

**U-RIGHT INTERNATIONAL HOLDINGS LTD:  
GERMAN BANK PETITIONS THE COMPANY'S WINDING UP**

It appears that publicly listed U-Right International Holdings Ltd () (Code: 627, Main Board, The Stock Exchange of Hongkong Ltd) has become a victim of the current financial crunch, affecting many banks and companies, around the world.

Deutsche Bank AG (), a Frankfurt-based bank, has petitioned the winding up of U-RIGHT International in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

It is the headquarters office of Deutsche Bank AG, as alleged creditor of U-Right International, that has lodged Winding-Up Petition, Number 466 in the HKSAR, not the HKSAR representative office of this bank.

Trading in the shares of U-Right International has been suspended since September 17, 2008, when the company informed its shareholders about the difficult financial situation at the company.

A summary of U-Right International's problems was published as follows:

*'The share price dropped by approximately 68.89% from the closing price of HK\$0.045 per share on 3 September 2008, being the last trading day immediately before the Company issued the first two clarification announcements on 4 September 2008 and 11 September 2008 respectively on unusual price and volume movements of the Company's shares, to HK\$0.014 per Share on 17 September 2008 being the last trading day immediately prior to this announcement.*

*'Since the significant decrease in the share price by approximately 53.33 % to close at HK\$0.021 per share on 11 September 2008, the Company has received enquiries from lending banks and financial institutions with regard to the financial position of the Group. Some of these lending banks and financial institutions have expressed concerns over the Group's ability to service its existing indebtedness and have withheld their Group's existing short term unsecured bilateral facilities and frozen the Group's cash balances held by the banks. The Company believes that most of the demands by the lending banks and other financial institutions have been precipitated by the significant decrease in the Company's share price.*

*'On 10 September 2008, the Company convened a meeting with all bankers to present an update on the Company's financial performance with an aim to present the financial picture and the business operations of the Group and to seek their continued support for the Group.*

*'The Group has received written demands from banks and other financial institutions dated between 10 September 2008 and the date of this announcement to repay indebtedness (and related interest and expenses) in amounts totaling approximately HK\$850 million. The Group is currently unable to satisfy such demands.*

*‘On 17 September 2008, at the request of certain major lenders, the Company appointed Deloitte Touche Tohmatsu as the independent financial adviser to review various financial and operational information of the Group and to prepare report(s) in this regard to the Company and its lenders.*

*‘Given the liquidity position of the Group, the uncertainty relating to further demands for repayment of loans, and the fact that the report on the Company’s financial and operation information has yet to be prepared by Deloitte Touche Tohmatsu, the Group’s operations have nevertheless been affected. However the Board and staff of the Group are using their best endeavours to maintain the normal operations of the Group.*

*‘At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 10:24 a.m. on 17 September 2008 and will remain suspended pending the release of all price-sensitive information in the Company’s possession.*

*‘On 24 September 2008, the Company was notified by the Underwriter that in view of the uncertainties in the financial outlook of the Company and the adverse conditions in the worldwide financial markets, the Underwriting Agreement was terminated in accordance with its terms. As a result, on 24 September 2008 the Company has confirmed with the Underwriter that pursuant to the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement have ceased and terminated. Accordingly, the proposed Capital Reorganization and change in board lot size and the proposed Rights Issue will not proceed. Accordingly, the original dates, from 3 October 2008 (Friday) to 9 October 2008 (Thursday), both dates inclusive, fixed for the closure of register of members of the Company for the Rights Issue will be cancelled.*

*‘This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.’*

With no way to raise any more cash to fund operations, it seems that the pressure has been too much for the company.

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