Benoi Road, Singapore 629877, Civil Suit 502 of 2010. This claim against JTC seeks for a renewal of the lease be granted. UMSG also commenced proceedings against Economic Development Bureau (“EDB”), Civil Suit 156 of 2011, for damages for negligent mis-statement in relation to the renewal of the aforesaid lease. JTC has also commenced proceedings against UMSG, Civil Suit 98 of 2011, for repossession of the land and double value of rent for the period of holding over. All the three aforesaid cases have now been ordered to be consolidated and proceeded as one action, titled as Civil Suit 502 of 2010.

As at the Latest Practicable Date, the above legal proceedings had not had any further material developments. Save as disclosed above, no member of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against any members of the Group.

9. PARTICULARS OF DIRECTORS

(a) Name	Address
Mrs. Leung Yu Oi Ling, Irene	8/F., 1C Austin Road, Tsimshatsui, Kowloon, Hong Kong
Mr. Leung Yat Tung	8/F., 1C Austin Road, Tsimshatsui, Kowloon, Hong Kong
Miss Leung Chi Yin, Gillian	8/F., 1C Austin Road, Tsimshatsui, Kowloon, Hong Kong
Mr. Leung Chi Hong, Jerry	8/F., 1C Austin Road, Tsimshatsui, Kowloon, Hong Kong
Mr. Pao Ping Wing, <i>JP</i>	Room No. 3, 15/F., King Wing Building, Whampoa Estate, Hunghom, Kowloon, Hong Kong
Professor Yuen Ming Fai, Matthew	4A, Tower 18, Senior Staff Quarters, Hong Kong University of Science & Technology, Clear Water Bay, New Territories, Hong Kong
Ms. Tse Mei Ha	Flat F, 6/F., Block 5, Park Central, Tseung Kwan O, New Territories, Hong Kong

(b) Qualifications and experience*Executive Directors*

Mr. Leung Yat Tung, aged 59, was appointed as the chief executive officer and executive Director of the Company in May 2008. He has extensive experience in the development and management of marine offshore engineering, shipbuilding and structural steel portfolios. He holds a degree in Law from the Polytechnic of Newcastle-upon-Tyne in England. He is the father of Miss Leung Chi Yin, Gillian and Mr. Leung Chi Hong, Jerry, the executive directors of the Company; and the spouse of Mrs. Leung Yu Oi Ling, Irene, an executive director of the Company. He is responsible for the management and operation of the Group.

Mrs. Leung Yu Oi Ling, Irene, aged 58, joined the Group in June 1991 and is currently an executive Director and the chairman of the Company. She is a graduate of Leicester Polytechnic in UK and has had extensive experience in running her own interior design company prior to joining the Group. She is the spouse of Mr. Leung Yat Tung, and the mother of Miss Leung Chi Yin, Gillian and Mr. Leung Chi Hong, Jerry. She is responsible for the general management, business development and marketing of the Group.

Miss Leung Chi Yin, Gillian, aged 32 daughter of Mr. Leung Yat Tung and Mrs. Leung Yu Oi Ling, Irene, sister of Mr. Leung Chi Hong, Jerry, was designated in September 2002 as an executive Director. She graduated in Commerce from Queen's University, Canada and also completed MSc in Law and Accounting from the London School of Economics and Political Science, London. She is responsible for the financial management and administration of the Group.

Mr. Leung Chi Hong, Jerry, aged 30, son of Mr. Leung Yat Tung and Mrs. Leung Yu Oi Ling, Irene, brother of Miss Leung Chi Yin, Gillian, was appointed as an executive Director in October 2006. He possesses BSc in Physics and Computer from McGill University, Canada. He has over eight years of experience in ship management in China and South East Asia. He is responsible for the operation of the Group's marine division.

Independent non-executive Directors

Mr. Pao Ping Wing, JP, aged 64, was appointed to the Board in August 1997, holds a Master of Science degree in human settlements planning and development. In the past 20 plus years, he has been actively serving on government policy and executive bodies, especially those of town planning, urban renewal, public housing and environment matters. He was elected as one of the Ten Outstanding Young Persons of Hong Kong in 1982 and one of the Ten Outstanding Young Persons of the World in 1983. He has been appointed as a Justice of the Peace for Hong Kong since 1987. He is also an independent non-executive director of Oriental Press Group Limited (stock code: 018), Sing Lee Software (Group) Limited (stock code: 8076), Zhuzhou CSR Times Electric Co., Ltd. (stock code: 3898), Maoye International Holdings Limited (stock code: 848), Soundwill Holdings Limited (stock code: 878) and New Environmental Energy Holdings Limited (stock code: 3989), which are listed on the Stock Exchange. He has no personal interest in the shares of the Company.

Prof. Yuen Ming Fai, Matthew, aged 61, was appointed to the Board in April 2002. He spent 4 years in United Kingdom's Industry before taking up a lecturing position at the University of Hong Kong in 1979. He is currently a Professor and Head of the Department of Mechanical Engineering at The Hong Kong University of Science and Technology. He is a graduate of the University of Hong Kong and the University of Bristol. He is a Fellow of The Hong Kong Institution of Engineers and a Fellow of Institution of Mechanical Engineers, United Kingdom. He has extensive research experience in design and manufacturing. He is also appointed as an independent non-executive director of Fong's Industries Company Limited (stock code: 641). Save as his spouse having personal interest in 96 Consolidated Shares (0.00%) of the Company, Prof. Yuen has no personal interest in the shares of the Company.

Ms. Tse Mei Ha, aged 40, was appointed to the Board in September 2004. She is a Certified Public Accountant in Hong Kong. She has over ten years of experience in the accountancy profession including working with public accountants and auditor firms. She has no personal interest in the shares of the Company.

10. CORPORATE INFORMATION

Registered office	Crawford House 4th Floor 50 Cedar Avenue Hamilton HM11 Bermuda
Principal place of business	Room 702, 7th Floor Aitken Vanson Centre 61 Hoi Yuen Road Kwun Tong Kowloon Hong Kong
Company secretary	Ms. Yuen Wing Yan, Winnie <i>An associate of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators</i>
Authorised representatives	Mrs. Leung Yu Oi Ling, Irene <i>Executive Director</i> 8/F., 1C Austin Road Tsimshatsui, Kowloon Hong Kong Miss Leung Chi Yin, Gillian <i>Executive Director</i> 8/F., 1C Austin Road Tsimshatsui, Kowloon Hong Kong

Principal share registrar and transfer office	HSBC Securities Services (Bermuda) Limited 6 Front Street Hamilton HM11 Bermuda
Hong Kong branch share registrar and transfer office	Tricor Tengis Limited 26th Floor, Tesbury Centre 28 Queen's Road East Wanchai Hong Kong
Principal bankers	Industrial and Commercial Bank of China (Asia) Limited 33/F., ICBC Tower 3 Garden Road Central Hong Kong Bank of Communications Co., Ltd. Hong Kong Branch Shop No. 1-3, G/F., 22-28 Mody Road Tsimshatsui, Kowloon Hong Kong
Auditors	CCIF CPA Limited Certified Public Accountants 34th Floor, Lee Gardens 33 Hysan Avenue Causeway Bay Hong Kong
Legal advisers of the Company	<i>As to Hong Kong laws in general:</i> Tsang & Lee, Solicitors Unit 901, 9th Floor Harcourt House 39 Gloucester Road Wanchai Hong Kong <i>As to Hong Kong laws on the Rights Issue:</i> Chiu & Partners 40th Floor, Jardine House 1 Connaught Place Central Hong Kong

11. EXPERTS

CCIF CPA Limited (“CCIF”), Certified Public Accountants, has given opinion or advice contained in this prospectus.

As at the Latest Practicable Date, CCIF did not have any shareholding, directly or indirectly, in the Company or any of its members or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in the Company or any of its members.

CCIF did not have any direct or indirect interest in any assets which have, since 31 July 2011, being the date of the latest published audited accounts of the Company, been acquired or disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

CCIF is not materially interested in any contract or arrangement entered into by any member of the Group which contract or arrangement is subsisting as at the date of this prospectus and which is significant in relation to the business of the Group.

12. CONSENT

CCIF has given and has not withdrawn its written consent as to the issue of this prospectus with the inclusion herein of its respective opinions or letters and/or reference to their names, opinions or letters in the form and context in which they appear.

13. DOCUMENTS DELIVERED TO THE REGISTRARS OF COMPANIES

A copy of this prospectus, together with copies of the Provisional Allotment Letter, the Excess Application Form and the written consent referred to in paragraph 12 in this appendix, has been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance of Hong Kong. A copy of this prospectus, together with copies of the Provisional Allotment Letter and the Excess Application Form, has been filed with the Registrar of Companies in Bermuda as required under section 26 of the Companies Act 1981 of Bermuda.

14. LEGAL EFFECT

This prospectus, the Provisional Allotment Letter and the Excess Application Form, and all acceptances of any offer or application contained in or made on such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any of such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies Ordinance of Hong Kong, so far as applicable.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Room 702, 7th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong during normal business hours from the date of this prospectus up to and including the Latest Time for Acceptance:

- (a) the Company's memorandum of association and the bye-laws of the Company;
- (b) the material contracts as referred to in paragraph 6 in this appendix;
- (c) the annual report of the Group for each of the two financial years ended 31 July 2011;
- (d) the interim report of the Group for the six months' period ended 31 January 2012;
- (e) the letter of consent referred to in paragraph 12 in this appendix;
- (f) the report issued by CCIF in connection with the statement of unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as set out in Appendix II to this prospectus;
- (g) the circular of the Company dated 25 October 2011 in relation to a major and connected transaction and a major disposal and connected transaction of the Company; and
- (h) this prospectus.

16. MISCELLANEOUS

- (a) Save as disclosed in this prospectus, the Directors are not aware of any material adverse change in the financial or trading position of the Company since the date to which the latest published audited accounts of the Company were made up.
- (b) No capital of any member of the Group is under any outstanding option, or agreed conditionally or unconditionally to be put under any outstanding option.

1. NOTICE TO PERSONS RESIDENT IN THE PRC

The Rights Issue Documents do not constitute a public offering of the Rights Shares or any other shares of the Company in the PRC. The Rights Issue Documents may not be circulated or distributed in the PRC and the Rights Shares may not be offered or sold directly or indirectly to any natural person or legal person of the PRC, or offered or sold to any natural person or legal person of the PRC for re-offering or re-sale directly or indirectly except for being despatched to the Qualifying Shareholder with its registered address in the PRC solely for the purpose of this Rights Issue, subject to the compliance by the Qualifying Shareholder with all applicable laws and regulations of the PRC.

2. NOTICE TO PERSONS RESIDENT IN SINGAPORE

This prospectus has not been and will not be lodged with and registered as a prospectus under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) with the Monetary Authority of Singapore (the “MAS”). This prospectus and any other document or material issued in connection with the offer is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. The MAS assumes no responsibility for the contents. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Shares may not be issued, circulated or distributed, in Singapore nor may any Rights Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to and in accordance with any other conditions of any other applicable provisions of the SFA.

3. NOTICE TO PERSONS RESIDENT IN UK

Neither the information in this prospectus nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the Rights Shares. This prospectus is issued on a confidential basis to fewer than 150 persons (other than “qualified investors” (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the Rights Shares may not be offered or sold in the United Kingdom by means of this prospectus, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Rights Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this prospectus is being distributed only to, and is directed at, persons (i) who fall within Article 42 (Bearer instruments: promotion to existing holders) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together “**relevant persons**”). The investments to which this prospectus relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus or any of its contents.