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 2013

The board (the "Board") of directors (the "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 2013, together with the comparative figures for the corresponding year ended 31 March 2012 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000
Revenue	8	**392,644**	397,937
Cost of sales		**(349,448)**	(363,508)
Gross profit		**43,196**	34,429
Other income	9	**977**	1,781
Selling and distribution costs		**(9,273)**	(6,519)
Administrative expenses		**(16,921)**	(13,558)
Profit from operations		**17,979**	16,133
Finance cost	11	**(4,564)**	(4,788)
Profit before tax		**13,415**	11,345
Income tax expense	12	**(4,095)**	(3,501)
Profit for the year	13	**9,320**	7,844
Other comprehensive income:			
Exchange differences on translation of foreign operations		**455**	435
Total comprehensive income for the year		**9,775**	8,279
Profit for the year attributable to:			
Owners of the Company		**8,333**	6,890
Non-controlling interests		**987**	954
		9,320	7,844
Total comprehensive income for the year attributable to:			
Owners of the Company		**8,696**	7,315
Non-controlling interests		**1,079**	964
		9,775	8,279
Earning per share attributable to owners of the Company	15		
Basic (HK cents per share)		**0.23**	0.19
Diluted (HK cents per share)		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment	17	**1,207**	949
Goodwill	18	**14,202**	14,202
		15,409	15,151
Current assets			
Inventories	19	**13,004**	17,711
Trade and bill receivables	20	**62,753**	52,212
Prepayments, deposits and other receivables	21	**20,236**	9,571
Bank and cash balances		**9,424**	20,237
		105,417	99,731
Current liabilities			
Trade payables	22	**32,411**	31,643
Accruals and other payables		**13,787**	14,264
Due to deconsolidated subsidiaries	23	**416,314**	416,314
Due to the Investor	24	**11,300**	20,000
Financial guarantee liabilities	25	**1,118,325**	1,118,325
Convertible notes	26	**78,367**	75,539
Promissory note	27	**19,091**	–
Current tax liabilities		**10,375**	10,361
		1,699,970	1,686,446
Net current liabilities		**(1,594,553)**	(1,586,715)
Total assets less current liabilities		**(1,579,144)**	(1,571,564)
Non-current liabilities			
Promissory note	27	**–**	17,355
NET LIABILITIES		**(1,579,144)**	(1,588,919)
Capital and reserves			
Share capital	28	**356,936**	356,936
Deficiency		**(1,939,386)**	(1,948,082)
Equity attributable to owners of the Company		**(1,582,450)**	(1,591,146)
Non-controlling interests		**3,306**	2,227
TOTAL EQUITY		**(1,579,144)**	(1,588,919)

Approved by:

TANG Kwok Hung
Director

NG Cheuk Fan Keith
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2013

	Attributable to owners of the Company									
	Share capital	Share premium account	Statutory reserve	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Retained profits/ (accumulated losses)	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2011	356,936	614,493	220	3,020	1,904	146	(2,575,180)	(1,598,461)	1,263	(1,597,198)
Total comprehensive income for the year	–	–	–	–	–	425	6,890	7,315	964	8,279
At 31 March 2012	356,936	614,493	220	3,020	1,904	571	(2,568,290)	(1,591,146)	2,227	(1,588,919)
At 1 April 2012	356,936	614,493	220	3,020	1,904	571	(2,568,290)	(1,591,146)	2,227	(1,588,919)
Total comprehensive income for the year	–	–	–	–	–	363	8,333	8,696	1,079	9,775
Transfer upon forfeiture of share options	–	–	–	–	(1,904)	–	1,904	–	–	–
At 31 March 2013	356,936	614,493	220	3,020	–	934	(2,558,053)	(1,582,450)	3,306	(1,579,144)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000
Cash flows from operating activities			
Profit before tax		**13,415**	11,345
Adjustments for:			
Depreciation		**387**	126
Impairments on inventories		**77**	87
Finance cost		**4,564**	4,788
Interest income		**(40)**	(12)
Operating cash flows before working capital changes		**18,403**	16,334
Change in inventories		**4,630**	(1,411)
Change in trade and bill receivables		**(10,541)**	(11,220)
Change in prepayments, deposits and other receivables		**(10,665)**	(2,449)
Change in trade payables		**768**	10,691
Change in accruals and other payables		**(477)**	(9,555)
Change in due to deconsolidated subsidiaries		**–**	(9)
Cash generated from operations		**2,118**	2,381
Tax paid		**(4,081)**	(2,032)
Interest received		**40**	12
Net cash flows (used in)/generated from operating activities		**(1,923)**	361
Cash flows from investing activities			
Purchase of property, plant and equipment		**(641)**	(597)
Net cash inflow from acquisition of a subsidiary	*31*	**–**	9,938
Net cash flows (used in)/generated from investing activities		**(641)**	9,341
Cash flows used in financing activities			
Repayment to the Investor		**(8,700)**	(4,800)
Net cash flows used in financing activities		**(8,700)**	(4,800)
Net (decrease)/increase in cash and cash equivalents		**(11,264)**	4,902
Effect of foreign exchange rate changes		**451**	535
Cash and cash equivalents at beginning of year		**20,237**	14,800
Cash and cash equivalents at end of year		**9,424**	20,237
Analysis of cash and cash equivalents			
Bank and cash balances		**9,424**	20,237

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

1. GENERAL INFORMATION

The Company 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.

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 consolidated financial statements of the Group for the year ended 31 March 2013 was approximately HK$392.64 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 30 September 2013. 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 five 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 extended to 30 September 2013) 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 requirements 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.

By an order of the High Court dated 22 March 2013, the hearing of the Petition to the High Court for the winding-up of the Company was further adjourned to 30 September 2013.

After the revised resumption proposal of the Company was submitted to the Stock Exchange on 19 April 2013, the Stock Exchange decided to allow the Company to proceed with the resumption proposal subject to the resumption conditions to be fulfilled by 31 July 2013. Details of the resumption conditions were set out in the Company's announcement dated 26 April 2013.

Going concern basis

As at 31 March 2013 the Group had net current liabilities of approximately HK$1,594,553,000 (2012: HK$1,586,715,000) and net liabilities of approximately HK$1,579,144,000 (2012: HK$1,588,919,000) 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 are in the process of implementing a capital restructuring, a debt restructuring and certain fund raising exercises.

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 2012. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards ("HKAS"); 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 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.

5. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention. These financial statements are presented in Hong Kong Dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of financial statements in conformity with HKFRSs requires the use of key assumptions and estimates. It also requires the management of the Group ("Management") to exercise its judgments in the process of applying the accounting policies. The areas involving critical judgments and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 6 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling interests and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, available-for-sale investment), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy "Impairment of assets" below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong Dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances in financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

(iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rate is as follows:

Furniture, fixtures and equipment	18-33%
Leasehold improvement	20-45%
Machinery	9%
Motor vehicle	12.5-18%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in the profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

(a) the amount of the obligations under the contracts, as determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and

(b) the amount initially recognised less cumulative amortisation recognised in the profit or loss on a straight-line basis over the terms of the guarantee contracts.

Convertible notes

Convertible loans which entitle the holder to convert the loans into a fixed number of equity instruments at a fixed conversion price are regarded as compound instruments consist of a liability and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible bonds and the fair value assigned to the liability component, representing the embedded option for the holder to convert the loans into equity of the Group, is included in equity as capital reserve. The liability component is carried as a liability at amortised cost using the effective interest method until extinguished on conversion or redemption.

Transaction costs are apportioned between the liability and equity components of the convertible loans based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly to equity.

If the loans are converted, the capital reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the bond is redeemed, the capital reserve is released directly to retained profits.

Convertible loans which entitle the holder to convert the loans into equity instruments, other than into a fixed number of equity instruments at a fixed conversion price, are regarded as combined instruments consist of a liability and a derivative component. At the date of issue, the fair value of the derivative component is determined using an option pricing model; and this amount is carried as a derivative liability until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the liability component and is carried as a liability at amortised cost using the effective interest method until extinguished on conversion or redemption. The derivative component is measured at fair value with gains and losses recognised in profit or loss.

Transaction costs are apportioned between the liability and derivative components of the convertible loans based on the allocation of proceeds to the liability and derivative components on initial recognition.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Revenue recognition

Revenue comprises the fair value of the consideration for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, returns, rebates and discounts allowed and after eliminating sales within the Group. Revenue is recognised as follows:

(a) Revenues from the sales of goods are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

(b) Interest income is recognised on a time-proportion basis using the effective interest method.

Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) ***Pension obligations***

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme ("MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on 5% of the employees' relevant income, subject to a ceiling of monthly relevant income of HK$25,000 (before 1 June 2012: HK$20,000) and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group also participates in a defined contribution retirement scheme organised by the government in the PRC. The Group is required to contribute a specific percentage of the payroll of its employees to the retirement scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the retirement scheme. No forfeited contributions may be used by the employers to reduce the existing level of contributions.

(c) ***Termination benefits***

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Related parties

A related party is a person or entity that is related to the Group.

(A) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

(B) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (A).
- (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of productions processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, Management had made the following judgement that has the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

(a) Going concern basis

These financial statements have been prepared on a going concern basis, the validity of which depends upon the Group being able to achieve a successful restructuring and continue its business. Details are explained in note 3 to the financial statements.

(b) Financial results of Xiamen U-Right Gament Co. Ltd. (the "EJV")

In accordance with an agency agreement, the sales and purchase transactions of the EJV were carried out on the EJV's behalf by 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"). Each of them holds 10% of the ownership interest in the EJV. The financial statements have been prepared on the basis that those sales and purchases for the year ended 31 March 2013 have been included in the Group's current year results. In view of the various terms stipulated in the agency agreement, the Directors regard such accounting treatments as appropriate.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Financial guarantee liabilities

The determination of the financial guarantee liabilities involves Management's estimation. The Group assesses the probability and magnitude of the outflow of resources embodying economic benefits will be required to settle the obligations and if the expectation differs from the original estimate, such a difference may impact the carrying amount of the financial guarantee liabilities as at 31 March 2013.

(b) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

(c) Income tax

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(d) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions. The Group will reassess the estimates by the end of each reporting period.

(e) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(f) ***Impairment of goodwill***

Management reviews and determines whether goodwill is impaired at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. The carrying amount of goodwill at the end of the reporting period was approximately HK$14,202,000. No impairment loss was recognised during the year ended 31 March 2013.

7. FINANCIAL RISK MANAGEMENT

The major financial instruments of the Group include trade and other receivables, bank and cash balances, trade payables, financial guarantee liabilities, convertible notes and promissory note. The activities of the Group expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Risk management is carried out by the Directors under policies approved by the Board of Directors. The Directors identify, evaluate and hedge financial risks in close co-operation with the Group's operating units.

(a) Market risk

Foreign exchange risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities or United States dollars for Hong Kong dollars functional currency Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Interest rate risk

As at 31 March 2013, the Group did not have significant interest rate risk.

(b) Credit risk

The Group is exposed to credit risk mainly in relation to its trade and other receivables, cash deposits with banks and maximum exposure of credit risk is equal to the carrying amounts of these financial assets. Cash and bank transactions counterparties are limited to financial institutions with good credit rating assigned by international credit-rating agencies.

At the end of the reporting period, the Group had certain concentration of credit risk as approximately 20% (2012: 26%) and approximately 66% (2012: 57%) of the Group's trade receivables were due from the Group's largest trade debtor and the five largest trade debtors, respectively. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Group reviews the recoverable amount of the trade and other receivables on a regular basis and provision for doubtful debts is made in accordance with the Group's policies. In addition, the Management reviews the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, the Management considers that the Group's credit risk is significantly reduced.

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due.

The Management has given careful consideration on the measures currently undertaken in respect of the Group's liquidity position. The Management believes that the Group will be able to meet in full its financial obligations as they fall due upon the completion of the proposed restructuring of the Company, as further explained in note 3 to the financial statements.

(d) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

8. REVENUE

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

	2013	2012
	HK$'000	*HK$'000*
Sales of fashion garments and textiles	**392,644**	397,937

9. OTHER INCOME

	2013	2012
	HK$'000	*HK$'000*
Interest income	**40**	12
Net foreign exchange gain	**–**	13
Reimbursement of restructuring expenses from the Investor	**910**	1,749
Others	**27**	7
	977	1,781

10. OPERATING SEGMENT INFORMATION

For the years ended 31 March 2013 and 2012, 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**	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Mainland China	**143,861**	142,041	**1,207**	949
The Philippines	**93,459**	93,171	**–**	–
United Arab Emirates	**155,324**	162,725	**–**	–
Consolidated total	**392,644**	397,937	**1,207**	949

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

Information about major customers:

Revenue from major customers, each of whom accounted for 10% or more of the total revenue is set out below:

	2013	2012
	HK$'000	*HK$'000*
Customer A	**82,745**	100,193
Customer B	**72,579**	62,532
Customer C	**44,990**	*
Customer D	*****	46,084

* Less than 10% of total revenue of the Group

11. FINANCE COST

	2013	2012
	HK$'000	*HK$'000*
Interest expenses on borrowings wholly repayable within five years		
– convertible notes *(Note 26)*	**2,828**	3,962
– promissory note *(Note 27)*	**1,736**	826
	4,564	4,788

12. INCOME TAX EXPENSE

	2013	2012
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**581**	1,399
Current tax – the PRC Enterprise Income Tax		
Provision for the year	**3,514**	2,102
	4,095	3,501

Hong Kong profits tax is calculated at 16.5% (2012: 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 charges 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:

	2013	2012
	HK$'000	*HK$'000*
Profit before tax	**13,415**	11,345
Tax at the domestic income tax rate of 16.5% (2012: 16.5%)	**2,214**	1,872
Tax effect of expenses that are not deductible	**968**	876
Effect of different tax rates of subsidiaries operating in other jurisdictions	**913**	753
	4,095	3,501

13. PROFIT FOR THE YEAR

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

	2013	2012
	HK$'000	*HK$'000*
Cost of inventories sold	**349,448**	363,508
Depreciation	**387**	126
Impairment on inventories	**77**	87
Staff costs (including Directors' remuneration):		
– salaries, bonuses and allowances	**8,543**	4,650
– retirement benefits scheme contributions	**729**	484
	9,272	5,134
Auditor's remuneration	**780**	699
Net foreign exchange loss/(gain)	**4**	(13)
Operating lease charges on land and buildings	**1,645**	1,008

14. DIRECTORS' EMOLUMENTS

(a) Directors' emoluments

None of the Directors received any remuneration for the two years ended 31 March 2013 and 2012.

(b) Five highest paid individuals

Details of the aggregate emoluments for the five employees whose emoluments were the highest in the Group are as follows:

	2013	2012
	HK$'000	*HK$'000*
Salaries, allowances and benefit-in-kind	**1,071**	932
Retirement benefit costs	**40**	13
	1,111	945

The number of employees whose remuneration fell within the following bands are as follows:

	Number of Individual	
	2013	2012
Nil – HK$1,000,000	**5**	5

Based on the audited results of the Group for the two years ended 31 March 2013 and 2012, the Directors were not entitled to any of the performance-based discretionary bonus during the years.

No emoluments had been paid by the Group to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

15. EARNING PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic earning per share

The calculation of basic earning per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK$8,333,000 (2012: HK$6,890,000) and the weighted average number of ordinary shares of 3,569,364,916 (2012: 3,569,364,916) in issue during the year.

Diluted earning per share

No diluted earning per share for the years ended 31 March 2013 and 2012 is presented as the effects of all convertible notes are anti-dilutive for the years.

16. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the years ended 31 March 2013 and 2012.

17. 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 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 and 1 April 2012	68	423	183	403	1,077
Additions	–	–	533	108	641
Exchange differences	1	3	2	3	9
At 31 March 2013	69	426	718	514	1,727
Accumulated depreciation:					
At 1 April 2011	–	–	–	2	2
Charge for the year	13	25	17	71	126
At 31 March 2012 and 1 April 2012	13	25	17	73	128
Charge for the year	23	72	137	155	387
Exchange differences	–	2	1	2	5
At 31 March 2013	36	99	155	230	520
Carrying amount:					
At 31 March 2013	33	327	563	284	1,207
At 31 March 2012	55	398	166	330	949

18. GOODWILL

	2013	2012
	HK$'000	*HK$'000*
Arising on acquisition of a subsidiary	**14,202**	14,202

The Group acquired 100% equity interest of 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. Before recognition of impairment losses, 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%.

19. INVENTORIES

	2013	2012
	HK$'000	*HK$'000*
Merchandises	**13,081**	17,798
Less: Impairments	**(77)**	(87)
	13,004	17,711

20. TRADE AND BILL RECEIVABLES

Other than cash sales, invoices are normally payable within 30 to 90 days of issuance. Trade and bill 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 aging analysis of the trade and bill receivables is as follows:

	2013	2012
	HK$'000	*HK$'000*
1-30 days	**27,167**	29,267
31-60 days	**12,240**	10,153
61-90 days	**12,486**	6,094
91-120 days	**4,481**	2,961
Over 120 days	**6,379**	3,737
Less: Impairments	**–**	–
	62,753	52,212

At the end of the reporting period, the trade and bill receivables with the carrying amounts of approximately HK$10,860,000 (2012: HK$6,698,000) were past due but not impaired. Approximately HK$4,481,000 and HK$6,379,000 (2012: approximately HK$2,961,000 and HK$3,737,000) 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 and bill receivables were denominated in the following currencies:

	2013	2012
	HK$'000	*HK$'000*
USD	**32,680**	21,983
RMB	**30,073**	30,229
	62,753	52,212

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		2013	2012
	Notes	***HK$'000***	*HK$'000*
Deposit		**13,487**	3,540
Prepayments		**480**	3
Other receivables		**5,825**	5,590
Due from deconsolidated subsidiaries	*(a)*	**444**	438
		20,236	9,571

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

22. TRADE PAYABLES

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

	2013	2012
	HK$'000	*HK$'000*
1-30 days	**18,328**	12,036
31-60 days	**11,409**	11,646
61-90 days	**2,181**	7,085
91-120 days	**56**	156
Over 120 days	**437**	720
	32,411	31,643

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

	2013	2012
	HK$'000	*HK$'000*
USD	**24,565**	18,415
RMB	**7,846**	13,228
	32,411	31,643

23. DUE TO DECONSOLIDATED SUBSIDIARIES

The amounts due to deconsolidated subsidiaries are unsecured, non-interest bearing and have no fixed repayment terms.

24. DUE TO THE INVESTOR

On 6 August 2010, a directly wholly-owned subsidiary of the Company, 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. This advance is non-interest bearing, secured by the entire issued share capital of an indirectly wholly-owned subsidiary of the Company, U-RIGHT Trading Development Limited. The advance was repaid during last year.

On 6 August 2010, a directly wholly-owned subsidiary of the Company, 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. 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. These advances are non-interest bearing, secured by the entire issued share capital of an indirectly wholly-owned subsidiary of the Company, Right Season, and repayable on 31 December 2013. An amount of HK$8,700,000 was repaid to the Investor during the year.

25. 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 2013 (2012: 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.

26. 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 would 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 would 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 bonds 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 2011	39,177	32,400	71,577
Interest charged *(Note 11)*	3,071	891	3,962
Liability component at 31 March 2012 and 1 April 2012	42,248	33,291	75,539
Interest charged *(Note 11)*	2,169	659	2,828
Liability component at 31 March 2013	44,417	33,950	78,367

The interest charged for the years ended 31 March 2013 and 2012 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.

27. PROMISSORY NOTE

On 1 October 2011, Right Season, one of the subsidiaries of the Company issued a promissory note of HK$20,000,000 (the "Promissory Note") as part of the consideration for the Acquisition of Sino Hill. The Promissory Note bears no interest and has a maturity date of 30 September 2013 or 12 month's period following the resumption of trading in the shares of the Company whichever is earlier. The redemption is at par at maturity date.

	HK$'000
The fair value of the Promissory Note on issuance	16,529
Effective interest charged to profit or loss *(Note 11)*	826
At 31 March 2012	17,355
Effective interest charged to profit or loss *(Note 11)*	1,736
At 31 March 2013	19,091

The effective interest rate of the Promissory Note is 10%.

28. SHARE CAPITAL

	2013	2012
	HK$'000	*HK$'000*
Authorised:		
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

a) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 March 2013 and 2012.

29. MAJOR NON-CASH TRANSACTIONS

During last year, an advance of HK$5,000,000 was drawn down from the Investor on 30 September 2011 and was paid to the vendor of Sino Hill as part of the consideration to acquire 100% equity interest of Sino Hill.

30. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The share option scheme of the Company (the "Share Option Scheme") was adopted at the special general meeting of the Company on 9 July 2002 for the purpose of providing incentives or rewards to eligible participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Group holds any equity interest (the "Invested Entity"). Eligible participants of the Share Option Scheme include the directors and employees of the Company, its subsidiaries or any Invested Entity, suppliers and customers of the Group or any Invested Entity, any person or entity that provides research, development or other technological support to the Group or any Invested Entity, and any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity. The Share Option Scheme should, unless otherwise terminated or amended, remain in force for 10 years from 17 July 2002.

The maximum number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of shares in issue from time to time. The total number of shares which may be issued upon exercise of all share options granted and to be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of shares in issue on 31 August 2007 (i.e. not exceeding 351,191,691 shares of the Company). Share options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the 10% limit.

The Company may seek approval of the shareholders in the general meeting for refreshing the 10% limit under the Share Option Scheme save that the total number of shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as refreshed shall not exceed 10% of the total number of shares in issue as at the date of approval of the limit as refreshed. Share options previously granted under the Share Option Scheme or any other share option schemes of the Company (including share options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the limit as refreshed. The total number of shares issued and to be issued upon exercise of the share options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

The exercise price of the share options is determinable by the Directors, but may not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets on the date of the offer of the share options which must be trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

At 31 March 2012, the total number of the Company's shares currently available for issue under the Share Option Scheme is 351,191,691, representing 9.8% of the issued share capital of the Company shares after the refreshment of the scheme mandate limit.

The Company did not have any outstanding share options granted under the Share Option Scheme during the year ended 31 March 2012.

As the Directors decided not to extend the Share Option Scheme nor adopt a new share option scheme for the Company, the operation of the Share Option Scheme was ceased from 17 July 2012.

31. ACQUISITION OF SUBSIDIARY – SINO HILL

On 1 October 2011, the Group acquired 100% of the issued share capital of Sino Hill at a consideration HK$40,000,000 satisfied by advances from the Investor of HK$10,000,000 and HK$5,000,000 paid in year 2011 as a deposits, an advance from the Investor of HK$5,000,000 paid last year and the 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 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 fair value of the total consideration mentioned above was HK$36,529,000. The goodwill arising from the acquisition was HK$14,202,000.

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

	Carrying amount 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
Satisfied by:	
Advances 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.

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY AND RESERVES

a) Statement of financial position of the Company

	2013	2012
	HK$'000	*HK$'000*
Non-current assets		
Investments in subsidiaries	**–**	–
Current assets		
Due from deconsolidated subsidiaries	**444**	438
Due from subsidiaries	**315**	7
Bank balances	**6,919**	6,984
	7,678	7,429
Current liabilities		
Accruals and other payables	**8,892**	7,540
Due to deconsolidated subsidiaries	**268,189**	268,189
Financial guarantee liabilities	**1,118,325**	1,118,325
Convertible notes	**78,367**	75,539
	1,473,773	1,469,593
Net current liabilities	**(1,466,095)**	(1,462,164)
Total assets less current liabilities	**(1,466,095)**	(1,462,164)
Capital and reserves		
Share capital	**356,936**	356,936
Deficiency	**(1,823,031)**	(1,819,100)
TOTAL EQUITY	**(1,466,095)**	(1,462,164)

b) **Reserves of the Company**

	Share premium *HK$'000*	Contributed surplus *HK$'000*	Capital reserve *HK$'000*	Share-based compensation reserve *HK$'000*	Retained profits/ (accumulated losses) *HK$'000*	Total *HK$'000*
At 1 April 2011	614,493	40,358	3,020	1,904	(2,474,089)	(1,814,314)
Total comprehensive loss for the year	–	–	–	–	(4,786)	(4,786)
At 31 March 2012	614,493	40,358	3,020	1,904	(2,478,875)	(1,819,100)
At 1 April 2012	614,493	40,358	3,020	1,904	(2,478,875)	(1,819,100)
Total comprehensive loss for the year	–	–	–	–	(3,931)	(3,931)
Transfer upon forfeiture of share options	–	–	–	(1,904)	1,904	–
At 31 March 2013	614,493	40,358	3,020	–	(2,480,902)	(1,823,031)

c) **Nature and purpose of reserves of the Group**

(i) Share premium account

The application of the share premium account is governed by the Companies Act of Bermuda.

(ii) Statutory reserve

In accordance with the relevant regulations of the PRC, the subsidiaries of the Group established in the PRC are required to transfer a certain percentage of the profit after tax, if any, to a statutory reserve. Subject to certain restrictions as set out in the relevant regulations, the statutory reserve may be used to offset the accumulated losses, if any, of the subsidiaries.

(iii) Capital reserve

The capital reserve represents the unexercised equity component of convertible notes issued by the Group recognised in accordance with the accounting policy adopted for convertible notes in note 5 to the financial statements.

(iv) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 5 to the financial statements.

33. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 31 March 2013 and 2012.

34. COMMITMENTS

Lease commitments

As at 31 March 2013, the total future minimum lease payments of the Group under noncancellable operating leases are payable as follows:

	2013	2012
	HK$'000	*HK$'000*
Future aggregate minimum lease payments under operating leases in respect of land and buildings		
– within one year	**894**	1,281
– in the second to fifth years inclusive	**1,244**	340
	2,138	1,621

Operating lease payments represent rentals payable by the Group for certain of its offices and shop. Leases are negotiated for an average term of 2 years and rentals are fixed over the lease terms and do not include contingent rentals.

35. CONNECTED TRANSACTIONS

	2013	2012
	HK$'000	*HK$'000*
Management fee paid to Shishi Yiliwang	**2,679**	2,500
Management fee paid to Xiamen Dateng	**–**	273

The above connected transactions do not constitute related party transactions under HKAS 24.

36. EVENTS AFTER THE REPORTING PERIOD

On 26 April 2013, the Stock Exchange decided to allow the Company to proceed with the resumption proposal subject to the resumption conditions to be fulfilled by 31 July 2013. Details of the resumption conditions were set out in the Company's announcement dated 26 April 2013.

37. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY

Name of the subsidiary	Place of incorporation/ registration/	Issued and paid-up/ registered capital	Percentage of equity interest attributable to the Group 2013	2012	Principal activities
Direct subsidiaries:					
Lucky Formosa International Group Limited	British Virgin Islands	10,000 ordinary shares of US$1 each	**100%**	100%	Investment holding
UR Group Limited	British Virgin Islands	1 ordinary share of US$1	**100%**	100%	Investment holding
Alfreda Limited	British Virgin Islands	1 ordinary share of US$1	**100%**	100%	Inactive
Indirect subsidiaries:					
Nano Garment Holdings Limited	Hong Kong	1 ordinary share of HK$1	**100%**	100%	Inactive
U-RIGHT Trading Development Limited	Hong Kong	1 ordinary share of HK$1	**100%**	100%	Trading of fashion garments and textiles
Fame Ace Limited	British Virgin Islands	1 ordinary share of US$1	**100%**	100%	Inactive
Right Season Limited	British Virgin Islands	1 ordinary share of US$1	**100%**	100%	Investment holding
Xiamen U-Right Garment Co., Ltd.	The PRC	US$240,000	**80%**	80%	Retailing of fashion garments and trading of textiles and leathers
Sino Hill Group Limited	British Virgin Islands	1 ordinary share of US$1	**100%**	100%	Investment holding
Stand Fancy Limited	Hong Kong	10,000 ordinary shares of HK$1 each	**100%**	100%	Investment holding
立宜服裝（深圳）有限公司	The PRC	HK$1,000,000	**100%**	100%	Design, distribution and sale of fashion apparel

Note: Xiamen U-Right Garment Co. Ltd. is a sino foreign joint venture established in the PRC.

立宜服裝（深圳）有限公司 is a wholly foreign-owned enterprise established in the PRC.

38. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 14 June 2013.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements and reclassified as appropriate, is set out below.

RESULTS

	For the years ended 31 March				
	2013	2012	2011	2010	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	**392,644**	397,937	331,084	92,305	124,377
Profit/(loss) before tax	**13,415**	11,345	4,196	(430)	(3,078,321)
Income tax expenses	**(4,095)**	(3,501)	(1,754)	(161)	–
Profit/(loss) for the year	**9,320**	7,844	2,442	(591)	(3,078,321)
Other comprehensive income	**455**	435	146	–	–
Total comprehensive income/(loss) for the year	**9,775**	8,279	2,588	(591)	(3,078,321)
Attributable to:					
Owners of the Company	**8,696**	7,315	1,885	(660)	(3,078,321)
Non-controlling interests	**1,079**	964	703	69	–
	9,775	8,279	2,588	(591)	(3,078,321)

ASSETS AND LIABILITIES

	As at 31 March				
	2013	2012	2011	2010	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets	**15,409**	15,151	33	–	–
Current assets	**105,417**	99,731	72,351	19,951	6,627
Current liabilities	**(1,699,970)**	(1,686,446)	(1,669,582)	(1,620,228)	(1,606,313)
Non-current liabilities	**–**	(17,355)	–	–	–
Net assets/(liabilities)	**(1,579,144)**	(1,588,919)	(1,597,198)	(1,600,277)	(1,599,686)
Attributable to:					
Owners of the Company	**(1,582,450)**	(1,591,146)	(1,598,461)	(1,600,346)	(1,599,686)
Non-controlling interests	**3,306**	2,227	1,263	69	–
Total equity	**(1,579,144)**	(1,588,919)	(1,597,198)	(1,600,277)	(1,599,686)

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 consolidated financial statements of the Group for the year ended 31 March 2013 was approximately HK$392.64 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 30 September 2013. 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 five 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 30 September 2013 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.

With reference to the Company's announcement dated 26 April 2013, the Stock Exchange decided to allow the Company to proceed with a revised resumption proposal submitted by the Company on 19 April 2013, subject to certain resumption conditions to be fulfilled by 31 July 2013.

The Company will publish a separate announcement setting out the details of the transactions contemplated under the resumption proposal in due course.

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 2013.

THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has not complied with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules during the year ended 31 March 2013.

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 2013 and 2012.

AUDIT COMMITTEE

The audited results of the Group for the year ended 31 March 2013 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 2013

The Company's auditor has qualified the report on the Group's consolidated financial statements for the year ended 31 March 2013, 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 2012 (the "2012 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 26 June 2012. Accordingly, we were then unable to form an opinion as to whether the 2012 Financial Statements gave 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.

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 2013.

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 2013 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 2013 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 2013 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 2013.

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 2012 and 2013, the Group's cash flows for the two years ended 31 March 2012 and 2013 and the financial positions of the Group as at 31 March 2012 and 2013, 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 is in the process of being implemented.

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 2013 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, 14 June 2013

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*