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China Uptown Group Company Limited

中國上城集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2330)

LETTER OF INTENT IN RELATION TO A POSSIBLE ACQUISITION

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that after trading hours of the Stock Exchange on 5 December 2012, the Potential Purchaser, a wholly-owned subsidiary of the Company, entered into a non-legally binding Letter of Intent with the Potential Vendor in relation to the Possible Acquisition.

The Letter of Intent is non-legally binding and is subject to, among others, the execution of a formal agreement and any conditions precedent therein. Therefore, the Possible Acquisition may or may not proceed. Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of China Uptown Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that after trading hours of the Stock Exchange on 5 December 2012, a wholly-owned subsidiary (the “**Potential Purchaser**”) of the Company entered into a non-legally binding letter of intent (the “**Letter of Intent**”) with a third party (the “**Potential Vendor**”), which is independent of and not connected with the Company and its subsidiaries and its connected persons (as defined in Chapter 14A of the Listing Rules) in relation to a possible acquisition (the “**Possible Acquisition**”) from the Potential Vendor of 70% equity interest (the “**Target Interest**”) in a company (the “**Target Company**”).

MAJOR TERMS OF THE LETTER OF INTENT

The final consideration of the Possible Acquisition will be subject to the valuation by a professional valuer independent of and not connected to the Group and the Potential Vendor and their respective connected persons (as defined in Chapter 14A of the Listing Rules), to be engaged by the Group. Pursuant to the Letter of Intent, a refundable deposit (the “**Refundable Deposit**”) of RMB150 million shall be payable by the Potential Purchaser to the Potential Vendor within 10 business days after the signing of the Letter of Intent, whilst the Target Interest shall be pledged in favour of the Potential Purchaser for securing the Refundable Deposit. The Potential Vendor should apply all the necessary and required registrations with and approvals from the relevant PRC government authorities within 10 business days after the payment of the Refundable Deposit by the Potential Purchaser to the Potential Vendor (the “**Deadline for Pledge**”). If it fails to pledge the Target Interest to the Potential Purchaser by the Deadline for Pledge, the Potential Vendor should fully repay the Refundable Deposit to the Potential Purchaser within 10 business days after the Deadline for Pledge, in which case all other terms of the Letter of Intent will not be affected.

Pursuant to the Letter of Intent, the Potential Purchaser has the sole and exclusive right to negotiate with the Potential Vendor in relation to the acquisition of the Target Interest. The Letter of Intent, as well as the aforesaid sole and exclusive right, will be valid up to and including 15 April 2013, or such later date as the Potential Purchaser and the Potential Vendor may agree. Save for those terms in relation to the Refundable Deposit, the aforesaid sole and exclusive right of negotiation and confidentiality clauses, the Letter of Intent is not legally binding on the Potential Purchaser and the Potential Vendor.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established under the laws of the People’s Republic of China (the “**PRC**”) and is principally engaged in property development. The Target Company currently owns a piece of land in Shenzhen, the PRC which is not yet developed.

To the best of the Directors’ knowledge, information and belief and the Directors having made all reasonable enquiries, the Potential Vendor and its associates are independent third parties to and are not connected persons (as defined in Chapter 14A of the Listing Rules) of the Company.

POSSIBLE ACQUISITION

As at the date of this announcement, other than the Letter of Intent, no other agreement with respect to the Possible Acquisition has been entered into between the Group and the Potential Vendor. Based on the preliminary information provided by the Potential Vendor, if formal agreement is entered into by the Potential Purchaser and the Potential Vendor, the Target Company will become a 70% owned subsidiary of the Company upon the completion of the Possible Acquisition. If proceed, the Possible Acquisition may constitute a notifiable transaction under Chapter 14 of the Listing Rules. If there is any further material development on the Possible Acquisition, timely action will be taken by the Company to comply with the disclosure and approval requirements under the Listing Rules, if appropriate.

The Letter of Intent is non-legally binding and is subject to, among others, the execution of a formal agreement and any precedent conditions therein. Therefore, the Possible Acquisition may or may not proceed. Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
China Uptown Group Company Limited
Fu Lui
Company Secretary

Hong Kong, 5 December 2012

As at the date of this announcement, the executive Directors are Mr. Liu Feng, Mr. Chen Xian, Mr. Lau Sai Chung, and Ms. Xia Dan; and the independent non-executive Directors are Mr. Poon Lai Yin, Michael, Mr. Ng Kwok Chu, Winfield and Mr. Chan Chun Fai.