U-RIGHT INTERNATIONAL HOLDINGS LIMITED
佑威國際控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 00627)

INSIDE INFORMATION

This announcement is made by U-RIGHT International Holdings Limited (the "**Company**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors of the Company (the "**Directors**") wishes to inform shareholders and potential investors of the Company that the Company has received on 7 December 2015 a "Third Party Notice" dated 8 December 2014 (the "**Third Party Notice**") whereby in an action brought by Eternal Well Trading Limited, as assignee of the Company, Texnology Nano Textile (China) Limited (In Creditors' Voluntary Liquidation), Uni-Capital Limited (In Compulsory Liquidation) and U-RIGHT Macau Commercial Offshore Limited (together, the "**Plaintiffs**") against RSM Nelson Wheeler Certified Public Accountants (the "**Defendant**") by a writ of summons issued on 31 March 2009 in the registry of the High Court of the Hong Kong Special Administrative Region (with case reference number HCA 945/2009), as amended, the Plaintiffs claim against the Defendant for, among other matters, negligence and/or breach of duty and/or breach of contract (the "**Action**"). It is alleged that the Defendant caused the Plaintiffs to suffer loss and damage as follows:

(i) dividends and audit fees amounting to approximately HK$136.95 million;

(ii) tax paid on false profits amounting to approximately HK$41.088 million;

(iii) trade finance expenses incurred to maintain a series of false transactions amounting to approximately HK$52.85 million;

(iv) in the alternative, by reason of the Defendant's breaches in conducting the audits for the five consecutive financial years ended 31 March 2007, loss and damage amounting to HK$984,617,570.19, being the increase in net deficiency of the Company from 30 July 2003 to 6 October 2008; and

* *For identification purposes only*

the Plaintiffs claim against the Defendant such amounts with interest and costs.

The Defendant wholly denies the Plaintiffs' claims, but if, contrary to its defence, the Defendant is found liable to the Plaintiffs, the Defendant alleges, among other matters, that the Company is liable to indemnify the Defendant to such extent.

The subject matters of the Action and the Third Party Notice mainly refer to the statutory audit for the consolidated financial statements of the Company and its subsidiaries for the years ended 2003 to 2007. The Board, which comprises of an entirely new management team as compared to that of the relevant financial periods, shall look into the matters and, to the best of its knowledge, information and belief and after obtaining independent legal advice, determine whether there is any merit in the Third Party Notice. The Company is in the process of seeking independent legal advice and shall take such necessary actions as advised, including disputing the claims made in the Third Party Notice.

The Company will, as and when appropriate, comply with all relevant requirements, and where necessary, make further announcement(s) in accordance with the Listing Rules.

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

Hong Kong, 17 December 2015

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.