

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**U-RIGHT INTERNATIONAL
HOLDINGS LIMITED**

佑威國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 627)

**DISCLOSEABLE TRANSACTION:
ACQUISITION OF PROPERTY**

The Board announces that on 25 October 2005, Sky Fox entered into the Provisional Agreement with the Vendor whereby Sky Fox agreed to purchase and the Vendor agreed to sell the Property, at a consideration of HK\$49,000,000.00. Acquisition of the Property constitutes a discloseable transaction of the Company under the Listing Rules. Accordingly, the Acquisition is subject to disclosure requirement as set out in Chapter 14 of the Listing Rules. The Company will send a circular containing details of the Acquisition to each of its shareholders as soon as possible.

THE PROVISIONAL AGREEMENT

Date

25 October 2005

Parties

- (a) The Vendor. To the Directors' knowledge, information and belief having made all reasonable inquiry, the Vendor and its beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules); and
- (b) the Purchaser.

Subject matter of the Provisional Agreement

Pursuant to the Provisional Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase the Property together with all rights, title, interest, property, claim and demand whatsoever of the Vendor in and to the Property. The total gross floor area of the Property is approximately 1,200 square feet.

The Property is sold subject to the existing tenancy agreement. The existing tenancy will expire on 19 March 2007 with an option granted to the tenant to renew for a further two years, the rental of which to be determined at the then prevailing market rate mutually agreed, or failing agreement thereon, to be determined by arbitration by a single arbitrator. The existing monthly rental of the Property is HK\$210,000.00, excluding management fee, rates and other expenses. To the Directors' knowledge, information and belief having made all reasonable inquiry, the existing tenant of the Property and its beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Consideration

The consideration for the Acquisition is HK\$49,000,000.00 and shall be paid by the Purchaser to the Vendor in the following manner:

- (a) HK\$1,000,000.00, representing approximately 2% of the purchase price, was paid by the Purchaser upon signing of the Provisional Agreement;
- (b) HK\$3,900,000.00, representing approximately 8% of the purchase price, is to be paid by the Purchaser upon signing of the Agreement; and
- (c) HK\$44,100,000.00, representing 90% of the purchase price, is to be paid by the Purchaser upon completion of the Acquisition,

The consideration is arrived at after an arm's length negotiation between the Vendor and the Purchaser. The Property was valued HK\$49,000,000 as at 25 October 2005 pursuant to a valuation conducted by an independent qualified property valuer, Dynasty Premium Asset Valuation & Real Estate Consultancy Limited, appointed by the Group. The consideration was determined after taking into account the Directors' estimation of the market value of the Property with reference to the independent valuation and the prevailing market conditions. The Company decides that approximately 30% of the consideration will be funded by internal resources of the Group and approximately 70% of the consideration will be funded by banking facilities. The Directors confirm that the financing arrangement, being approximately 30% funded by internal resources of the Group and approximately 70% funded by banking facilities, will not have a material impact on the working capital of the Group.

The Board considers the terms of the Provisional Agreement are fair and reasonable and in the interests of the Group and its shareholders as a whole. Agent commission, valuation fee, legal fees and stamp duty will be payable by the Company for the Acquisition.

Completion

The Acquisition shall be completed on or before 21 December 2005.

INFORMATION OF THE VENDOR

To the Directors' knowledge, information and belief having made all reasonable inquiry, the Vendor is a company incorporated in Hong Kong and whose principal business activity is investment holding.

REASONS FOR THE ACQUISITION

The Directors consider that the Property is a high quality asset for own use. It is intended that upon the expiry of the existing tenancy of the Property, the Property will be used as the Group's retail outlet.

As mentioned in the annual report of the Company for the year ended 31 March 2005, the Group planned to acquire prospective high-growth retail outlets in Hong Kong to expand its retail sales network. Further, in view of the increasing rental expenses of the Group in the Hong Kong retail sales network, the Directors consider that the Acquisition will benefit the Group by saving the Group's rental expenses in the long term. Meanwhile, as high quality retail outlets with vacant possession or with short tenancy term are rare in the current market, the Directors consider that the Acquisition is still consistent with the Group's plan for its retail network even though the Acquisition is subject to the existing tenancy agreement as mentioned in the paragraph headed "Subject matter of the Provisional Agreement" in this announcement. Moreover, the Directors consider that the existing rental of the Property will also lessen the financial burden of the Group as to the Acquisition during the term of the existing tenancy. Further, given the property market in Hong Kong is on the upward trend, the Directors considered the Acquisition will enhance the fixed asset base of the Group and therefore benefit the Group.

GENERAL

The Group is principally engaged in the design, manufacture, sales and distribution and sales of men and ladies casual wear and commercial application and research in the use of Swedish Nano Processing Technology.

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement under Chapter 14 of the Listing Rules. A circular containing details of the Acquisition will be despatched to the shareholders of the Company as soon as practicable.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Acquisition”	the acquisition of the Property by the Group pursuant to the Agreement
“Agreement”	the agreement for the sale and purchase of the Property on or before 9 November 2005 and entered into between the Vendor and the Purchaser
“Board”	the board of Directors
“Company”	U-RIGHT International Holdings Limited, an exempted company incorporated in Bermuda and whose securities are listed on the Stock Exchange
“Directors”	the directors of the Company from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Property”	the whole of Flat No. 2 on Ground Floor, Hing Shun Mansion, Nos. 70 - 84 Fu Yan Street, Kowloon
“Provisional Agreement”	the provisional agreement for the sale and purchase of the Property dated 25 October 2005 and entered into between the Vendor and the Purchaser
“Purchaser”	Sky Fox
“Sky Fox”	Sky Fox Investment Limited, a company incorporated in Hong Kong and is an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Youngfield Limited, a company incorporated in Hong Kong. To the Directors’ knowledge, information and belief having made all reasonable inquiry, the Vendor and its beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
Leung Ngok
Chairman

Hong Kong 26 October 2005

** for identification purpose only*

As at the date of this announcement, the Board comprises three executive Directors, being Mr. Leung Ngok, Mr. Leung Shing, Mr. Lee Ka Yiu Andy and four independent non-executive Directors, being Mr. Jia Luqiao, Mr. Wong Kong Hon, Mr. Yang Dong Hui and Mr. Wong Kai Cheong.

Please also refer to the published version of this announcement in The Standard.