U-RIGHT INTERNATIONAL HOLDINGS LIMITED
佑威國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00627)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

The board (the "Board") of directors (the "Directors") of U-RIGHT International Holdings Limited (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 2014 together with comparative figures for the previous period:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2014

		Six months ended 30 September	
		2014	2013
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*2*	**226,646**	146,538
Cost of sales		**(213,136)**	(125,199)
Gross profit		**13,510**	21,339
Other income	*4*	**12**	337
Selling and distribution costs		**(3,781)**	(4,432)
Administrative expenses		**(5,441)**	(8,137)
Profit from operations		**4,300**	9,107
Finance cost	*5*	**–**	(909)
Restructuring costs		**–**	(19,891)
Gain on debts discharged under the Scheme of Arrangement		**–**	1,403,594
Gain on disposal of a subsidiary		**–**	148,182
Profit before tax		**4,300**	1,540,083
Income tax expense	*6*	**(1,586)**	(2,007)
Profit for the period	*7*	**2,714**	1,538,076
Profit for the period attributable to:			
Owners of the Company		**2,619**	1,537,481
Non-controlling interests		**95**	595
		2,714	1,538,076
Earnings per share attributable to owners of the Company	*8*		
Basic (HK cents per share)		**0.2**	795
Diluted (HK cents per share)		**N/A**	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 September 2014

		Six months ended 30 September	
		2014	2013
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Profit for the period	*7*	**2,714**	1,538,076
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**455**	1,027
Total comprehensive income for the period		**3,169**	1,539,103
Total comprehensive income for the period attributable to:			
Owners of the Company		**3,064**	1,538,443
Non-controlling interests		**105**	660
		3,169	1,539,103

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

	Notes	As at 30 September 2014 HK$'000 (unaudited)	As at 31 March 2014 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	*10*	**2,959**	997
Investment properties	*11*	**8,835**	–
Goodwill		**14,202**	14,202
		25,996	15,199
Current assets			
Inventories		**15,181**	14,029
Trade receivables	*12*	**78,367**	54,649
Prepayments, deposits and other receivables		**42,141**	30,974
Bank and cash balances		**32,805**	79,215
		168,494	178,867
Current liabilities			
Trade payables	*13*	**25,405**	32,212
Accruals and other payables		**7,465**	4,082
Current tax liabilities		**11,122**	10,443
		43,992	46,737
Net current assets		**124,502**	132,130
Total assets less current liabilities		**150,498**	147,329
NET ASSETS		**150,498**	147,329
Capital and reserves			
Share capital		**13,217**	13,217
Reserves		**132,655**	129,591
Equity attributable to owners of the Company		**145,872**	142,808
Non-controlling interests		**4,626**	4,521
TOTAL EQUITY		**150,498**	147,329

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 September 2014

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

U-RIGHT International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) is an investment holding company. Its subsidiaries are principally engaged in fashion garments, textiles business and trading of construction materials.

The unaudited condensed interim consolidated financial statements (the “Interim Financial Statements”) of the Company and its subsidiaries for the six months ended 30 September 2014 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 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”).

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”), and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2014.

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 2014.

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 2014. 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. REVENUE

The Group's revenue is as follow:

	Six months ended 30 September 2014 *HK$'000* (unaudited)	2013 *HK$'000* (unaudited)
Sales of goods	**226,646**	146,538

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 two reportable segments during the period (30 September 2013: one segment). The following summary describes the operations in the Group's reportable segments:

— Fashion garments and textiles trading and wholesale business

— Construction materials trading business

The revenue and gain generated by each of the Group's operating segments and segment assets are summarised as follows:

Six Months ended 30 September 2014

	Fashion garments and textiles business *HK$'000* (unaudited)	Trading of construction materials *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
Reporting segment revenue from external customers	**153,445**	**73,201**	**226,646**
Reporting segment profit	**4,452**	**680**	**5,132**
Reporting segment assets	**128,852**	**32,810**	**161,662**

Six Months ended 30 September 2013

	Fashion garments and textiles business *HK$'000* (unaudited)	Trading of construction materials *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
Reporting segment revenue from external customers	146,538	–	146,538
Reporting segment profit	10,041	–	10,041
Reporting segment assets	80,445	–	80,445

The Group's segment profit reconciles to the Group's profit after tax as presented in its Interim Financial Statements as follows:

	Six months ended 30 September	
	2014 ***HK$'000*** **(unaudited)**	2013 *HK$'000* (unaudited)
Total reporting segment profit	**5,132**	10,041
Gain on debts discharged under the Scheme of Arrangement	**–**	1,403,594
Gain on disposal of a subsidiary	**–**	148,182
Restructuring costs	**–**	(19,891)
Unallocated corporate income and expenses	**(2,418)**	(2,941)
Unallocated finance costs	**–**	(909)
Consolidated profit for the period	**2,714**	1,538,076

4. OTHER INCOME

	Six months ended 30 September	
	2014 ***HK$'000*** **(unaudited)**	2013 *HK$'000* (unaudited)
Interest income	**11**	6
Reimbursement of restructuring expenses from the Investor	**–**	331
Others	**1**	–
	12	337

5. FINANCE COST

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest expenses on borrowings wholly repayable within five years		
— promissory note	**–**	909
	–	909

6. INCOME TAX EXPENSE

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax — Hong Kong Profits Tax		
Provision for the period	**293**	125
Current tax — the PRC Enterprise Income Tax		
Provision for the period	**1,293**	1,882
	1,586	2,007

Hong Kong profits tax is calculated at 16.5% (2013: 16.5%) of the estimated assessable profits for the period. 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 periods.

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

7. PROFIT FOR THE PERIOD

The Group's profit for the period is stated after charging the following:

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Directors' emoluments		
— As directors	**725**	25
— For management	**–**	–
	725	25
Depreciation	**314**	316
Cost of sales	**213,136**	125,199
Staff costs (including Directors' remuneration)	**4,963**	4,818

8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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$2,619,000 (2013: HK$1,537,481,000) and the weighted average number of ordinary shares of 1,321,682,525 (2013: 193,364,120) 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 2014 (2013: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

	30 September 2014 *HK$'000* **(unaudited)**	31 March 2014 *HK$'000* (audited)
At beginning of the period/year	**997**	1,207
Additions	**2,251**	454
Exchange difference	**25**	20
Depreciation	**(314)**	(684)
At end of the period/year	**2,959**	997

11. INVESTMENT PROPERTIES

Investment properties were acquired during the six month ended 30 September 2014. The Directors considered that there are no significant changes of the market on the valuation of investment properties since the purchase date. Therefore, the Directors considered that the fair value of investment properties at 30 September 2014 was approximately the same as the purchase price.

12. TRADE RECEIVABLES

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

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

	30 September 2014	31 March 2014
	HK$'000	*HK$'000*
	(unaudited)	(audited)
1–30 days	**40,145**	25,358
31–60 days	**18,977**	1,492
61–90 days	**5,230**	24,747
91–120 days	**790**	2,172
Over 120 days	**13,225**	880
Less: Impairments	**–**	–
	78,367	54,649

13. TRADE PAYABLES

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

	30 September 2014	31 March 2014
	HK$'000	*HK$'000*
	(unaudited)	(audited)
1–30 days	**19,274**	19,993
31–60 days	**3,532**	1,465
61–90 days	**1,433**	8,889
91–120 days	**960**	1,865
Over 120 days	**206**	–
	25,405	32,212

14. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 September 2014.

15. EVENTS AFTER THE REPORTING PERIOD

There is no significant event happened after the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 30 September 2014, the Group continued to engage in operating with distinctive business lines of wholesale of garments and retail of fashion garments covering men, women and children's wear. In addition, the Group successfully extended its trading business to the trading of construction materials and became a new reportable segment during the period.

The Group recorded a turnover of approximately HK$226.6 million (six months ended 30 September 2013: approximately HK$146.5 million), and achieved profit from operations of approximately HK$4.3 million, representing a decrease of 52.8% from the previous period (six months ended 30 September 2013: approximately HK$9.1 million). Profit attributable to the owners of the Company for the period ended 30 September 2014 amounted to approximately HK$2.6 million (six months ended 30 September 2013: HK$1,537.5 million). The said decrease in profit attributable to the owners of the Company was mainly attributable to the absence of the one off gain of approximately HK$1,404 million on the settlement of all the debts of the Company upon completion of the debt restructuring recognised in last period. Basic earnings per share decreased from HK$7.95 for the six months ended 30 September 2013 to HK$0.002 for the six months ended 30 September 2014.

Due to the weak domestic garment market and the emergence of internet retail business in China, the Group experienced a decline in its garment retail business. Although the trading business of the Group has grown rapidly, due to the lower profit margin of the trading business as compared with that of the garment retail business, the Group experienced a decline in its gross profit margin from 14.6% in last period to 6.0% in current period.

DIVIDEND

The Directors do not recommend the payment of interim dividend for the six months ended 30 September 2014 (six months ended 30 September 2013: nil).

FINANCIAL REVIEW

Liquidity and Financial Resources

Upon the completion of a series of corporate and debt restructuring exercises of the Company on 18 September 2013, the Group's financial position had been significantly improved. As at 30 September 2014, the Group had total assets of approximately HK$194.5 million (31 March 2014: approximately HK$194.1 million), comprising bank and cash balances of HK$32.8 million (31 March 2014: HK$79.2 million). The Group's current ratio, calculated as current assets of approximately HK$168.5 million (31 March 2014: approximately HK$178.9 million) over current liabilities of approximately HK$44.0 million (31 March 2014: approximately HK$46.7 million), remained stable at 3.83 as at 30 September 2014 (31 March 2014: 3.83).

Foreign currency management

Most of the Group's transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi, which are the functional currencies of the Group entities. Therefore, the Group believes it faces minimal foreign currency risk and thus has not undertaken any hedging activities.

Capital Commitment

The Group does not have any material capital commitment as at 30 September 2014 (31 March 2014: HK$69.2 million).

Pledged of Assets and Contingent Liabilities

The Group had no significant pledge of assets nor contingent liabilities as at 30 September 2014 (31 March 2014: nil).

CAPITAL STRUCTURE

The Company comprise of 1,321,682,525 issued shares with par value of HK$0.01 as at 30 September 2014.

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENT

During the period under review, the Group has acquired five properties in the PRC. A property at consideration of approximately HK$2.2 million is for its own use as retail shop and the remaining four properties at a total consideration of HK$8.8 million have been used for investment purpose.

Save as disclosed, the Group did not have any material acquisition, disposal or investment for the period ended 30 September 2014.

EMPLOYEES AND REMUNERATION POLICIES

At 30 September 2014, the Group had approximately 115 employees. For the six months ended 30 September 2014, the total staff cost including the Directors' emolument was approximately HK$4,963,000. Remuneration of the employees is determined by reference to the market terms and commensurates with the level of pay for similar responsibilities within the industry. Discretionary year-end bonuses are payable to the employees based on individual performance. The Group provides benefits in accordance with the relevant laws and regulations including the Mandatory Provident Fund Scheme of Hong Kong.

PROSPECTS

The Group has been managing its businesses prudently since keen competition of the garment business and construction materials business will exert pressure on the performance regarding both the business volume and the profit margin of the Group. Looking forward, the Group will continue to manage its businesses in a prudent manner to ensure a stable prospect for the shareholders of the Company.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2014, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code").

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2014, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company.

Name	Position	Type of interest	Number of shares	Approximate % of the Company's issued share capital
Advance Lead International Limited	Long	Beneficial owner	970,000,000 *(Note)*	73.39%
Easy Advance Investments Limited	Long	Interest of corporation controlled by the substantial shareholder	970,000,000 *(Note)*	73.39%
Advance Shine Holdings Limited	Long	Interest of corporation controlled by the substantial shareholder	970,000,000 *(Note)*	73.39%
Sino Classic Global Limited	Long	Interest of corporation controlled by the substantial shareholder	970,000,000 *(Note)*	73.39%
Great Novel Limited	Long	Interest of corporation controlled by the substantial shareholder	970,000,000 *(Note)*	73.39%
Mr. Chau Pak Chuen	Long	Interest of corporation controlled by the substantial shareholder	970,000,000 *(Note)*	73.39%

Name	Position	Type of interest	Number of shares	Approximate % of the Company's issued share capital
Ms. Au Tsui Yee, Maggie	Long	Interest of corporation controlled by the substantial shareholder	970,000,000 *(Note)*	73.39%
Mr. Chau Kai Man	Long	Interest of corporation controlled by the substantial shareholder	970,000,000 *(Note)*	73.39%

Note:

The shares are beneficially owned by Advance Lead International Limited. Advance Lead International Limited is owned by (i) Sino Classic Global Limited as to 30% in which Ms. Au Tsui Yee, Maggie is the sole beneficial owner; (ii) Great Novel Limited as to 30% in which Mr. Chau Kai Man is the sole beneficial owner; and (iii) Easy Advance Investments Limited as to 40%, which is a wholly-owned subsidiary of Advance Shine Holdings Limited. Mr. Chau Pak Chuen is the sole beneficial owner of Advance Shine Holdings Limited.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO as at 30 September 2014.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the period was the Company or its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 September 2014.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules, except for the deviation of A.4.1 of the Code. The Company has set up Nomination Committee, Remuneration Committee, and Audit Committee with adoption of relevant terms of reference pursuant to the Code.

Pursuant to A.4.1 of the Code, non-executive directors should be appointed for specific terms, subject to re-election. For the period ended 30 September 2014, all the existing independent non-executive Directors were not appointed for a specific term but are subject to retirement and re-election at the forthcoming annual general meeting of the Company (the "AGM") and retirement by rotation and re-election at least once every three years at the AGM in accordance with the provisions of the Company's bye-laws.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors, they have confirmed that they complied with the required standards as set out in the Model Code during the six months ended 30 September 2014.

REVIEW OF INTERIM RESULTS

The Audit Committee constitutes three independent non-executive Directors. The unaudited results of the Group for the six months ended 30 September 2014 have been reviewed by the Audit Committee.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has complied with the public float requirement under the Listing Rules as at the date of this announcement.

PUBLICATION OF INFORMATION ON WEBSITES

This results announcement is available for viewing on the website of the Company at www.uright.com.hk.

By Order of the Board
U-RIGHT International Holdings Limited
TANG Kwok Hung
Executive Director

Hong Kong, 25 November 2014

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. XIE Tom, Mr. MAK Ka Wing, Patrick and Mr. CHAN Chi Yuen.

* *For identification purposes only*