

Recommended proposal for



UNIVERSAL APPLIANCES LIMITED
友利電訊工業有限公司

(incorporated in Hong Kong with limited liability)

to become a wholly-owned subsidiary of

UNIVERSAL HOLDINGS LIMITED
友利控股有限公司

(a new holding company incorporated in the Cayman Islands with limited liability and the shares of which are proposed to be listed on The Stock Exchange of Hong Kong Limited by way of introduction)

pursuant to a

SCHEME OF ARRANGEMENT

(under section 166 of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong)

**DATE FOR THE HEARING OF THE PETITION
ARRANGEMENTS FOR THE EXCHANGE OF SHARE CERTIFICATES
AND THE TRADING OF ODD LOTS SHARES**

Financial Adviser and Sponsor

ERNST & YOUNG

Ernst & Young Corporate Finance Limited

The date for the hearing of the petition by the Court has been fixed on 22 October 2002. Assuming that the Court will sanction the Scheme at the said hearing, the Scheme will become effective on 23 October 2002.

The Ordinary Shareholders and the Preference Shareholder(s) may respectively, for a period of one month after the Effective Date, submit to the share registrar of Holdings in Hong Kong, Tengis Limited, their certificates in respect of Ordinary Shares and Preference Shares for exchange, at the expense of Holdings, for certificates in the name of Holdings in respect of the same number of Holdings Ordinary Shares and Holdings Preference Shares.

In order to alleviate the difficulties arising from the existence of odd lots of the Holdings Ordinary Shares as a direct consequence of the change in board lot size upon the Scheme becoming effective, DBS Vickers (Hong Kong) Limited has been appointed to match the sales and purchases of odd lots of the Holdings Ordinary Shares.

Reference is made to the announcements of the Company dated 22 May 2002, 4 July 2002, 23 August 2002 and the composite scheme document (the "Document") despatched to the Shareholders on 31 July 2002 regarding, among others, the redomicile proposal. Unless otherwise defined, capitalized terms used in this announcement have the same meanings as those stated in the Document.

FINALISED DATE FOR THE COURT HEARING

The Directors are pleased to announce that the date for the hearing of petition by the Court has been fixed on 22 October 2002. Assuming that the Court will sanction the Scheme at the said hearing, the Scheme will become effective on 23 October 2002. The Company will make a further announcement to the Shareholders upon the Scheme being sanctioned and taking effect. The revised timetable in relation to the Scheme is as follows:

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|---|---------------------------------|
| Court hearing of petition to sanction the Scheme | 22 October |
| Record Time | 4:00 p.m. on 22 October |
| Last day of dealings in the Shares | 4:00 p.m. on 22 October |
| Withdrawal of listing of the Shares | close of business on 22 October |
| Effective Date | 23 October |
| First day of dealings in the Holdings Ordinary Shares on the Stock Exchange in board lots of 50,000 shares | 9:30 a.m. on 23 October |
| First day for exchange of existing certificates for the Ordinary Shares and the Preference Shares for new certificates for the Holdings Ordinary Shares and the Holdings Preference Shares respectively, free of charge | 23 October |
| First day for DBS Vickers (Hong Kong) Limited to stand in the market to match the sales and purchases of odd lots of the Holdings Ordinary Shares | 23 October |
| Last day for DBS Vickers (Hong Kong) Limited to stand in the market to match the sales and purchases of odd lots of the Holdings Ordinary Shares | 22 November |
| Last day for exchange of existing certificates for the Ordinary Shares and the Preference Shares for new certificates for the Holdings Ordinary Shares and the Holdings Preference Shares respectively, free of charge | 22 November |

EXCHANGE OF SHARE CERTIFICATES

On and after the Effective Date, share certificates issued following the registration of transfers will be issued in the name of Holdings in respect of Holdings Ordinary Shares and Holdings Preference Shares. The Ordinary Shareholders and the Preference Shareholder(s) may respectively, for a period of one month after the Effective Date, submit to the share registrar of Holdings in Hong Kong, Tengis Limited, at 4/F Hutchison House, 10 Harcourt Road, Central, Hong Kong, their certificates in respect of Ordinary Shares and Preference Shares for exchange, at the expense of Holdings, for certificates in the name of Holdings in respect of the same number of Holdings Ordinary Shares and Holdings Preference Shares.

All certificates for Ordinary Shares and Preference Shares will continue to be effective as documents of title after the last day of the free exchange period. However, certificates for the Ordinary Shares will cease to be marketable after the last day of the free exchange period.

After one month from the Effective Date, Shareholders submitting share certificates in the name of the Company to be exchanged for share certificates in the name of Holdings will have to bear the cost of the issue of new certificates in the name of Holdings, which is presently HK\$2.5 per certificate. Unless otherwise requested by the relevant holder, certificates in respect of Holdings Ordinary Shares will, so far as practicable, be issued in board lots of 50,000 Holdings Ordinary Shares whereas certificates in respect of Holdings Preference Shares will be issued in the number requested by the relevant holders.

In order to distinguish between the existing and new certificates, certificates for the Holdings Ordinary Shares will be blue in colour and those for the Holdings Preference Shares will be purple in colour; whereas the existing certificates for the Ordinary Shares are yellow in colour and those for the Preference Shares are orange in colour.

Shareholders are recommended to consult their professional advisors if they are in any doubt as to the above procedures regarding the exchange of share certificates.

ODD LOTS TRADING ARRANGEMENT

Upon the Scheme becoming effective, the Holdings Ordinary Shares will be traded in board lots of 50,000 shares. In order to alleviate the difficulties arising from the existence of odd lots of the Holdings Ordinary Shares, DBS Vickers (Hong Kong) Limited has been appointed to match the sales and purchases of odd lots of the Holdings Ordinary Shares. Holders of the Holdings Ordinary Shares may contact Mr. Leung Yut Chiu of DBS Vickers (Hong Kong) Limited at 2820 4911 from 23 October 2002 to 22 November 2002 (both days inclusive) if they wish to take advantage of this facility.

The above mechanism however does not guarantee that the holders of odd lots shares can successfully dispose of their odd lots shares in the market or acquire further odd lots shares in the market with a view to topping up their odd lots holdings to a whole board lot.

By Order of the Board
Universal Appliances Limited
Ho Te Hwai, Cecil
Company Secretary