U-RIGHT INTERNATIONAL HOLDINGS LIMITED

(Provisional Liquidators Appointed)

佑威國際控股有限公司*

（已委任臨時清盤人）

(Incorporated in Bermuda with limited liability)

(Stock Code: 00627)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2012

The board (the "Board") of directors of U-RIGHT International Holdings Limited (Provisional Liquidators Appointed) (the "Company") announces that the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2012, together with the comparative figures for the corresponding year ended 31 March 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2012

	2012	2011
	HK$'000	*HK$'000*
Revenue	**397,937**	331,084
Cost of sales	**(363,508)**	(311,766)
Gross profit	**34,429**	19,318
Other income	**1,781**	2,013
Selling and distribution costs	**(6,519)**	(4,167)
Administrative expenses	**(13,558)**	(9,029)
Profit from operations	**16,133**	8,135
Finance cost	**(4,788)**	(3,939)
Profit before tax	**11,345**	4,196
Income tax expense	**(3,501)**	(1,754)
Profit for the year	**7,844**	2,442
Other comprehensive income:		
Exchange differences on translation of foreign operations	**435**	146
Total comprehensive income for the year	**8,279**	2,588
Profit for the year attributable to:		
Owners of the Company	**6,890**	1,739
Non-controlling interests	**954**	703
	7,844	2,442
Total comprehensive income for the year attributable to:		
Owners of the Company	**7,315**	1,885
Non-controlling interests	**964**	703
	8,279	2,588
Earning per share attributable to owners of the Company		
Basic (HK cents per share)	**0.19**	0.05
Diluted (HK cents per share)	**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2012

	2012	2011
	HK$'000	*HK$'000*
Non-current assets		
Property, plant and equipment	**949**	33
Goodwill	**14,202**	–
	15,151	33
Current assets		
Inventories	**17,711**	3,305
Trade receivables	**52,212**	33,084
Prepayments, deposits and other receivables	**9,571**	21,162
Bank and cash balances	**20,237**	14,800
	99,731	72,351
Current liabilities		
Trade payables	**31,643**	20,815
Accruals and other payables	**14,264**	20,843
Due to deconsolidated subsidiaries	**416,314**	416,323
Due to the Investor	**20,000**	19,800
Financial guarantee liabilities	**1,118,325**	1,118,325
Convertible notes	**75,539**	71,577
Current tax liabilities	**10,361**	1,899
	1,686,446	1,669,582
Net current liabilities	**(1,586,715)**	(1,597,231)
Total assets less current liabilities	**(1,571,564)**	(1,597,198)
Non-current liabilities		
Promissory note	**17,355**	–
NET LIABILITIES	**(1,588,919)**	(1,597,198)
Capital and reserves		
Share capital	**356,936**	356,936
Deficiency	**(1,948,082)**	(1,955,397)
Equity attributable to owners of the Company	**(1,591,146)**	(1,598,461)
Non-controlling interests	**2,227**	1,263
TOTAL EQUITY	**(1,588,919)**	(1,597,198)

Approved by:

TANG Kwok Hung	**NG Cheuk Fan Keith**
Director	Director

NOTES:

1. GENERAL INFORMATION

U-RIGHT International Holdings Limited (Provisional Liquidators Appointed) (the "Company", together with its subsidiaries, the "Group") was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business is 35th Floor, One Pacific Place, 88 Queensway, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and have been suspended for trading since 17 September 2008.

The Company is an investment holding company. The Group's principal activities are trading and retailing of fashion garments, textiles and leathers.

2. WINDING-UP PETITION AND APPOINTMENT OF PROVISIONAL LIQUIDATORS

On 6 October 2008, Deutsche Bank A.G., Hong Kong Branch (the "Petitioner") presented petitions (the "Petitions" and each referred to as "Petition") to the High Court (the "High Court") of the Hong Kong Special Administrative Region ("Hong Kong") for the winding up of each of the Company and Uni-Capital Limited (In Liquidation) ("Uni-Capital"), an indirectly wholly-owned subsidiary of the Company, as the Company and Uni-Capital could not meet demands made against the Company and Uni-Capital for the repayment of outstanding debts. Upon the application of the Petitioner, Messrs. LAI Kar Yan Derek and YEUNG Lui Ming of Deloitte Touche Tohmatsu were appointed jointly and severally as provisional liquidators of the Company (the "Provisional Liquidators") and Uni-Capital pursuant to the orders both dated 6 October 2008 made by the High Court.

The Provisional Liquidators are empowered, inter alia, to take possession of the assets of the Group, to close or cease or operate all or any part of the business operations of the Group, to take control of such of the subsidiaries of the Company, joint ventures, associated companies or other entities in which the Company or any of its subsidiaries holds an interest and to consider if thought to be in the best interests of creditors of the Company, to enter into discussions and negotiations for and on behalf of the Company for the purpose of, but not limited to, restructuring of the Company's business, operations, or indebtedness or to implement a scheme of arrangement between the Company and its creditors and/or shareholders for such restructuring.

After the appointment of the Provisional Liquidators on 6 October 2008, the then management of the Company together with the Provisional Liquidators used their best endeavours to maintain the business of the Group both in Hong Kong and the People's Republic of China (the "PRC"). Notwithstanding the subsequent changes in personnel as the Provisional Liquidators gradually replaced the management team, the total revenue achieved by the Group according to the financial statements of the Group for the year ended 31 March 2012 was approximately HK$397.94 million.

The hearing of the Petition against the Company was originally scheduled on 10 December 2008 and the High Court adjourned the hearing of the Petition against the Company to 24 September 2012. A winding up order against Uni-Capital was granted by the High Court on 9 November 2009.

3. BASIS OF PREPARATION

Suspension of trading in shares of the Company

At the request of the Company, trading in shares of the Company had been suspended since 17 September 2008.

On 6 October 2008, the Petitioner petitioned for the winding-up of the Company as the Company could not meet demands for the repayment of outstanding debts. Upon the application of the Petitioner, on 6 October 2008, the Provisional Liquidators were appointed.

On 16 May 2009, the Provisional Liquidators, Advance Lead International Limited (the "Investor"), the Company and an escrow agent, entered into an escrow agreement (as supplemented by the four supplementary agreements and hereinafter collectively referred as to the "Escrow Agreement", unless otherwise specified) for the implementation of the restructuring proposal. Pursuant to the Escrow Agreement, the Provisional Liquidators granted the Investor an exclusive right for a period up to 30 June 2010 (as subsequently extend to 31 December 2012) to negotiate a legally binding restructuring agreement for the implementation of the restructuring proposal.

On 30 July 2009, the Stock Exchange issued a letter to place the Company in the second stage of the delisting procedures under Practice Note 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

On 26 February 2010, the Company was placed in the third stage of the delisting procedures pursuant to Practice Note 17 of the Listing Rules and that the Company was required to submit a viable resumption proposal which demonstrates its compliance with the requirement stipulated under Rule 13.24 of the Listing Rules.

On 6 August 2010, a directly wholly-owned subsidiary of the Company, UR Group Limited ("UR Group") and the Investor entered into a secured loan facility agreement, pursuant to which the Investor agreed to provide a working capital facility up to HK$15,000,000 to UR Group. The advance of HK$4,800,000 has already been received from the Investor prior to the date of the said agreement. On the same day, a directly wholly-owned subsidiary of the Company, Alfreda Limited ("Alfreda") and the Investor entered into another secured loan facility agreement, pursuant to which the Investor agreed to provide a facility up to HK$20,000,000 to Alfreda as part of the consideration of the acquisition (the "Acquisition") of the entire interest in Sino Hill Group Limited ("Sino Hill"). Three advances of HK$10,000,000, HK$5,000,000 and HK$5,000,000 were drawn down from the Investor on 15 September 2010, 31 January 2011 and 30 September 2011 respectively in respect of the second loan facility agreement.

On 9 August 2010, an indirectly wholly-owned subsidiary of the Company, Right Season Limited ("Right Season"), entered into a sale and purchase agreement (the "S&P Agreement") for the Acquisition, at a consideration of HK$40,000,000 by way of cash and the promissory note. Details of the S&P Agreement are set out in the Company's announcement dated 31 August 2010. The Acquisition was completed on 1 October 2011.

On 9 August 2010, the Provisional Liquidators, with the assistance of the financial advisor of the Company, Veda Capital Limited, submitted the resumption proposal to the Stock Exchange and the resumption proposal is currently under review by the Stock Exchange.

By an order of the High Court dated 15 March 2012, the hearing of the Petition to the High Court for the winding-up of the Company was further adjourned to 24 September 2012.

After the resumption proposal of the Company was submitted to the Stock Exchange on 9 August 2010, the Stock Exchange had made certain queries on the resumption proposal. The Company had replied the Stock Exchange's queries and the resumption proposal is currently under review by the Stock Exchange which the Stock Exchange had not indicated or confirmed that approval (with or without further conditions) may be granted.

Going concern basis

As at 31 March 2012 the Group had net current liabilities of approximately HK$1,586,715,000 (2011: HK$1,597,231,000) and net liabilities of approximately HK$1,588,919,000 (2011: HK$1,597,198,000) respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

To address the issues above, the Provisional Liquidators have been in discussion and negotiation with the Investor to explore the possibility of injecting new funds into the Group through the proposed restructuring.

The consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future.

Should the Group be unable to achieve a successful restructuring as mentioned above, or alternatively under other available options of restructuring, and therefore be unable to continue its business as a going concern, adjustments might have to be made to the carrying amounts of the Group's assets to state them at their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and liabilities to current assets and liabilities, respectively.

4. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 April 2011. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

5. REVENUE

Revenue represents the invoiced value of goods sold, less value-added tax, goods returns and trade discounts during the year.

	2012	2011
	HK$'000	*HK$'000*
Sales of fashion garments and textiles	**397,937**	331,084

6. OTHER INCOME

	2012	2011
	HK$'000	*HK$'000*
Interest income	**12**	6
Net foreign exchange gain	**13**	27
Reimbursement of restructuring expenses from the Investor	**1,749**	1,934
Others	**7**	46
	1,781	2,013

7. OPERATING SEGMENT INFORMATION

For the years ended 31 March 2012 and 2011, no operating segment information is presented as the Group has only one operating segment of fashion garments, textile and leathers business.

Geographical information:

The Group's revenue analysed by geographical location and information about its non-current assets by geographical location are detailed below:

	Revenue Year ended 31 March		**Non-current assets As at 31 March**	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Mainland China	**142,041**	123,466	**949**	33
The Philippines	**93,171**	81,356	**–**	–
Kingdom of Saudi Arabia	**–**	429	**–**	–
Germany	**–**	885	**–**	–
United Arab Emirates	**162,725**	124,948	**–**	–
Consolidated total	**397,937**	331,084	**949**	33

In presenting the geographical information, revenue is based on the locations of the customers.

8. FINANCE COST

	2012	2011
	HK$'000	*HK$'000*
Interest expenses on borrowings wholly repayable within five years		
– convertible notes (Note 19)	**3,962**	3,939
– promissory note	**826**	–
	4,788	3,939

9. INCOME TAX EXPENSE

	2012	2011
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**1,399**	643
Current tax – the PRC Enterprise Income Tax		
Provision for the year	**2,102**	1,111
	3,501	1,754

Hong Kong profits tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profits for the year. Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of subsidiaries of the Company in the PRC is 25% for both years.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax and profit before tax multiplied by the Hong Kong profits tax rate is as follows:

	2012	2011
	HK$'000	*HK$'000*
Profit before tax	**11,345**	4,196
Tax at the domestic income tax rate of 16.5% (2011: 16.5%)	**1,872**	692
Tax effect of expenses that are not deductible	**876**	678
Effect of different tax rates of subsidiaries operating in other jurisdictions	**753**	384
	3,501	1,754

10. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	2012	2011
	HK$'000	*HK$'000*
Cost of sales	**363,508**	311,766
Depreciation	**126**	2
Impairment on inventories	**87**	118
Staff costs (including Directors' remuneration):		
– salaries, bonuses and allowances	**4,650**	2,196
– retirement benefits scheme contributions	**484**	334
	5,134	2,530
Auditor's remuneration	**699**	480
Net foreign exchange loss/(gain)	**(13)**	(27)
Operating lease charges on land and buildings	**1,008**	481

11. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the years ended 31 March 2012 and 2011.

12. PROPERTY, PLANT AND EQUIPMENT

	Machinery	Motor Vehicle	Leasehold improvement	Furniture, fixtures and equipment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost:					
At 1 April 2010	–	–	–	–	–
Additions	–	–	–	35	35
At 31 March 2011 and 1 April 2011	–	–	–	35	35
Acquisition of subsidiaries	67	72	–	301	440
Additions	–	350	183	64	597
Exchange differences	1	1	–	3	5
At 31 March 2012	68	423	183	403	1,077
Accumulated depreciation:					
At 1 April 2010	–	–	–	–	–
Charge for the year	–	–	–	2	2
At 31 March 2011 and 1 April 2011	–	–	–	2	2
Charge for the year	13	25	17	71	126
At 31 March 2012	13	25	17	73	128
Carrying amount:					
At 31 March 2012	55	398	166	330	949
At 31 March 2011	–	–	–	33	33

13. GOODWILL

	2012	2011
	HK$'000	*HK$'000*
Arising on acquisition of a subsidiary	**14,202**	–

The Group acquired 100% of equity interest in Sino Hill on 1 October 2011. This transaction has been accounted for by the acquisition method of accounting.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated to the Sino Hill cash generating unit.

The recoverable amounts of the CGUs are determined from value in use calculation.

The key assumptions for the value in use calculation are those regarding the discount rates, growth rates and budgeted gross margin and turnover during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and turnover are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Directors for the next five years with the residual period using the growth rate of 5%. This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecasted cash flows from the Sino Hill cash generating unit is 10%.

14. INVENTORIES

	2012	2011
	HK$'000	*HK$'000*
Merchandises	**17,798**	3,423
Less: Impairments	**(87)**	(118)
	17,711	3,305

15. TRADE RECEIVABLES

Other than cash sales, invoices are normally payable within 30 to 90 days of issuance. Trade receivables are recognised and carried at their original invoiced amounts less allowance for impairment when collection of the full amount is no longer probable. Bad debts are written off as incurred.

At the end of the reporting period, the ageing analysis of the trade receivables is as follows:

	2012	2011
	HK$'000	*HK$'000*
1-30 days	**29,267**	22,479
31-60 days	**10,153**	3,652
61-90 days	**6,094**	2,853
91-120 days	**2,961**	2,244
Over 120 days	**3,737**	1,856
Less: Impairments	**–**	–
	52,212	33,084

At the end of the reporting period, the trade receivables with the carrying amounts of approximately HK$6,698,000 (2011: HK$4,100,000) were past due but not impaired. Approximately HK$2,961,000 and HK$3,737,000 (2011: approximately HK$2,244,000 and HK$1,856,000) of which were falling within the ageing band from 91 to 120 days and over 120 days respectively.

The gross amounts of the Group's trade receivables were denominated in the following currencies:

	2012	2011
	HK$'000	*HK$'000*
US$	**21,983**	21,110
RMB	**30,229**	11,974
	52,212	33,084

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	2012 HK$'000	2011 HK$'000
Deposit		**3,540**	5,188
Prepayments		**3**	580
Other receivables		**5,590**	–
Due from deconsolidated subsidiaries	*(a)*	**438**	394
Refundable deposit for acquisition of a subsidiary	*20*	**–**	15,000
		9,571	21,162

Notes (a): The advances are unsecured, non-interest bearing and have no fixed repayment terms.

17. TRADE PAYABLES

At the end of the reporting period, the ageing analysis of the trade payables is as follows:

	2012 HK$'000	2011 HK$'000
1-30 days	**12,036**	17,983
31-60 days	**11,646**	1,635
61-90 days	**7,085**	748
91-120 days	**156**	92
Over 120 days	**720**	357
	31,643	20,815

The carrying amounts of the Group's trade payables were denominated in the following currencies:

	2012 HK$'000	2011 HK$'000
US$	**18,415**	19,804
RMB	**13,228**	1,011
	31,643	20,815

18. FINANCIAL GUARANTEE LIABILITIES

The Company has provided corporate guarantees for certain bank loans of its subsidiaries which had been deconsolidated from the consolidated financial statements of the Group since 1 April 2008. At the end of the reporting period, it is probable that the Company will be liable to the potential claims under any of these guarantees. Accordingly, a provision for financial guarantee liabilities of approximately HK$1,118,325,000 as at 31 March 2012 (2011: HK$1,118,325,000) for the Company has been made against the probable uncovered exposures to be borne by the Company under those guarantees at the end of the reporting period.

19. CONVERTIBLE NOTES

Pursuant to a subscription agreement dated 5 October 2006, the Company issued zero coupon convertible notes with principal value of HK$60,000,000 on 19 October 2006 ("CN1"). The holders of CN1 are entitled to convert any part of the principal amount into new ordinary shares of the Company at a conversion price of HK$0.288 each, subject to adjustments, at any time between the date of issue of CN1 and 19 October 2011. Any convertible notes not converted before 19 October 2011 will be redeemed at 137.69 per cent of its principal amount on 19 October 2011. During the year ended 31 March 2008, part of the CN1 with principal value of HK$30,000,000 have been converted into ordinary shares of the Company.

Pursuant to a subscription agreement dated 23 October 2007, the Company issued convertible notes with principal value of HK$24,000,000 on 15 November 2007 ("CN2"). The holders of CN2 are entitled to convert any part of the principal amount into new ordinary shares of the Company at a conversion price of HK$0.341 each, subject to adjustments, at any time between the date of issue of CN2 and 15 November 2010. Any convertible notes not converted before 15 November 2010 will be redeemed at 135.00 per cent of its principal amount on 15 November 2010. CN2 bears interests at 6 months HIBOR plus 1% per annum payable semi-annually until their settlement date.

During the year ended 31 March 2009, an event of default occurred in respect of the convertible notes with liability component totaling approximately HK$65,098,000 as at 31 March 2009 and such amounts have become repayable on demand. The liability component of convertible notes, together with the corresponding finance cost, was therefore reclassified as a current liability.

The liability component of convertible notes recognised at the end of the reporting period is analysed as follows:

	CN1	**CN2**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Liability component at 1 April 2010	36,585	31,053	67,638
Interest charged	2,592	1,347	3,939
Liability component at 31 March 2011 and 1 April 2011	39,177	32,400	71,577
Interest charged	3,071	891	3,962
Liability component at 31 March 2012	42,248	33,291	75,539

The interest charged for the years ended 31 March 2012 and 2011 for CN1 and CN2 are calculated with reference to the terms of the convertible notes and taking into consideration that the convertible notes were in default.

20. ACQUISITION OF SUBSIDIARY – SINO HILL

On 1 October 2011, the Group acquired 100% of the issued share capital of Sino Hill at a consideration of HK$40,000,000 satisfied by advances from the Investor of HK$10,000,000 and HK$5,000,000 paid last year as deposits, an advance from the Investor of HK$5,000,000 in current year and a promissory note of HK$20,000,000 (fair value of approximately HK$16,529,000). Sino Hill was engaged in the design, distribution and sales of fashion apparel during the year. The Acquisition is for the purpose of extending existing principal business of the Group in relation to the wholesale and retail trading of fashion garments.

The carrying amounts of the consolidated identifiable assets and liabilities of Sino Hill acquired as at its date of Acquisition are the same as their fair values, which are disclosed as follows:

	Carrying amounts and Fair values
	HK$'000
Property, plant and equipment	440
Inventories	14,092
Trade receivables	6,898
Prepayments, deposits and other receivables	588
Cash and cash equivalents	9,938
Trade payables	(137)
Accruals and other payables	(2,604)
Tax payable	(6,888)
Net assets	22,327
Goodwill	14,202
	36,529

	Carrying amounts and Fair values
	HK$'000
Satisfied by:	
Advance from the Investor	20,000
Issue of promissory note	16,529
	36,529
Net cash inflow arising on Acquisition:	
Cash and cash equivalents acquired	9,938

The goodwill arising on the Acquisition of Sino Hill is attributable to the Sino Hill cash generating unit.

Sino Hill contributed approximately HK$25,441,000 and approximately HK$4,914,000 to the Group's turnover and profit for the year respectively for the period between the date of Acquisition and the end of the reporting period.

If the Acquisition had been completed on 1 April 2011, the Group's total turnover for the year would have been approximately HK$425,330,000, and profit for the year would have been approximately HK$13,385,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of the turnover and results of operations of the Group that actually would have been achieved had the Acquisition been completed on 1 April 2011, nor is intended to be a projection of future results.

21. EVENTS AFTER THE REPORTING PERIOD

After the resumption proposal of the Company was submitted to the Stock Exchange on 9 August 2010, the Stock Exchange had made certain queries on the resumption proposal. The Company had replied the Stock Exchange's queries and the resumption proposal is currently under review by the Stock Exchange, which the Stock Exchange has not indicated or confirmed that approval (with or without further conditions) may be granted.

BUSINESS REVIEW

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are wholesale and retail of fashion garments and trading of garment materials. After the appointment of the Provisional Liquidators on 6 October 2008, the then management of the Company together with the Provisional Liquidators used their best endeavours to maintain the business of the Group both in Hong Kong and the PRC. Notwithstanding the subsequent changes in personnel as the Provisional Liquidators gradually replaced the management team, the total revenue achieved by the Group according to the financial statements of the Group for the year ended 31 March 2012 was approximately HK$397.94 million.

The hearing of the Petition against the Company was originally scheduled on 10 December 2008 and the High Court adjourned the hearing of the Petition against the Company to 24 September 2012. A winding up order against Uni-Capital was granted by the High Court on 9 November 2009.

It is expected that the Petition against the Company will be withdrawn upon the successful implementation of the restructuring of the Company as referred to in the section headed "Restructuring of the Group" below.

RESTRUCTURING OF THE GROUP

On 16 May 2009, the Provisional Liquidators, the Investor, the Company and an escrow agent entered into an escrow agreement (as supplemented by the four supplementary agreements and hereinafter collectively referred as the "Escrow Agreement" unless otherwise specified) in anticipation of the implementation of the restructuring proposal. Pursuant to the Escrow Agreement, the Provisional Liquidators granted the Investor an exclusivity for a period up to 31 December 2010 by undertaking not to offer to any other party the opportunity to negotiate any terms for the restructuring of the outstanding indebtedness and/or share capital of the Company and setting out certain key terms of the debt and capital restructuring of the Company. The exclusivity period was subsequently extended to 31 December 2012 pursuant to the fourth supplemental agreement to the Escrow Agreement.

The principal elements of the Escrow Agreement are, inter alia, as follows:

a) Capital Restructuring

The Company will undergo, inter alia, a capital restructuring, involving a capital cancellation, a share consolidation, a capital reduction, an authorized share capital increase and a full discharge of the existing convertible notes subject to the provisions of a scheme of arrangement (the "Scheme").

b) Share Subscription

The Company will raise new funds by way of the ordinary share subscription and the issue of the convertible bonds to the Investor.

c) Provision of Loan Facilities

The Investor has provided non-interest bearing secured loan facilities to the Company as part of the consideration for the Acquisition and the Investor will continue to provide secured loan facilities without any interest to the Company as general working capital.

d) Scheme and Debt Restructuring

The Provisional Liquidators and the Investor further negotiated on the terms of the Escrow Agreement after taking into considerations of the comments made by the Stock Exchange. The put options proposed to be granted to the creditors of the Company by the Investor in respect of the approximately 5% of issued shares of the Company as enlarged by the share subscription, which was mentioned as part of the Scheme proposed to be implemented by the Provisional Liquidators, will not be part of the Scheme. The Company will issue such number of shares representing about 5% of the issued share capital of the Company on a fully diluted basis (the "Creditors Shares") immediately upon completion of (1) the capital restructuring; and (2) the Scheme and debt restructuring.

The Provisional Liquidators proposed to implement the Scheme to settle the debts owed to the creditors by (i) HK$50 million cash (from the proceeds of subscription for shares by the Investor); and (ii) the Creditors Shares. At a meeting of the creditors of the Company held on 7 September 2011, the Scheme was approved and it was subsequently sanctioned by the High Court on 3 November 2011. Since 11 November 2011, the Scheme has become effective.

The Investor would become a controlling shareholder of the Company upon completion of the proposed restructuring of the Group (the "Completion") as contemplated under the Escrow Agreement.

On 2 July 2009, UR Group Limited ("UR Group"), a new directly wholly-owned subsidiary of the Company was incorporated in the British Virgin Islands. UR Group is an investment holding company which beneficially owns 100% interest in both U-RIGHT Trading Development Limited ("URTDL") and Nano Garment Holdings Limited ("NGHL"). URTDL and NGHL were both incorporated in Hong Kong on 17 July 2009. Since August 2009, the Group's garments trading business has been carried out through URTDL.

On 24 January 2010, URTDL entered into a joint venture contract with 石獅市意利王制衣發展有限公司 (for identification purpose, Shishi City Yiliwang Clothes Development Co., Ltd.) ("Shishi Yiliwang") and 廈門大騰工貿有限公司 (for identification purpose, Xiamen Dateng Industry Trade Limited) ("Xiamen Dateng") (collectively the "Joint Venture Partners") for the establishment of an equity joint venture company, Xiamen U-Right Garment Co. Ltd. ("Xiamen U-Right") and subscribed to the constitution of Xiamen U-Right, all dated 24 January 2010. The Joint Venture Partners have also agreed all the material terms of, and procured Xiamen U-Right to enter into the subcontracting agreement (as further explained below) when Xiamen U-Right was established.

On 11 February 2010, Xiamen U-Right was established. The subcontracting agreement was entered into between Xiamen U-Right and the Joint Venture Partners on the same date delineating the operations, rights, duties and obligations between Xiamen U-Right and the Joint Venture Partners. Xiamen U-Right is principally engaged in the garment retail and trading business and also trading of garment materials.

On 6 August 2010, the Investor entered into secured loan facility arrangements with UR Group and a directly wholly-owned subsidiary of the Company, Alfreda Limited respectively, for the provision of general working capital and part of the consideration for the Acquisition of the entire issued share capital of Sino Hill. Sino Hill and its subsidiaries are engaged in the design, distribution and sales of fashion apparel under the brands of "*LeRoi*" and "*Meridow*" in the PRC, which is in line with and complementary to the principal business of the Group in relation to the wholesale and retail trading of fashion garments.

On 9 August 2010, an indirectly wholly-owned subsidiary of the Company, Right Season Limited ("Right Season"), entered into the S&P Agreement for the Acquisition at a consideration of HK$40 million by way of cash and the promissory note. Details of the S&P Agreement are set out in the Company's announcement dated 31 August 2010.

On 31 December 2010, Right Season entered into a supplemental agreement to the S&P Agreement (the "1st Supplemental Agreement") to extend the long stop date to 31 March 2011 and amend certain terms and conditions as set out in the S&P Agreement.

As more time is needed for the fulfillment of the conditions precedent of the S&P Agreement, on 4 April 2011, Right Season entered into the second supplemental agreement to the S&P Agreement (the "2nd Supplemental Agreement") to further extend the long stop date to 30 September 2011.

Details of the 1st Supplemental Agreement and the 2nd Supplemental Agreement are set out in the Company's announcements dated 4 January 2011 and 4 April 2011 respectively.

A special general meeting of the Company's shareholders was held on 19 September 2011 and at this meeting, the supplemented S&P Agreement and the transactions contemplated thereunder were approved. The Acquisition was eventually completed on 1 October 2011.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2012.

THE CODE ON CORPORATE GOVERNANCE PRACTICES

Since the Provisional Liquidators of the Company have been appointed, the Company has not complied with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules.

Arrangements will be made to comply with the Code of Corporate Governance Practices before the resumption of the trading in shares of the Company.

DIVIDEND

The Board does not recommend the payment of any dividend in respect of the years ended 31 March 2012 and 2011.

AUDIT COMMITTEE

The audited results of the Group for the year ended 31 March 2012 have been reviewed by the audit committee of the Company (the "Audit Committee"). The Audit Committee constitutes three independent non-executive directors.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

The Company's auditor has qualified the report on the Group's consolidated financial statements for the year ended 31 March 2012, an extract of which is as follows:

Basis for disclaimer of opinion

1. *Opening balances and corresponding figures*

   Our audit opinion on the consolidated financial statements of the Group for the year ended 31 March 2011 (the "2011 Financial Statements"), which form the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effect of the limitations on the scope of our audit and the material uncertainty in relation to going concern, details of which are set out in our audit report dated 27 June 2011. Accordingly, we were then unable to form an opinion as to whether the 2011 Financial Statements gave a true and fair view of the state of affairs of the Group as at 31 March 2011 and of the Group's results and cash flows for the year then ended.

2. *Deconsolidation of the subsidiaries*

Certain subsidiaries of the Company were deconsolidated from the Group since 1 April 2008. No sufficient evidence has been provided to satisfy ourselves as to whether the Company had lost control of the subsidiaries since 1 April 2008 and throughout the year ended 31 March 2012.

Accordingly, no sufficient evidence has been provided to satisfy ourselves, in relation to the deconsolidated subsidiaries, as to the completeness of the transactions of the Group for the year ended 31 March 2012 and the Group's financial position as at that date.

3. *Financial guarantee liabilities*

No direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of the financial guarantee liabilities of approximately HK$1,118,325,000 as at 31 March 2012 in the consolidated statement of financial position.

4. *Due to deconsolidated subsidiaries*

No direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of the amounts due to deconsolidated subsidiaries of approximately HK$416,314,000 as at 31 March 2012 in the consolidated statement of financial position.

5. *Commitments and contingent liabilities*

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the disclosures of commitments and contingent liabilities as at 31 March 2012.

Any adjustments to the figures as described from points 1 to 5 above might have a significant consequential effect on the Group's results for the two years ended 31 March 2011 and 2012, the Group's cash flows for the two years ended 31 March 2011 and 2012 and the financial positions of the Group as at 31 March 2011 and 2012, and the related disclosures thereof in the consolidated financial statements.

MATERIAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

In forming our opinion, we have considered the adequacy of the disclosures made in note 3 to the consolidated financial statements which explains that a proposal for the resumption of trading in the Company's shares and the restructuring of the Group (the "Resumption Proposal") was submitted to The Stock Exchange of Hong Kong Limited on 9 August 2010.

The consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to complete the restructuring. We consider that the disclosures are adequate. However, in view of the extent of the uncertainty relating to the completion of the restructuring, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs and the material uncertainty relating to the going concern basis as described above, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 31 March 2012 and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

SUSPENSION OF TRADING

Trading in the shares of the Company has been suspended since 17 September 2008 and will remain in suspension until further notice.

PUBLICATION OF INFORMATION ON WEBSITES

This results announcement is available for viewing on the website of the Company at www.uright-627.info.

By Order of the Board, for
U-RIGHT International Holdings Limited
(Provisional Liquidators Appointed)
TANG Kwok Hung
Director

Hong Kong, 26 June 2012

As at the date of this announcement, the Board comprises two executive directors, namely Mr. TANG Kwok Hung and Mr. NG Cheuk Fan, Keith and three independent non-executive directors, namely Mr. CHUNG Wai Man, Mr. MAK Ka Wing Patrick and Mr. CHAN Chi Yuen.

* *For identification purposes only*