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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

The board (the "Board") of directors of U-RIGHT International Holdings Limited (Provisional Liquidators Appointed) (the "Company") announces that the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2012 together with comparative figures for the previous period:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2012

	Notes	Six months ended 30 September 2012 HK$'000 (unaudited)	2011 HK$'000 (unaudited)
Turnover	*2*	**200,495**	193,050
Cost of sales		**(180,127)**	(182,054)
Gross profit		**20,368**	10,996
Other income	*4*	**747**	829
Selling and distribution expenses		**(4,381)**	(2,569)
Administrative expenses		**(8,271)**	(4,689)
Profit from operations		**8,463**	4,567
Finance costs	*5*	**(2,231)**	(2,589)
Profit before tax		**6,232**	1,978
Income tax	*6*	**(1,776)**	(999)
Profit for the period	*7*	**4,456**	979
Other comprehensive income after tax:			
Exchange differences on translation of foreign operations		**123**	172
Total comprehensive income for the period		**4,579**	1,151
Profit for the period attributable to:			
Owners of the Company		**4,011**	605
Non-controlling interests		**445**	374
		4,456	979
Total comprehensive income for the period attributable to:			
Owners of the Company		**4,124**	777
Non-controlling interests		**455**	374
		4,579	1,151
Earning per share	*8*		
Basic (HK cents per share)		**0.11**	0.02
Diluted (HK cents per share)		**N/A**	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2012

	Notes	**As at 30 September 2012 HK$'000 (unaudited)**	As at 31 March 2012 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	*10*	**982**	949
Goodwill		**14,202**	14,202
		15,184	15,151
Current assets			
Inventories		**17,520**	17,711
Trade receivables	*11*	**64,106**	52,212
Prepayments, deposits and other receivables		**13,724**	9,571
Bank and cash balances		**18,032**	20,237
		113,382	99,731
Current liabilities			
Trade payables	*12*	**35,058**	31,643
Accruals and other payables		**18,134**	14,264
Due to deconsolidated subsidiaries		**416,314**	416,314
Due to the Investor	*13*	**20,000**	20,000
Financial guarantee liabilities	*14*	**1,118,325**	1,118,325
Convertible notes		**76,943**	75,539
Current tax liabilities		**9,950**	10,361
Promissory note		**18,182**	–
		1,712,906	1,686,446
Net current liabilities		**(1,599,524)**	(1,586,715)
Total assets less current liabilities		**(1,584,340)**	(1,571,564)
Non-current liabilities			
Promissory note		**–**	17,355
NET LIABILITIES		**(1,584,340)**	(1,588,919)
Capital and reserves			
Share capital	*15*	**356,936**	356,936
Reserves		**(1,943,958)**	(1,948,082)
Equity attributable to owners of the Company		**(1,587,022)**	(1,591,146)
Non-controlling interests		**2,682**	2,227
TOTAL EQUITY		**(1,584,340)**	(1,588,919)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2012

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

U-RIGHT International Holdings Limited (Provisional Liquidators Appointed) (the "Company", together with its subsidiaries, the "Group") is an investment holding company. Its subsidiaries are principally engaged in fashion garments and textiles business.

The unaudited condensed interim consolidated financial statements (the "Interim Financial Statements") of the Group for the six months ended 30 September 2012 together with the comparative figures for the previous corresponding period have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

As at 30 September 2012 the Group had net current liabilities of approximately HK$1,599,524,000 (31 March 2012: HK$1,586,715,000) and net liabilities of approximately HK$1,584,340,000 (31 March 2012: HK$1,588,919,000) respectively.

The Interim Financial Statements were prepared on the basis that the proposed restructuring (the "Restructuring Proposal") of the Company will be implemented in accordance with its terms and the Group will be able to improve its financial position and business upon completion of the Restructuring Proposal. As at the date of these Interim Financial Statements, the Directors are not aware of any circumstances or reasons that would likely affect the implementation of the Restructuring Proposal. In light of the foregoing, the Directors opined that it is appropriate to prepare the Interim Financial Statements on a going concern basis. The Interim Financial Statements do not incorporate any adjustments for possible failure of the Restructuring Proposal and the continuance of the Group as a going concern.

The Interim Financial Statements do not include all the information and disclosures required in the full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2012.

The preparation of the Interim Financial Statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2012.

In the current period, the Group has adopted all the new and revised HKFRSs that are relevant to its operations and effective for its accounting period beginning on 1 April 2012. 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 financial statements and amounts reported for the current period and prior periods.

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

The Interim Financial Statement are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. TURNOVER

The Group's turnover is as follow:

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Sales of goods	**200,495**	193,050

3. SEGMENT INFORMATION

Segment profits or losses do not include finance costs, income tax and unallocated corporate income and expenses. Segment assets do not include bank and cash balances, and other unallocated corporate assets.

The Group has only one operating segment of fashion garments and textiles business. Information about reportable segment profit or loss and segment assets:

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue from external customers	**200,495**	193,050
Segment profit	**8,455**	4,566
Interest income	**8**	1
Interest expenses	**2,231**	2,589
Additions to segment non-current assets	**882**	18

	At 30 September	At 31 March
	2012	2012
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Segment assets	**77,487**	65,004

Reconciliation of reportable segment profit:

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Total profit of reportable segments	**8,455**	4,566
Other unallocated income/(expenses):		
Interest income	**8**	1
Interest expenses	**(2,231)**	(2,589)
Income tax expenses	**(1,776)**	(999)
Consolidated profit for the period	**4,456**	979

4. OTHER INCOME

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Reimbursement of restructuring expenses from the Investor	**720**	819
Interest income	**8**	1
Others	**19**	9
	747	829

5. FINANCE COSTS

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest expenses on:		
– Convertible notes wholly repayable within 5 years	**1,404**	2,589
– Promissory notes wholly repayable within 5 years	**827**	–
	2,231	2,589

6. INCOME TAX

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax – Hong Kong Profits Tax		
Provision for the period	**312**	376
Current tax – Overseas		
Provision for the period	**1,464**	623
Income tax expense	**1,776**	999

Hong Kong profits tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profits for the period.

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

7. PROFIT FOR THE PERIOD

The Group's profit for the period is arrived at after charging the amounts as set out below.

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Directors' emoluments		
– As directors	**–**	–
– For management	**–**	–
	–	–
Depreciation	**165**	9
Cost of inventories sold	**180,127**	182,054
Staff cost	**1,980**	1,374

8. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the six months period attributable to owners of the Company of approximately HK$4,011,000 (2011: HK$605,000) and the weighted average number of ordinary shares of 3,569,364,916 (2011: 3,569,364,916) in issue during the period.

Diluted earnings per share

No diluted earnings per share is presented as the Company did not have any dilutive potential ordinary shares during the periods.

9. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2012 (2011: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

	As at 30 September 2012	As at 31 March 2012
	HK$'000	*HK$'000*
	(unaudited)	(audited)
At beginning of the period/year	**949**	35
Acquisition of subsidiaries	**–**	440
Additions	**198**	597
Exchange difference	**–**	5
Depreciation	**(165)**	(128)
At end of the period/year	**982**	949

11. TRADE RECEIVABLES

Other than cash and credit card 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.

The aging analysis of the trade receivables as at the end of the reporting period, based on invoice dates, is as follows:

	As at 30 September 2012 *HK$'000* **(unaudited)**	As at 31 March 2012 *HK$'000* (audited)
1-30 days	**37,410**	29,267
31-60 days	**6,230**	10,153
61-90 days	**3,773**	6,094
91-120 days	**3,716**	2,961
Over 120 days	**12,977**	3,737
	64,106	52,212

12. TRADE PAYABLES

The aging analysis of the trade payables as at the end of the reporting period, based on invoice dates, is as follows:

	As at 30 September 2012 *HK$'000* **(unaudited)**	As at 31 March 2012 *HK$'000* (audited)
1-30 days	**26,794**	12,036
31-60 days	**3,391**	11,646
61-90 days	**471**	7,085
91-120 days	**2,662**	156
Over 120 days	**1,740**	720
	35,058	31,643

13. DUE TO THE INVESTOR

On 6 August 2010, a directly wholly-owned subsidiary of the Company, Alfreda Limited ("Alfreda") and Advance Lead International Limited (the "Investor") entered into a 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 of the entire issued share capital of Sino Hill Group Limited (the "Acquisition"). 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 aforesaid loan facility agreement. These advances are non-interest bearing, secured by the entire issued share capital of an indirectly wholly-owned subsidiary of the Company, Right Season Limited ("Right Season"), and repayable on 31 December 2012.

14. 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. Consequently, the Company is liable to the financial guarantee liabilities of approximately HK$1,118,325,000 as at 30 September 2012 (31 March 2012: HK$1,118,325,000).

15. SHARE CAPITAL

	As at 30 September 2012 *HK$'000* **(unaudited)**	As at 31 March 2012 *HK$'000* (audited)
Authorized:		
5,000,000,000 ordinary shares of HK$0.10 each	**500,000**	500,000
Issued and fully paid:		
3,569,364,916 ordinary shares of HK$0.10 each	**356,936**	356,936

16. CONTINGENT LIABILITIES

The Directors were not aware of any significant contingent liabilities of the Group as at 30 September 2012 (31 March 2012: Nil).

17. EVENTS AFTER THE REPORTING PERIOD

Resumption Proposal

After the resumption proposal of the Company was submitted to The Stock Exchange of Hong Kong Limited (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 of the Company on 6 October 2008, the then management of the Company together with the Provisional Liquidators used their best endeavour 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 turnover achieved by the Group according to the financial statements of the Group for the six months ended 30 September 2012 was approximately HK$200.50 million.

Due to the lack of working capital affecting a continued flow of new products for the retail market, and against the high shop rental costs, the Provisional Liquidators decided the more appropriate course was to close down the retail operations at least for the time being.

The hearing of the winding-up petition against the Company was originally scheduled on 10 December 2008 and the High Court adjourned the hearing of the winding-up petition against the Company to 25 March 2013. A winding up order against Uni-Capital Limited, an indirectly wholly-owned subsidiary of the Company, was granted by the High Court on 9 November 2009.

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 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 2012 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 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 preference shares to the Investor.

(c) Provision of Loan Facilities

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

(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 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 subscriptions 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 as contemplated under the Escrow Agreement.

On 17 July 2009, U-RIGHT Trading Development Limited ("URTDL"), an indirectly wholly-owned subsidiary of the Company was incorporated. On 24 January 2010, URTDL entered into a joint venture contract with 石獅市意利王製衣發展有限公司(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.

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 two directly wholly-owned subsidiaries of the Company, UR Group Limited ("UR Group") and Alfreda, for the provision of general working capital and part of the consideration for the Acquisition respectively. Sino Hill Group Limited 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, Right Season entered into a sale and purchase agreement (as supplemented by two supplementary agreements and hereinafter collectively referred as the "S&P Agreement" unless otherwise specified) for the Acquisition, at a consideration of HK$40 million by way of cash and the promissory note.

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

Since the incorporation of the Group's new subsidiaries and completion of the Acquisition, the Group has been engaged in (i) wholesale trading of garments and textile products in the PRC, the Middle East and South-East Asia region; (ii) retail trading of menswear fashion garments under the brand name of "*Yilking*" in the PRC; and (iii) retail trading of ladies wear fashion garments under the brand name of "*LeRoi*" and "*Meridow*" in the PRC.

In the fourth quarter of 2011, Xiamen U-Right successfully obtained a business license and opened a shop in Xiamen under the brand name of "*U-Right*". The Company expects the establishment of a scaled retail chain under the brand name of "*U-Right*" will only be possible upon resumption of trading in the Company's shares on the Stock Exchange when more funding is available for business development.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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.

AUDIT COMMITTEE

The unaudited results of the Group for the six months ended 30 September, 2012 have been reviewed by the Audit Committee. The Audit Committee constitutes three independent non-executive directors.

PUBLICATION OF INFORMATION ON WEBSITES

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and 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)
Mr. TANG Kwok Hung
Director

Hong Kong, 30 November 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*