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## **U-RIGHT INTERNATIONAL HOLDINGS LIMITED**

**佑威國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00627)**

### **PLACING OF SHARES AND CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

**Joint Financial Advisers to the Company**

 **KINGSTON CORPORATE FINANCE**

**VEDA | CAPITAL**  
**智略資本**

References are made to the Transaction Announcement and the Whitewash Announcement. Capitalised terms used in this announcement shall have the same meanings as those defined in the Transaction Announcement and the Whitewash Announcement, unless the context requires otherwise.

#### **SHARE PLACING AND CB PLACING**

On 20 October 2017 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place (i) an aggregate of 2,727,280,000 Placing Shares at HK\$0.22 per Placing Share, on a best effort basis, to not less than six Share Placees who and whose ultimate beneficial owners are Independent Third Parties; and (ii) the Convertible Bonds with an aggregate principal amount of not more than HK\$200,000,000 at an initial price of HK\$0.22 per Conversion Share (subject to adjustments) on a best effort basis, to CB Placees who and whose ultimate beneficial owners are Independent Third Parties during the Placing Period.

\* For identification purposes only

Assuming a total of 2,727,280,000 Placing Shares have been placed under the Share Placing, the 2,727,280,000 Placing Shares represent (i) approximately 2.06 times of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 26.06% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Placing Shares; and (iii) approximately 23.98% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares, Placing Shares and the Conversion Shares (assuming the principal amount of the Convertible Bonds is HK\$200,000,000).

Assuming the Convertible Bonds with an aggregate principal amount of HK\$200,000,000 have been placed under the CB Placing and in the denomination of HK\$500,000 each, the maximum number of Conversion Shares to be issued upon full conversion of the Convertible Bonds at the Conversion Price is 909,090,800 Conversion Shares, which represents (i) approximately 68.78% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 40.75% of the issued share capital of the Company as enlarged by the issue of the maximum number of the Conversion Shares; (iii) approximately 10.51% of the Company's issued share capital as enlarged by the issue of the Consideration Shares and the maximum number of Conversion Shares; and (iv) approximately 7.99% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares, the Placing Shares and the maximum number of the Conversion Shares.

The Placing Shares and the Conversion Shares will be issued under a specific mandate to be sought at the SGM. Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares and the Conversion Shares.

A SGM will be convened for the purpose of considering, and if thought fit, approving the Acquisition, the Whitewash Waiver, the Disposals, the Share Placing, the CB Placing, the Share Premium Reduction, the Name Change, and the adoption of the Share Option Scheme and the transactions contemplated thereunder.

The Circular containing, among other things, further details of (i) the SP Agreement and the Acquisition; (ii) the application for the Whitewash Waiver; (iii) the Disposals; (iv) the Share Placing and CB Placing; (v) the Share Premium Reduction; (vi) the Name Change; (vii) the proposed adoption of the Share Option Scheme; (viii) the recommendation of the IBC and the letter of advice from the Independent Financial Adviser to the IBC and the Independent Shareholders in relation to the Acquisition, the application for the Whitewash Waiver, the Share Placing, the Disposals and the transactions contemplated thereunder; (ix) details of the proposed appointment of the new Directors and (x) the notice of the SGM, will be despatched to the Shareholders on or about 25 October 2017.

**The Share Placing is inter-conditional with the Acquisition and completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

References are made to the Transaction Announcement and the Whitewash Announcement. Capitalised terms used in this announcement shall have the same meanings as those defined in the Transaction Announcement and the Whitewash Announcement, unless the context requires otherwise.

According to the SP Agreement, the SP Completion is conditional upon, amongst others, the Company having entered into agreement(s) with one or more than one placing agent(s) in respect of the placing of not less than 2,727,280,000 new Shares at a price of HK\$0.22 per Placing Share, of which the conditions precedent of such agreements are all satisfied, or waived (if applicable) (other than the fulfilment of any condition in such agreement(s) requiring the fulfilment of the conditions precedent of the SP Agreement).

As disclosed in the Whitewash Announcement, the Company was in the process of negotiating and finalising the terms under the placing agreements with several security houses in respect of the Share Placing and CB Placing while such security houses were performing due diligence on, among other things, the Company and the Acquisition.

## **SHARE PLACING AND CB PLACING**

On 20 October 2017 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place (i) an aggregate of 2,727,280,000 Placing Shares at HK\$0.22 per Placing Share, on a best effort basis, to not less than six Share Placees who and whose ultimate beneficial owners are Independent Third Parties; and (ii) the Convertible Bonds with an aggregate principal amount of not more than HK\$200,000,000 at an initial price of HK\$0.22 per Conversion Share (subject to adjustments) on a best effort basis, to CB Placees who and whose ultimate beneficial owners are Independent Third Parties during the Placing Period.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties and not existing Shareholders.

### **The Share Placing**

#### *Share Placees*

The Placing Shares will be placed to not less than six Share Placees who are not existing Shareholders and whose ultimate beneficial owners (a) are Independent Third Parties; (b) shall be independent of and not be parties acting in concert with any persons, other Share Placee(s) or Shareholder(s) or their respective associates to the effect that any placing to such Share Placee(s) shall not trigger any mandatory offer obligation under Rule 26.1 of the Takeovers Code; (c) shall be independent of the Vendor, its ultimate beneficial owner and parties acting in concert with them; (d) shall be independent of the proposed Directors referred to in the section headed "Directors and senior management of the Restructured Group" in the Circular and the connected persons after completion of the Acquisition and the proposed change of Directors; and (e) shall be regarded as public (within the meaning as defined under the Listing Rules). It is expected that none of the Share Placees will become substantial shareholder of the Company immediately upon completion of the Share Placing.

### *Placing Shares*

The 2,727,280,000 Placing Shares represent (i) approximately 2.06 times of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 26.06% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Placing Shares; and (iii) approximately 23.98% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares, Placing Shares and the Conversion Shares (assuming the principal amount of the Convertible Bonds is HK\$200,000,000).

In the event that the 2,727,280,000 Placing Shares cannot be fully placed by the Placing Agent, the Placing shall lapse and the parties' obligations under the Placing Agreement shall cease and no party to the Placing Agreement shall have any claim against the other in respect of any matter arising out of the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

The Placing Shares will be issued under a specific mandate to be obtained at the SGM.

### *Ranking of Placing Shares*

The Placing Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

### *Application for Listing*

Application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in the Placing Shares.

### *Share Placing Price*

The Share Placing Price of HK\$0.22 represents:

- (i) a discount of approximately 82.11% to the closing price of the Shares of HK\$1.23 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 81.45% to the closing price of the Shares of HK\$1.186 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 79.76% to the closing price of the Shares of HK\$1.087 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 71.87% to the closing price of the Shares of HK\$0.782 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day; and
- (v) a premium of approximately 141.76% over the net asset value per Share of the Company of approximately HK\$0.091 based on the annual report of the Company for the year ended 31 March 2017 of approximately HK\$119,746,000 as at 31 March 2017 and issued share capital of 1,321,682,525 Shares as at the date of this announcement.

The Share Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to (i) the prevailing market price of the Shares; (ii) the net asset value of the Company as at 31 March 2017; and (iii) the current market conditions. Despite that the Share Placing Price represents a discount to the closing price of the Shares on the Last Trading Day, the closing prices of the Shares on the Stock Exchange closed within a wide range from HK\$0.39 to HK\$1.36 upon entering into the SP Agreement and up to the Last Trading Day and had particularly demonstrated huge fluctuations upon resumption of trading in Shares on 28 October 2015. Given the fact that (i) there is a huge instability of the closing price of the Shares and the volatility of the stock market; (ii) the Share Placing Price represents a huge premium to the net asset value per Share of the Company as at 31 March 2017; and (iii) the Share Placing is one of the conditions precedent of the Acquisition whereas the success of the Acquisition allows the Group to dip into the PRC property market and to exit the wholesaling and retailing of garment business, the Directors (excluding the members of the IBC who will express their view in the Circular after receiving advice from the Independent Financial Adviser) consider that the Share Placing Price is fair and reasonable to the Company and the Shareholders as a whole.

It is expected that the gross and net proceeds from the Share Placing (after deducting commission) will amount to approximately HK\$600 million and approximately HK\$594 million respectively. The net placing price of each Placing Share is approximately HK\$0.218.

#### *Commission of the Share Placing*

The Placing Agent will receive a placing commission of 1.0% of the amount equal to the Share Placing Price multiplied by 2,727,280,000 Placing Shares. Such placing commission was arrived at after arm's length negotiation between the Company and the Placing Agent by reference to the size, the current market condition and the time allowed for the Placing Agent to procure Share Placees for the Share Placing. The Directors (excluding the members of the IBC who will express their view in the Circular after receiving advice from the Independent Financial Adviser) are of the view that the placing commission payable under the Share Placing is fair and reasonable.

#### *Completion of the Share Placing*

Completion of the Share Placing will take place on the date of the SP Completion (which will be simultaneously with or immediately after the SP Completion).

### **The CB Placing**

#### *CB Placees*

The Convertible Bonds will be placed to the CB Placees who are not existing Shareholders and whose ultimate beneficial owners (a) are Independent Third Parties; (b) shall be independent of and not be parties acting in concert with any persons, other CB Placee(s) or Shareholder(s) or their respective associates to the effect that any placing to such CB Placee(s) shall not trigger any mandatory offer obligation under Rule 26.1 of the Takeovers Code; (c) shall be independent of the Vendor, its ultimate beneficial owner and parties acting in concert with them; (d) shall be independent of the proposed Directors referred to in

the section headed “Directors and senior management of the Restructured Group” in the Circular and the connected persons after completion of the Acquisition and the proposed change of Directors; and (e) shall be regarded as public (within the meaning as defined under the Listing Rules).

#### *Issue price of the Convertible Bonds*

The issue price of the Convertible Bonds shall be at 100% of the principal amount of the Convertible Bonds.

Assuming the principal amount the Convertible Bonds is HK\$200,000,000, it is expected that the gross proceeds will amount to approximately HK\$200 million and net proceeds from the CB Placing (after deducting commission) will amount to approximately HK\$199 million.

#### *Conversion Shares*

Upon full conversion of the Convertible Bonds at the Conversion Price and assuming the principal amount of the Convertible Bonds is HK\$200,000,000 and in the denomination of HK\$500,000 each, the maximum number of 909,090,800 Conversion Shares to be issued represent (i) approximately 68.78% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 40.75% of the issued share capital of the Company as enlarged by the issue of the maximum number of the Conversion Shares; (iii) approximately 10.51% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the maximum number of Conversion Shares; and (iv) approximately 7.99% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares, the Placing Shares and the maximum number of the Conversion Shares.

The Conversion Shares falling to be issued upon exercise of the conversion rights attaching to the Convertible Bonds will be issued under a specific mandate to be obtained at the SGM.

#### *Application for listing*

Application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in the Conversion Shares falling to be issued upon exercise of the conversion rights attaching to the Convertible Bonds.

#### *Placing commission of CB Placing*

The Placing Agent will receive a placing commission of 0.5% of the amount equal to the aggregate principal amount of the Convertible Bonds that the Placing Agent has successfully placed. Such placing commission was arrived at after arm’s length negotiation between the Company and the Placing Agent by reference to the size, the current market condition and the time allowed for the Placing Agent to procure CB Placees for the CB Placing. The Directors (excluding the members of the IBC who will express their view in the Circular after receiving advice from the Independent Financial Adviser) are of the view that the placing commission payable under the CB Placing is fair and reasonable.

### *Completion of the CB Placing*

Completion of the CB Placing will take place on the date of the SP Completion (which will be simultaneously with or immediately after the SP Completion).

### *Principal terms of the Convertible Bonds*

Details of the principal terms of the Convertible Bonds have been set out in below section headed “Principal terms of the Convertible Bonds” in this announcement.

### *Conditions of the Placing Agreement*

Completion of the Placing Agreement is conditional upon:

- (a) the passing of an ordinary resolution by the Independent Shareholders to approve specific mandate to allot and issue the Placing Shares and the Conversion Shares and the Placing at the SGM;
- (b) the Listing Committee granting approval for the listing of, and permission to deal in, the Placing Shares and the Conversion Shares on the Stock Exchange and the approval not having been subsequently revoked or cancelled;
- (c) the Placing Shares having been fully taken up by the Share Placees;
- (d) the conditions precedent of the SP Agreement are all satisfied, or waived (if applicable) (other than the fulfillment of the condition in the SP Agreement requiring the fulfillment of the conditions precedent of the Placing Agreement);
- (e) if required, the Company having obtained the necessary consent, approval, authorisation, permission, or confirmation from any third party to which the Company or its subsidiaries have entered into any agreement or arrangement; and
- (f) the Company’s representations and warranties made pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Closing Date.

The conditions contained in (a), (b), (c) and (d) above cannot be waived by any party. The Company shall use all its reasonable endeavours to procure the satisfaction of the conditions set out above, but if the conditions shall not have been so satisfied on or before 8 December 2017 (or such later date as may be agreed by the parties) or any of the force majeure event set out in the Placing Agreement shall have occurred, all obligations of the Placing Agent and of the Company thereunder shall cease and determine and none of the parties shall have any claim against the other in relation thereto save for any antecedent breach of any obligations under the Placing Agreement and without prejudice to the accrued rights and liabilities of the parties.

### *Termination and force majeure of the Placing Agreement*

If at any time between the date of the Placing Agreement and at 5:00 p.m. on the Closing Date, there occurs:

- (a) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company; or
- (b) the occurrence of any local, national or international event or change occurring after the date of the Placing Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Share Placing and the CB Placing (such success being the completion of the placing of the Placing Shares and/or the Convertible Bonds to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Share Placing and the CB Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which materially and adversely affects the success of the Share Placing and the CB Placing (such success being the completion of the placing of the Placing Shares and/or the Convertible Bonds to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Share Placing and the CB Placing; or
- (d) the Company commits any material breach of or omits to observe any of its obligations or undertakings under the Placing Agreement; or
- (e) any of the representations or warranties contained in the Placing Agreement was, when given or deemed to be repeated under the Placing Agreement, untrue or inaccurate in any respect or would in any respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Share Placing and the CB Placing,

then the Placing Agent may upon giving notice to the Company terminate the Placing Agreement with immediate effect. If the Placing Agreement shall be terminated pursuant to the Placing Agreement, the obligations of the Placing Agent shall cease and the Company



shall not be liable to pay any commission pursuant to the Placing Agreement, and the Placing Agreement shall forthwith cease and determine and no party shall have any claim against the other party for compensation, costs, damages or otherwise.

## **WARNING**

**The Share Placing is inter-conditional with the Acquisition and completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **Principal Terms of the Convertible Bonds**

The principal terms of the Convertible Bonds are summarised below:

Issuer:	The Company
Aggregate principal amount:	Not more than HK\$200,000,000
Interest:	The Convertible Bonds will bear interest at the rate of 9% per annum, payable semi-annually in arrears
Maturity:	3 years from issue date
Conversion period:	From the date of issue until the third Business Day prior to maturity (the “ <b>Conversion Period</b> ”)

Conversion Price:

HK\$0.22 per Conversion Share. The Conversion Price of HK\$0.22 represents (i) a discount of approximately 82.11% to the closing price of the Shares of HK\$1.23 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 81.45% to the closing price of the Shares of HK\$1.186 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day; and (iii) a discount of approximately 79.76% to the closing price of the Shares of HK\$1.087 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day. The Conversion Price is subject to adjustments upon occurrence of certain “Adjustment events” as described below. The initial Conversion Price under the Placing Agreement was determined after arm’s length negotiations between the Company and the Placing Agent with reference to (i) the prevailing market price of the Shares; (ii) the net asset value of the Company as at 31 March 2017; and (iii) the current market conditions. Despite that the Conversion Price represents a discount to the closing price of the Shares on the Last Trading Day, the closing prices of the Shares on the Stock Exchange closed within a wide range from HK\$0.39 to HK\$1.36 upon entering into the SP Agreement and up to the Last Trading Day and had particularly demonstrated huge fluctuations upon resumption of trading in Shares on 28 October 2015. Given the fact that (i) there is a huge instability of the closing price of the Shares and the volatility of the stock market; and (ii) the Conversion Price represents a huge premium to the net asset value per Share of the Company as at 31 March 2017, the Directors (excluding the members of the IBC who will express their view in the Circular after receiving advice from the Independent Financial Adviser) consider that the initial Conversion Price is fair and reasonable to the Company and the Shareholders as a whole

Underlying number of Shares:

Based on the initial conversion price of HK\$0.22 per Conversion Share, 909,090,800 Conversion Shares may fall to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full (assuming the principal amount of the Convertible Bonds is HK\$200,000,000 and in the denomination of HK\$500,000 each)

Conversion rights and restrictions:	Each holder of the Convertible Bonds, shall have the right to convert the Convertible Bonds at any time during the Conversion Period, in whole or in part, into Conversion Shares provided that they may not exercise the conversion rights as to such number of Convertible Bonds the conversion of which would (a) trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holder of the Convertible Bonds and/or parties acting in concert with it or (b) cause the Company to be unable to meet the minimum public float requirement under Rule 8.08 of the Listing Rules or (c) result in the Conversion Shares being issued to a connected person or such conversion will otherwise be treated as a connected transaction under the Listing Rules
Voting:	The holders of the Convertible Bonds (in their capacity as such) shall not be permitted to attend or vote at any meetings of the Shareholders
Redemption:	<p>The Company may, at any time during the period commencing from the first anniversary of the issue date up to the fifth Business Day prior to maturity, having given not less than 30 days' notice to the holders of the Convertible Bonds, redeem in whole or in part of the Convertible Bonds then outstanding unless previously redeemed, converted and cancelled, each Convertible Bond will be redeemed upon its maturity at 100% of the principal amount outstanding together with the accrued and unpaid interest at maturity</p> <p>The holders of the Convertible Bonds do not have the right to demand early redemption before maturity</p>
Transferability:	The Convertible Bonds are transferable except that the Convertible Bonds may not be transferred to any connected person of the Company
Ranking:	The Conversion Shares which are issued as a result of the conversion of the Convertible Bonds shall rank pari passu in all respects with the then existing Shares in the capital of the Company
Adjustment events:	<p>The Conversion Price shall from time to time be subject to adjustment upon occurrence of certain events:</p> <p>(i) any consolidation or sub-division of the Shares;</p>

- (ii) issue (other than in lieu of a cash dividend) of any Shares credited as fully paid by way of capitalization of profits or reserves (including any share premium account or capital redemption reserve fund);
- (iii) making any capital distribution to the Shareholders or granting the Shareholders rights to acquire for cash assets of the Company or its subsidiaries;
- (iv) offer of new Shares to Shareholders for conversion by way of rights, or grant to Shareholders any options or warrants to subscribe for new Shares, at a price which is less than 90% of the market price at the date of the announcement of such offer or grant;
- (v) issue of any securities wholly for cash which by their terms are convertible into or exchangeable for or carry rights of conversion for new Shares; or
- (vi) issue of any Shares wholly for cash at a price per Share which is less than 90% of the market price at the date of the announcement of the terms of such issue

Listing: No listing will be sought for the Convertible Bonds on the Stock Exchange or any other stock exchange

### **Reasons for the Placing and use of proceeds**

The Company and the Vendor have agreed, and are intended, to broaden the shareholders base of the Company through the Placing riding on the Acquisition.

Assuming both Placing Shares and Convertible Bonds are fully placed, the expected amounts to be raised are approximately HK\$600 million and approximately HK\$200 million respectively.

It is estimated that the aggregate net proceeds from the Placing (after deducting underwriting fees and estimated expenses in connection with the Placing) and the Disposals (the “**Net Proceeds**”) will be approximately HK\$866.2 million. The Net Proceeds is expected to be applied in the following manner:

- Approximately HK\$100.0 million for paying the Vendor to settle the cash and/or the Promissory Note in respect of the Acquisition;
- Approximately HK\$450.0 million for investing in new property development project(s) in Changsha. As at the date of this announcement, neither the Company nor the Vendor has entered into agreements with any parties in this respect;
- Approximately HK\$250.0 million for reducing future finance expenses of the Restructured Group by repaying certain borrowings; and

— Approximately HK\$66.2 million will be applied to the general working capital of the Restructured Group.

The proposed Directors confirm that as at the date of this announcement (i) there is no concrete plans for the Restructured Group's new property development project(s) in Changsha; (ii) in the event that the CB Placing is undersubscribed, the amount of shortfall will be deducted from the investment in new property development project(s) in Changsha; and (iii) under such circumstances, the Restructured Group is expected to have sufficient internal resources (together with the proceeds from the Share Placing) for the initial investment of new property development project(s) in Changsha so the impact of undersubscription in the CB Placing is not expected to have a material adverse impact on the Restructured Group's future expansion. If there is any change to the use of proceeds, the Company shall make announcement(s) in accordance with the Listing Rules as and when necessary.

The Directors have considered alternative fund raising methods such as bank borrowings and rights issue/open offer, however, taking into account:

- (i) bank loans and/or other borrowings with interest rate will inevitably increase the interest burden and adversely affect the financial position of the Group;
- (ii) given the Company is currently undergoing the process of restructuring, fundraising by rights issue or open offer on a fully underwritten basis, which require the underwriter to lock-up financial resources for its underwriting commitment until completion of the rights issue or open offer, is not preferred in the market;
- (iii) an open offer on a non-fully underwritten basis is requires to meet the minimum amount of funds raised set by and disclosed in the relevant listing document of the Company in order for the issue to proceed. This may result in the inability of the Company to implement its development plan and restructuring process as there is a possibility that no funds could be raised from such open offer if minimum amount is not met. As such, the Company considers the Share Placing and CB Placing involve less uncertainty risk than an open offer on a non-fully underwritten basis; and
- (iv) the Share Placing and the CB Placing would enable the Company to broaden its shareholder base as their respective placees are Independent Third Parties and independent of the Vendor and its ultimate beneficial owners.

The Directors (excluding the members of the IBC who will express their view in the Circular after receiving advice from the Independent Financial Adviser) are of the view the Share Placing and CB Placing are in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in operating with distinctive business lines of wholesale of garments and retail of fashion garments covering men, women and children's wear, trading of construction materials and property investment prior to the completions of the Disposals and the SP Completion. The Group will divest its businesses of (i) retail of fashion garments in the PRC and wholesale trading of raw materials and textile products in the PRC through

the UR Disposal; and (ii) design, distribution and sale of fashion apparels in the PRC through the Alfreda Disposal, and the remaining subsidiaries of the Group will be principally engaged in the trading of construction materials and property investment. Immediately upon the SP Completion, the principal business of the Group will be changed into the business of the Target Group's in property development in the PRC.

## FUND RAISING DURING THE PAST TWELVE MONTHS

During the past twelve months immediately preceding the date of this announcement, the Company has not conducted any equity fund raising activity.

## EFFECTS ON SHAREHOLDING STRUCTURE

The existing and enlarged shareholding structure of the Company (i) as at the date of this announcement; (ii) for illustrative purposes only, immediately after the issue of the Consideration Shares but before the issue of the Placing Shares and any conversion of the Convertible Bonds into Conversion Shares; (iii) immediately after the issue of the Consideration Shares and the Placing Shares but before any conversion of the Convertible Bonds into Conversion Shares; and (iv) immediately after the issue of the Consideration Shares, the Placing Shares and the Conversion Shares upon full conversion of the Convertible Bonds (assuming the Convertible Bonds have been placed in full) are set out below:

Name of Shareholders	(I) As at the date of this announcement		(II) For illustrative purposes only, immediately after the issue of the Consideration Shares but before the issue of the Placing Shares and any conversion of the Convertible Bonds into Conversion Shares (Note 2)		(III) Immediately after the issue of the Consideration Shares and the Placing Shares but before any conversion of the Convertible Bonds into Conversion Shares (Note 3)		(IV) Immediately after the issue of the Consideration Shares and the Placing Shares and the Conversion Shares upon full conversion of the Convertible Bonds (assuming the Convertible Bonds have been placed in full) (Note 4)	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Advance Lead International Limited (Note 5)	970,000,000	73.39	970,000,000	12.54	—	—	—	—
The Vendor, its ultimate beneficial owners and the parties acting in concert with any of them	1,080,000	0.08	6,416,140,000	82.93	6,416,140,000	61.32	6,416,140,000	56.42
<b>Public Shareholders</b>								
Advance Lead International Limited (Note 5)	—	—	—	—	970,000,000	9.27	970,000,000	8.53
Share Placees	—	—	—	—	2,727,280,000	26.06	2,727,280,000	23.98
CB Placees	—	—	—	—	—	—	909,090,800	7.99
Other public Shareholders	350,602,525	26.53	350,602,525	4.53	350,602,525	3.35	350,602,525	3.08
Sub-total of public Shareholders	<u>350,602,525</u>	<u>26.53</u>	<u>350,602,525</u>	<u>4.53</u>	<u>4,047,882,525</u>	<u>38.68</u>	<u>4,956,973,325</u>	<u>43.58</u>
Total	<u>1,321,682,525</u>	<u>100.00</u>	<u>7,736,742,525</u>	<u>100.00</u>	<u>10,464,022,525</u>	<u>100.00</u>	<u>11,373,113,325</u>	<u>100.00</u>

*Notes:*

1. As at the date of this announcement, none of the Director(s) is/are interested in any Shares.
2. For illustrative purposes only, immediately after the SP Completion (i.e. immediately after the issue of the Consideration Shares but before the issue of the Placing Shares and any conversion of the Convertible Bonds into Conversion Shares), the aggregate shareholding in the Company that the Vendor, Mr. Pan and parties acting in concert with any of them will be interested in is approximately 82.93%.
3. Immediately after the SP Completion (i.e. immediately after the issue of the Consideration Shares and the Placing Shares but before any conversion of the Convertible Bonds into Conversion Shares), the aggregate shareholding in the Company that the Vendor, Mr. Pan and parties acting in concert with any of them will be interested in is approximately 61.32%. Upon completion of the transfer of the 300,000,000 Consideration Shares (the “**Granted Shares**”), representing approximately 2.87% of the issued share capital of the Company immediately after the issue of the Consideration Shares and the Placing Shares but before the conversion of the Convertible Bonds, to the 36 individuals who are/were the members of the senior management of the Excluded Companies or the Fujian Liujian Group (the “**Transferees**”), four of whom are parties acting in concert with Mr. Pan, the shareholding in the Company that the Vendor, Mr. Pan and parties acting in concert with any any of them will be interested in is approximately 59.05%.
4. Immediately after the SP Completion (i.e. immediately after the issue of the Consideration Shares, the Placing Shares and the Conversion Shares upon full conversion of the Convertible Bonds), the aggregate shareholding in the Company that the Vendor, Mr. Pan and parties acting in concert with any of them will be interested in is approximately 56.42%. Upon completion of the transfer of the 300,000,000 Granted Shares, representing approximately 2.64% of the issued share capital of the Company immediately after the issue of the Consideration Shares, the Placing Shares and the Conversion Shares upon full conversion of the Convertible Bonds (assuming the Convertible Bonds have been placed in full), to the 36 Transferees, four of whom are parties acting in concert with Mr. Pan, the shareholding in the Company that the Vendor, Mr. Pan and parties acting in concert with any any of them will be interested in is approximately 54.33%.

It is expected that the holders of the Convertible Bonds may not exercise the conversion rights as to such number of Convertible Bonds the conversion of which would, among others, (a) trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holder of the Convertible Bonds and parties acting in concert with it (as defined in the Takeovers Code) or (b) cause the Company to be unable to meet the minimum public float requirement under Rule 8.08 of the Listing Rules.

5. These 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. Advance Lead International Limited and its beneficial owners does not have any relationship with the Vendor, the current Directors and connected persons and the core connected persons after the completion of the Acquisition and the proposed change of Directors (the “**Core Member(s)**”).

Furthermore, each of the shareholders of Advance Lead International Limited confirmed that (i) their acquisition of securities has not been financed directly or indirectly by a Core Member; and (ii) each of them is not accustomed to take instructions from a Core Member in relation to the acquisition, disposal, voting or other disposition of securities of the Company registered in their name or otherwise held by them under Rule 8.24 of the Listing Rules.

## THE SGM

A SGM will be convened for the purpose of considering, and if thought fit, approving the Acquisition, the Whitewash Waiver, the Disposals, the Share Placing, the CB Placing, the Share Premium Reduction, the Name Change, and the adoption of the Share Option Scheme and the transactions contemplated thereunder.

The Circular containing, among other things, further details of (i) the SP Agreement and the Acquisition; (ii) the application for the Whitewash Waiver; (iii) the Disposals; (iv) the Share Placing and CB Placing; (v) the Share Premium Reduction; (vi) the Name Change; (vii) the proposed adoption of the Share Option Scheme; (viii) the recommendation of the IBC and the letter of advice from the Independent Financial Adviser to the IBC and the Independent Shareholders in relation to the Acquisition, the application for the Whitewash Waiver, the Share Placing, the Disposals and the transactions contemplated thereunder; (ix) details of the proposed appointment of the new Directors and (x) the notice of the SGM, will be despatched to the Shareholders on 25 October 2017.

## WARNING

**The Share Placing is inter-conditional with the Acquisition and completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Acquisition”	the acquisition of the Sale Shares and the Shareholders’ Loan by the Company pursuant to the SP Agreement
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Alfreda Disposal”	the proposed disposal of the entire issued share capital of Alfreda Limited and a shareholder’s loan owed by Alfreda Disposal Group to the Company by the Company
“Alfreda Disposal Agreement”	the sale and purchase agreement dated 27 October 2015 (as amended and supplemented by the Alfreda Supplemental Agreements) entered into between the Company as the vendor and the Alfreda Purchaser as the purchaser in relation to the Alfreda Disposal
“Alfreda Disposal Group”	Alfreda Limited and its subsidiaries
“Alfreda Purchaser”	an Independent Third Party



“Alfreda Supplemental Agreements”	the supplemental agreements dated 23 February 2016, 28 July 2016, 28 October 2016, 26 January 2017, 31 March 2017, 30 June 2017 and 29 September 2017 in relation to the amendment and supplement of certain terms of the Alfreda Disposal Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or a Sunday or days on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong at any time from 9 a.m. to 5 p.m.) on which banks are generally open for business in Hong Kong
“BVI”	the British Virgin Islands
“CB Placees”	any investor who is either a professional or institutional investor or other investors whom the Placing Agent has selected or procured to subscribe for any of the Convertible Bonds as described in this announcement
“CB Placing”	the placing of the Convertible Bonds pursuant to the terms of the Placing Agreement
“China”, “Mainland” or “PRC”	Peoples’ Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Circular”	the circular of the Company to be despatched to the Shareholders containing, among other things, further details of (i) the SP Agreement and the Acquisition; (ii) the application for the Whitewash Waiver; (iii) the Disposals; (iv) the Share Placing and CB Placing; (v) the Share Premium Reduction; (vi) the Name Change; (vii) the proposed adoption of the Share Option Scheme; (viii) the recommendation of the IBC and the letter of advice from the Independent Financial Adviser to the IBC and the Independent Shareholders in relation to the Acquisition, the application for the Whitewash Waiver, the Share Placing, the Disposals and the transactions contemplated thereunder; (ix) details of the proposed appointment of the new Directors and (x) the notice of the SGM
“Closing Date”	the date on which the SP Completion takes place or such other date as the Company and the Placing Agent may agree in writing

“Company”	U-RIGHT International Holdings Limited, a company incorporated in Bermuda with limited liability on 9 June 2000, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 0627)
“Company Subsidiaries”	UR Group Limited together with its subsidiaries and Alfreda Limited together with its subsidiaries
“Concert Group”	the Vendor, Mr. Pan and the parties acting in concert with any of them
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration of HK\$1,511,313,200 for the purchase of the Sale Shares and the Shareholders’ Loan pursuant to the SP Agreement (as amended and supplemented by the Supplemental Agreements)
“Consideration Shares”	the 6,415,060,000 new Shares to be allotted and issued by the Company to the Vendor (or its nominee(s)) to settle part of the Consideration in respect of the Acquisition
“controlling shareholders”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to the Vendor and Mr. Pan
“Conversion Price”	the initial conversion price of HK\$0.22 per Conversion Share
“Conversion Share(s)”	the new Shares to be allotted and issued by the Company upon exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the convertible bonds in the principal amount of not more than HK\$200,000,000 to be issued by the Company in respect of the CB Placing
“Director(s)”	the director(s) of the Company
“Disposals”	the Alfreda Disposal and the UR Disposal
“Excluded Company(ies)”	company(ies) which the controlling shareholders are entitled to exercise 30% or more of the voting power at the general meeting and are principally engaged in property development business in the PRC, excluding any member of the Restructured Group
“Group”	the Company together with its subsidiaries immediately prior to SP Completion

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IBC”	the independent board committee, comprising all the independent non-executive Directors, of the Company
“Independent Financial Adviser”	Messis Capital Limited, a corporation licensed to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the IBC and the Independent Shareholders in connection with the Acquisition, the Whitewash Waiver, the Disposals and the Share Placing
“Independent Shareholder(s)”	the Shareholder(s), other than (i) the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates; and (ii) the Shareholders who are involved in, or interested in the SP Agreement, the Whitewash Waiver, the UR Disposal Agreement, the Alfreda Disposal Agreement and the Placing Agreement (being Mr. Pan, his associates and parties acting in concert with him)
“Independent Third Party(ies)”	third party(ies) who are not connected person(s) (within the meaning of the Listing Rules) of the Company, its subsidiaries or any member of the Target Group
“Last Trading Day”	20 October 2017, being the last full trading day for the Shares prior to the date of the Placing Agreement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market (excluding the option markets) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“Mr. Pan”	Mr. Pan Weiming (潘偉明先生)
“Name Change”	the proposed change of name of the Company from “URIGHT International Holdings Limited” to “Fullsun International Holdings Group Co., Limited 福晟國際控股集團有限公司”
“Placing”	the Share Placing and the CB Placing
“Placing Agent”	Ample Orient Capital Limited, a corporation licensed to conduct Type 1 (dealing in securities) regulated activity under the SFO, being the placing agent under the Share Placing and the CB Placing

“Placing Agreement”	the placing agreement dated 20 October 2017 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period commencing immediately after the passing of the relevant resolutions in relation to the Placing at the SGM and expiring at 5:00 p.m. on the Business Day before the Closing Date
“Placing Shares”	2,727,280,000 new Shares to be issued by the Company in respect of the Share Placing
“Promissory Note”	the promissory note that may be issued by the Company to the Vendor for the purpose of settling part of the Consideration
“Remaining Group”	the Group upon completion of the Disposals
“Restructured Group”	the Group upon Completion (i.e. the Remaining Group and the Target Group) and exclude the Company Subsidiaries
“Sale Shares”	the entire issued share capital of the Target Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
“SGM”	the special general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Acquisition, the Whitewash Waiver, the Disposals, the Share Placing, the CB Placing, the Share Premium Reduction, the Name Change, and the adoption of the Share Option Scheme and the transactions contemplated thereunder
“Share(s)”	share(s) of a nominal value of HK\$0.01 each in the capital of the Company
“Share Option Scheme”	the share option scheme of the Company proposed to be adopted by the Company at the SGM, a summary of its principal terms will be set out in the Circular
“Share Placees”	any investor who is either a professional or institutional investor or other investors whom the Placing Agent has selected or procured to subscribe for any of the Placing Shares as described in this announcement

“Share Placing”	the placing of not less than 2,727,280,000 Placing Shares at a price of HK\$0.22 per Placing Share to not less than six (6) investors, whom and whose ultimate beneficial owners are Independent Third Parties, pursuant to the terms of the Placing Agreement
“Share Placing Price”	HK\$0.22 per Placing Share
“Share Premium Reduction”	the proposed reduction of the entire amount standing to the credit of the share premium account of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Loan”	all the interests, benefits and rights of and in the unpledged interest-free shareholder’s loan owed by the Target Company to the Vendor on the date of the SP Completion
“SP Agreement”	the sale and purchase agreement dated 14 April 2015 (as amended and supplemented by the Supplemental Agreements) entered into between the Company and the Vendor in relation to the Acquisition
“SP Completion”	completion of the Acquisition, falling on the 5th Business Day (or such other date as the Vendor and the Company may agree in writing) after all the conditions precedent under the SP Agreement (as amended and supplemented by the Supplemental Agreements) having been fulfilled or waived (as the case may be)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreements”	the supplemental agreements dated 27 October 2015, 23 February 2016, 28 July 2016, 28 October 2016, 26 January 2017, 15 February 2017, 30 June 2017 and 29 September 2017 entered into between the Company and the Vendor in relation to the amendment and supplement of certain terms of the SP Agreement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Company”	Vivalink Limited (隆通有限公司), a company wholly owned by the Vendor as at the date of this announcement and was incorporated in the BVI with limited liability on 29 October 2014

“Target Group”	the Target Company and its subsidiaries, where the context requires, in respect of the period before the Target Company (either directly or indirectly) became the holding company of any of its subsidiaries, such subsidiaries are treated as if they were subsidiaries of the Target Company at the relevant time
“Transaction Announcement”	the announcement of the Company dated 27 October 2015 in relation to, among other things, the Acquisition and the Disposals
“UR Disposal”	the proposed disposal by the Company of the entire issued share capital of UR Group Limited and a shareholder’s loan owed by UR Disposal Group to the Company
“UR Disposal Agreement”	the sale and purchase agreement dated 27 October 2015 (as amended and supplemented by the UR Supplemental Agreements) entered into between the Company as the vendor and the UR Purchaser as the purchaser in relation to the UR Disposal
“UR Disposal Group”	UR Group Limited and its subsidiaries
“UR Purchaser”	an Independent Third Party
“UR Supplemental Agreements”	the supplemental agreements dated 23 February 2016, 29 July 2016, 28 October 2016, 26 January 2017, 31 March 2017, 30 June 2017 and 29 September 2017 in relation to the amendment and supplement of certain terms of the UR Disposal Agreement
“Vendor” or “Tongda”	Tongda Enterprises Limited (通達企業有限公司), a company incorporated in the BVI with limited liability on 8 May 2014 and is wholly owned by Mr. Pan
“Whitewash Announcement”	the announcement of the Company dated 15 February 2017 in relation to, among other things, the entering into of the supplemental agreement to the SP Agreement, the New Listing Application, the application for the Whitewash Waiver, the Share Premium Reduction, the Name Change, the Share Placing, the CB Placing, the Disposals and the proposed adoption of the Share Option Scheme

“Whitewash Waiver”

a waiver from the Vendor to make a mandatory general offer to the Shareholders in respect of the Shares not already owned or agreed to be acquired by the Vendor and the parties acting in concert with it as a result of the Acquisition in accordance with Note 1 on dispensations from Rule 26 of the Takeovers Code

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

Hong Kong, 20 October 2017

*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.*

*The English text of this announcement shall prevail over its Chinese text.*