THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Uptown Group Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

中國上城

CHINA UPTOWN

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)

VERY SUBSTANTIAL DISPOSAL
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening an extraordinary general meeting of the Company to be held at Fountains Room 5, LG/F, Hotel Nikko Hong Kong, 72 Mody Road, Tsimshatsui, Kowloon, Hong Kong on 19 June 2013 at 10:30 a.m. is set out on pages N1 to N2 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed herewith.

Whether or not you are able to attend the extraordinary general meeting of the Company in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's head office and principal place of business in Hong Kong at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

31 May 2013

CONTENTS

In this circular, unless the context otherwise require, the following expressions shall have the following meanings when used herein:

"Agreement"	the conditional agreement dated 15 May 2013 and entered into between the Vendor and the Purchaser in relation to the Disposal
"Armando"	Armando Investments Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of the Company
"associate(s)"	has the meanings as ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Boom Lotus"	Boom Lotus Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of the Company
"Business Day"	a day (not being a Saturday, Sunday or days on which a typhoon signal No. 8 or above or black rainstorm warning is hosted in Hong Kong at 10:00 a.m.) on which banks are generally open for general banking business in Hong Kong
"Company"	China Uptown Group Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
"Completion"	completion of the sale and purchase of the Sale Shares and the Sale Loan pursuant to the terms and conditions of the Agreement
"Completion Date"	the third Business Day after all the Conditions Precedent under the Agreement having been satisfied or, as the case maybe, waived (or such other time and/or date as the parties thereto may agree in writing)

"Conditions Precedent"	the conditions precedent of the Completion, details of which are set out in the section headed "The Agreement – Conditions Precedent" of the letter from the Board contained in this circular
"connected person(s)"	has the meanings as ascribed thereto under the Listing Rules
"Consideration"	the aggregate consideration in the amount of RMB560,000,000 for the Sale Shares and the Sale Loan
"Director(s)"	the director(s) of the Company
"Disposal"	the proposed disposal of the Sale Shares and the Sale Loan by the Vendor to the Purchaser in accordance with the terms and conditions of the Agreement
"Disposal Group"	Boom Lotus and its subsidiaries
"EGM"	an extraordinary general meeting of the Company to be held at Fountains Room 5, LG/F, Hotel Nikko Hong Kong, 72 Mody Road, Tsimshatsui, Kowloon, Hong Kong on 19 June 2013 at 10:30 a.m. to consider and, if thought fit, approve the Agreement, the Share Charge and the transactions respectively contemplated thereunder
"Group"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administration Region of the People's Republic of China
"Independent Third Party(ies)"	party(ies) who is/are independent of and not connected with the Company, its subsidiaries and its connected persons (as defined in Chapter 14A of the Listing Rules)
"Latest Practicable Date"	29 May 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Long Stop Date"	10 September 2013 or such later date as the Purchaser and the Vendor may agree in writing
"Pine Global"	Pine Global Investments Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of the Company
"Possible Acquisition"	the possible acquisition by the Group from the Possible Acquisition Vendor of 70% equity interest in the Possible Acquisition Target, details of which have been disclosed in the announcements of the Company dated 5 December 2012 and 15 April 2013
"Possible Acquisition Interests"	rights, interests and benefits of Boom Lotus and/or Universe under the Possible Acquisition LOI and the Possible Acquisition Share Charge
"Possible Acquisition LOI"	the letter of intent dated 5 December 2012 (as amended and supplemented by a supplemental letter of intent dated 15 April 2013) entered into by Boom Lotus and the Possible Acquisition Vendor in relation to the Possible Acquisition, details of which have been disclosed in the announcements of the Company dated 5 December 2012 and 15 April 2013 respectively
"Possible Acquisition Share Charge"	the share charge dated 6 December 2012 entered into by the Possible Acquisition Vendor (as chargor), Universe (as chargee) and Boom Lotus in relation to the pledge by the Possible Acquisition Vendor of the 70% equity interest in the Possible Acquisition Target in favour of Universe for securing return of the refundable deposit paid by the Group to the Possible Acquisition Vendor
"Possible Acquisition Target"	a company established under the laws of the PRC which (i) is principally engaged in property development; and (ii) currently owns a piece of land in Shenzhen, the PRC which has not yet developed
"Possible Acquisition Vendor"	an Independent Third Party which owns 70% equity interest in the Possible Acquisition Target as at 5 December 2012
"PRC"	the People's Republic of China

"Properties"	collectively Property A and Property B
"Property A"	the parcel of land situated at No. 1 Shanghua Road, Xiangzhou District, Zhuhai City, Guangdong Province, the PRC together with the buildings constructed thereon named Zhongzhu Uptown Phase 1* (中珠•上城一期)
"Property B"	the parcel of land situated at No. 2 Shanghua Road, Xiangzhou District, Zhuhai City, Guangdong Province, the PRC together with the buildings constructed thereon named Zhongzhu Uptown Phase 2* (中珠•上城二期)
"Purchaser"	Ace Goal Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
"Remaining Group"	the Group excluding the Disposal Group
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Loan"	obligations, liabilities and debts owing by or due from the Disposal Group to the Group (excluding the Disposal Group) as at the date of the Agreement (after netting off the amount due from the Group (excluding the Disposal Group) to the Disposal Group) amounting to RMB70,857,000 which bears no interests
"Sale Shares"	1,000 shares of US$1.00 each in the issued share capital of Boom Lotus
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Share Charge"	the deed of share charge over the Sale Shares to be executed by the Purchaser as chargor in favour of the Vendor as chargee upon Completion, details of which are set out in the section headed "The Agreement – Share charge" of the letter from the Board contained in this circular
"Shareholder(s)"	holder(s) of the Shares

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Universe"	Universe Asia Pacific Investment Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company
"US$"	United States dollars, the lawful currency of the United States of America
"Vendor"	Lead Prospect Investment Holdings Limited, a company incorporated under the laws of British Virgin Islands with limited liability and a directly wholly-owned subsidiary of the Company
"Zhong Zhu"	Zhuhai Zhongzhu Real Estate Development Company Ltd.* (珠海中珠房地產開發有限公司), a sino-foreign joint venture established in the PRC with limited liability and an indirectly non-wholly owned subsidiary of the Company

* *For identification purposes only*

If there is any inconsistency between the Chinese names of the PRC entitles mentioned in this circular and their English translations, the Chinese names shall prevail.

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)

Executive Directors:
Mr. Liu Feng *(Chairman)*
Mr. Chen Xian *(Vice Chairman)*
Mr. Lau Sai Chung *(Chief Executive Officer)*
Ms. Xia Dan

Independent non-executive Directors:
Mr. Poon Lai Yin, Michael
Mr. Ng Kwok Chu, Winfield
Mr. Chan Chun Fai

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
Suite 1501, 15th Floor
Tower 1, Silvercord
30 Canton Road
Tsimshatsui
Kowloon
Hong Kong

31 May 2013

To the Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL

INTRODUCTION

Reference is made to the announcement of the Company dated 15 May 2013 in relation to, inter alia, the Agreement, the Share Charge and the Disposal.

On 15 May 2013 (after trading hours of the Stock Exchange), the Vendor, a directly wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares and the Sale Loan at the Consideration of RMB560,000,000.

THE AGREEMENT

Set out below are the principal terms of the Agreement:

Date

15 May 2013

Parties

Purchaser: Ace Goal Holdings Limited, a company incorporated under the laws of British Virgin Islands with limited liability

Vendor: Lead Prospect Investment Holdings Limited, a company incorporated under the laws of British Virgin Islands with limited liability and a directly wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

Assets to be disposed of

The Sale Shares represent the entire issued share capital of Boom Lotus. Boom Lotus is an investment holding company incorporated under the laws of the British Virgin Islands with limited liability. As at the Latest Practicable Date, Boom Lotus indirectly holds an aggregate of 75% equity interest in Zhong Zhu which is the sole legal and beneficial owner of the Properties.

The Sale Loan of RMB70,857,000 represents the net amount due from the Disposal Group to the Group (excluding the Disposal Group) (after deducting all amount due from the Group (excluding the Disposal Group) to the Disposal Group) as at the date of the Agreement.

Upon Completion, the Company will cease to have any interest in the Disposal Group and the companies within the Disposal Group will cease to be subsidiaries of the Company.

Consideration

The Consideration payable by the Purchaser shall be RMB560,000,000 or its Hong Kong dollars equivalent and will be satisfied in the following manner:

(i) as to RMB10,000,000 or its Hong Kong dollars equivalent by way of cash within ten days from the date of signing the Agreement as a non-interest bearing refundable deposit, and in any case should be refunded by the Vendor to the Purchaser within twenty days upon the termination of the Agreement, if takes place;

(ii) as to RMB200,000,000 or its Hong Kong dollars equivalent by way of cash immediately available funds on the Completion Date;

(iii) as to RMB60,000,000 or its Hong Kong dollars equivalent by way of cash in immediately available funds no later than 3 months from the Completion Date; and

(iv) as to RMB290,000,000 or its Hong Kong dollars equivalent by way of cash in immediately available funds no later than 6 months from the Completion Date.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor after taking into account, inter alia, (i) the adjusted unaudited consolidated net asset value of Boom Lotus attributable to the owner of Boom Lotus (the "**Adjusted NAV**") of approximately RMB210.05 million as at 31 December 2012 (not taking into account the market value of the Properties), after the adjustments for the Sale Loan, amounting to approximately RMB70.86 million, and the refundable deposit for the Possible Acquisition, amounting to RMB150 million; and (ii) the valuation premium of the properties held for sale attributable to the owner of Boom Lotus of approximately RMB357.71 million as at 31 December 2012 as valued by Vigers Appraisal & Consulting Limited, a registered and qualified independent valuer in Hong Kong, adopting the direct comparison approach, where the fair value of the properties held for sale of the Disposal Group (including minority interests) amounted to approximately RMB1,223.65 million as at 31 December 2012.

The aforementioned Adjusted NAV, amounting to approximately RMB210.05 million was calculated by summing the equity of Boom Lotus attributable to the owners of the Company of approximately RMB289.19 million as set out in Appendix II to this circular and the Sale Loan of approximately RMB70.86 million, and further deducted by the refundable deposit for the Possible Acquisition of RMB150 million.

The acquisition cost of the property development project (being the fair value of the consideration settled by convertible bonds of the Company, Shares and cash and such fair value has been used for the preparation of the audited consolidated accounts of the Company for the respective year ended 31 December 2009 and 31 December 2011) after the adjustment for the refundable deposit for the Possible Acquisition of RMB150 million which will be assigned from the Disposal Group to the Remaining Group, was approximately RMB512.13 million, which is lower than the Consideration.

Share Charge

As mentioned above, the Consideration shall be settled by installments, and RMB60,000,000 and RMB290,000,000 (together referred to as "**Deferred Consideration**") are payable to the Group respectively within 3 months and 6 months from the Completion Date. According to the Agreement, the Purchaser is obliged to duly execute the Share Charge upon Completion, in the form and substance as set out therein, for the purpose of securing the due payment of the Deferred Consideration to the Group.

Under the Share Charge, the Purchaser as chargor shall charge the Sale Shares in favour of the Vendor as chargee. The Share Charge shall be released and discharged upon the Purchaser having duly paid, performed and discharged the obligations as detailed therein.

Conditions Precedent

Completion is subject to the satisfactory fulfillment and/or waiver by the Purchaser or the Vendor in writing (save for Conditions Precedent (ii), (iii) and (iv) which cannot be waived), where applicable, of the following Conditions Precedent:

(i) the Vendor's warranties and the Purchaser's warranties as set out in the Agreement shall be true, accurate and complete in all respects on and as of the Completion Date by reference to the facts and circumstances subsisting as at the Completion Date;

(ii) the approval by the Shareholders with respect to the entering into of the Agreement and the Share Charge and the transactions respectively contemplated therein shall have been obtained;

(iii) the assignment of all Possible Acquisition Interests to the Vendor or its nominee shall have been completed; and

(iv) the Vendor shall have received a valuation report as required by the Listing Rules, in the form and substance as set forth in the Agreement.

If any of the Conditions Precedent have not been fulfilled or, as the case maybe, waived by the Purchaser and/or the Vendor in writing, where applicable, on or before the Long Stop Date, the Vendor shall not be bound to proceed with the sale of, and the Purchaser shall not be bound to proceed with the purchase of, the Sale Shares and the Sale Loan and the Agreement (other than the clauses in relation to announcements, costs and expenses and governing law) shall become void and of no further effect and, save in respect of any antecedent breaches, all liabilities and obligations of the Purchaser and the Vendor shall cease and terminate provided that such termination shall be without prejudice to any rights or remedies of the Purchaser and the Vendor which shall have accrued prior to such termination.

As at the Latest Practicable Date, only Conditions Precedent (iv) has been fulfilled.

Completion

Subject to the terms and conditions of the Agreement (in particular the satisfaction or, as the case maybe, wavier of the Conditions Precedent), Completion shall take place on the Completion Date and the Purchaser and the Vendor shall perform their respective obligations in accordance with the Agreement. If the Vendor fails to complete its obligations according to the terms of the Agreement, the Purchaser shall have the right by notice to the Vendor to:

(i) postpone Completion to a later date (being a Business Day) in which event the provisions of the Agreement will apply as if the Completion Date were the date to which Completion is so postponed;

(ii) proceed to Completion as far as practicable (without limiting its rights under the Agreement); or

(iii) terminate the Agreement in which case, save in respect of antecedent breaches, all rights and liabilities of the Purchaser and the Vendor under the Agreement shall cease and terminate.

INFORMATION ON THE PURCHASER

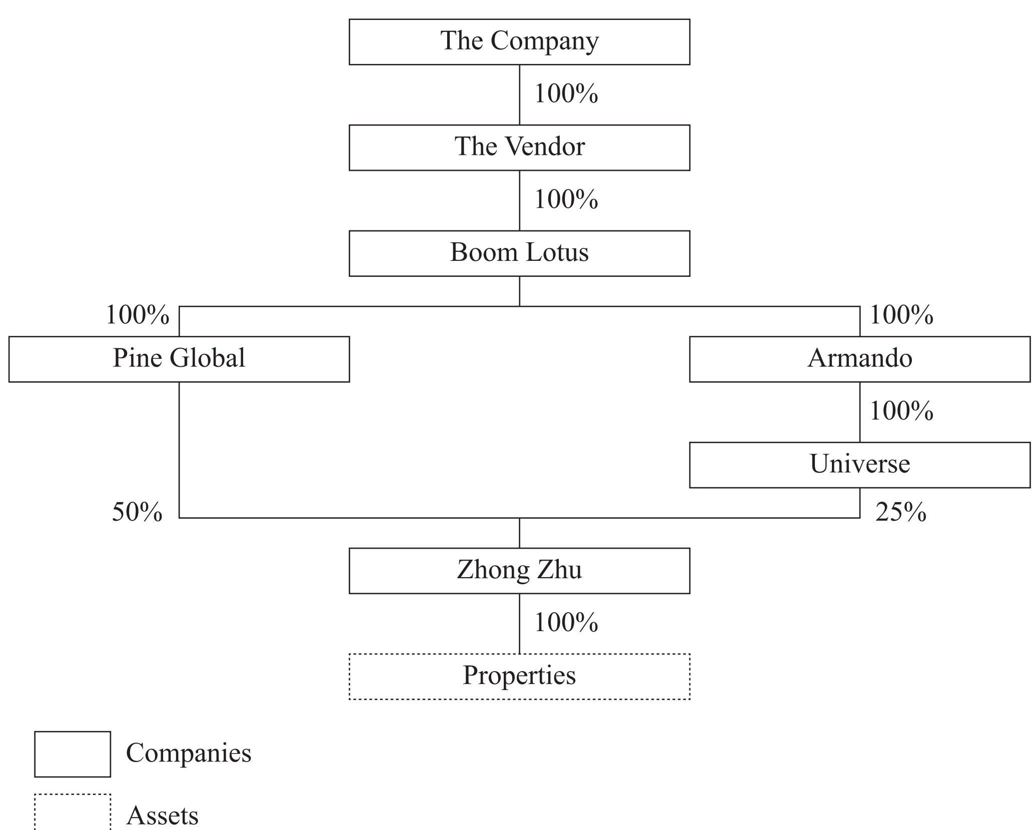
The Purchaser, a company incorporated in the British Virgin Islands with limited liability, is principally engaged in investment holding. To the best of the Directors' knowledge, the Purchaser is a newly established investment holding company for the purpose of the Disposal and the ultimate beneficial owner of the Purchaser, Mr. Wang Xiaowu ("**Mr. Wang**"), is a citizen of Guangdong Province, the PRC and has over 20 years' experience in property development and property management industry in the PRC, in particular in Guangdong Province.

Mr. Wang was introduced to the Group by the management of the construction contractor of Property B. As Mr. Wang has been carrying out property development projects and investments business for over twenty years in the PRC, including Guangdong Province and is interested in property development projects in nearby region, Mr. Wang and the Group started the negotiation in relation to the Disposal.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquires, the Purchaser and Mr. Wang are Independent Third Parties.

INFORMATION ON THE DISPOSAL GROUP

Simplified shareholding structure of the Disposal Group as at the Latest Practicable Date



Boom Lotus

Boom Lotus is an investment holding company. As at the Latest Practicable Date, Boom Lotus is directly owned as to 100% by the Vendor and is therefore an indirectly wholly-owned subsidiary of the Company.

As at the Latest Practicable Date, Boom Lotus, through three investment holding subsidiaries namely Pine Global, Armando and Universe, indirectly interests in 75% equity interest in Zhong Zhu, which owns the Properties. Other than their direct and indirect interests in Zhong Zhu and in the Possible Acquisition as detailed below, Boom Lotus, Pine Global, Armando and Universe currently do not have interest in any other assets or investments.

Upon Completion, the Company will cease to have any interest in Boom Lotus, and Boom Lotus and its subsidiaries will cease to be subsidiaries of the Company.

As set out in the announcement of the Company dated 5 December 2012, on even date, a wholly-owned subsidiary of the Company (being Boom Lotus) and the Possible Acquisition Vendor entered into the Possible Acquisition LOI in relation to a possible acquisition by the Group from the Possible Acquisition Vendor of 70% equity interest in the Possible Acquisition Target. Refundable deposit has been paid by the Group to the Possible Acquisition Vendor and for the purpose of securing such refundable deposit, the Possible Acquisition Vendor (as chargor), Universe (as chargee) and Boom Lotus entered into the Possible Acquisition Share Charge on 6 December 2012. For details of the Possible Acquisition, please refer to the announcements of the Company dated 5 December 2012 and 15 April 2013. It has been agreed between the Vendor and the Purchaser that all Possible Acquisition Interests will not be retained by the Disposal Group but will be assigned to the Vendor before Completion, and the due assignment of all Possible Acquisition Interests to the Vendor or its nominee is one of the Conditions Precedent. Upon such assignment, all interest, rights and benefits under the Possible Acquisition LOI and the Possible Acquisition Share Charge shall be held by the Vendor notwithstanding the Completion, if takes place, and the Group will continue its negotiation with the Possible Acquisition Vendor regarding the Possible Acquisition. As at the Latest Practicable Date, other than the Possible Acquisition LOI and the Possible Acquisition Share Charge, no other agreement with respect to the Possible Acquisition has been entered into between the Group and the Possible Acquisition Vendor. If there is any further 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.

Zhong Zhu

Zhong Zhu is principally engaged in the development of real-estate in the PRC. As at the Latest Practicable Date, Zhong Zhu is owned as to 50% by Pine Global and 25% by Universe and is therefore an indirectly non-wholly owned subsidiary of the Company.

As at the Latest Practicable Date, Zhong Zhu is the sole legal and beneficial owner of the unsold Properties.

The Properties

The Properties are a property development project held by the Group and are located in Guangdong Province, the PRC. The Properties are developed in two phases, namely Property A and Property B.

Property A is named Zhongzhu Uptown Phase 1* (中珠 • 上城一期) and is situated at No. 1 Shanghua Road, Xiangzhou District, Zhuhai City, Guangdong Province, the PRC and occupies approximately 48,382.70 square meters with a gross floor area of approximately 140,817 square meters. Property A has been developed into a residential and commercial complex. As at 31 December 2012, approximately 96% of the aggregate of the residential and the commercial properties of Property A in terms of number of units, representing a gross floor area of approximately 112,278 square meters, have been sold.

Property B is named Zhongzhu Uptown Phase 2* (中珠 • 上城二期) and is situated at No. 2 Shanghua Road, Xiangzhou District, Zhuhai City, Guangdong Province, the PRC and occupies approximately 57,762.92 square meters with a gross floor area of approximately 180,520 square meters. Property B has been developed into a residential and commercial complex and commenced delivery in the second half of the year 2012. During 2012, over 50% residential properties and 14% commercial properties of Property B in terms of number of units, representing a gross floor area of approximately 69,702 square meters, were recognized as sales of the Group. Of the remaining properties of Property B, approximately 57% of the unsold residential properties and 8% of unsold commercial properties in terms of number of units were contracted for pre-sales and will be delivered in 2013.

According to Vigers Appraisal & Consulting Limited, the market value of the unsold Properties of Zhong Zhu (including minority interests) decreased from approximately RMB1,223.65 million as at 31 December 2012 to approximately RMB918.58 million as at 28 February 2013. The decrease was mainly due to the sales of certain units of the Properties during the two months ended 28 February 2013. Please refer to Appendix V to this circular for the detailed explanation of the said change in market value.

FINANCIAL INFORMATION ON THE DISPOSAL GROUP

Set out below is a summary of the unaudited consolidated financial information of the Disposal Group for the three years ended 31 December 2012 prepared in accordance with the Hong Kong Financial Reporting Standards and reviewed by SHINEWING (HK) CPA Limited, details of which are set out in Appendix II to this circular:

Components of consolidated statement of comprehensive income

	For the year ended 31 December		
	2010	**2011**	**2012**
	RMB'000	*RMB'000*	*RMB'000*
	(unaudited)	*(unaudited)*	*(unaudited)*
Revenue	156,488	63,838	904,409
Net profit/(loss) before taxation	(88,950)	(13,837)	325,481
Net profit/(loss) after taxation	(39,452)	(10,336)	154,956

Components of consolidated statement of financial position

	As at 31 December		
	2010	**2011**	**2012**
	RMB'000	*RMB'000*	*RMB'000*
	(unaudited)	*(unaudited)*	*(unaudited)*
Total assets	1,126,086	1,343,422	1,112,950
Total liabilities	688,862	1,095,976	759,017
Minority interests	154,790	75,290	64,745
Net assets attributable to the owner of Boom Lotus	282,434	172,156	289,188 *(Note)*

Note: The amount as at 31 December 2012 include the Sale Loan, amounting to RMB70,857,000 and the refundable deposit regarding the Possible Acquisition, amounting to RMB150,000,000.

FINANCIAL IMPACT OF THE DISPOSAL

It is anticipated that upon Completion, the Group would realize a gain on the Disposal of approximately RMB164,234,000, representing the difference between the Consideration and the aggregate of the carrying amount of the Group's interest in the net assets of the Disposal Group as at 31 December 2012, goodwill on the Disposal Group as at 31 December 2012, the Sale Loan and all relevant expenses in relation to the Disposal, and after the adjustment of the refundable deposit for the Possible Acquisition. The actual gain on the Disposal is subject to the audited carrying value of the net assets of the Disposal Group as at the Completion Date.

Based on the unaudited pro forma financial information on the Remaining Group as set out in Appendix III to this circular, assuming the Disposal has been completed by 31 December 2012, the total assets and the total liabilities of the Group would decrease by approximately

RMB563.95 million and RMB663.44 million respectively due to the exclusion of the Disposal Group. The unaudited pro forma consolidated net assets of the Remaining Group attributable to the owners of the Company would be increased to approximately RMB530.37 million (excluding the Disposal Group), representing an increase of approximately RMB164.23 million or 44.86%.

Set out below is the financial performance of the property development segment of the Group for each of the three years ended 31 December 2012 and that related to the disposal of the unsold Properties under the Disposal ("**Sales of Properties via Disposal**"):

	Property development segment			**Sales of Properties via Disposal**
	2010	**2011**	**2012**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
Turnover *(Note 1)*	156,488	63,838	904,409	1,223,650
Net profit/(loss) attributable to the owners of the Company *(Note 2)*	(8,927)	(5,726)	115,501	164,234
Net profit margin *(Note 3)*	N/A	N/A	12.77%	13.42%

Notes:

1. (a) The turnovers of the property development segment of the Group for the three years ended 31 December 2012 were extracted from the segment revenue in the notes to the consolidated financial statements of the Company's annual reports for the financial year 2010, 2011 and 2012.

   (b) As the Disposal would result in one-time disposal of all the unsold Properties and the Consideration for the Disposal was arrived at after taking account of, inter alia, the market value of the unsold Properties (including the minority interests) as at 31 December 2012 as valued by Vigers Appraisal & Consulting Limited, a registered and qualified independent valuer in Hong Kong, such market value of the unsold Properties as at 31 December 2012 were regarded as the unaudited turnover attributable to the Sales of Properties via Disposal.

2. (a) The net profit/(loss) of the property development segment attributable to the owners of the Company for the three years ended 31 December 2012 were extracted from the segment profit/(loss) in the notes to the consolidated financial statements of the Company's annual reports for the financial year 2010, 2011 and 2012 after making adjustments for selling and distribution costs and tax expenses.

   (b) Since the assets to be disposed of by the Group pursuant to the Disposal are mainly the unsold Properties, the estimated gain on the Disposal of approximately RMB164,234,000 is assumed to be entirely attributable to Sales of Properties via Disposal and is regarded as the net profit of the Sales of Properties via Disposal attributable to the owners of the Company.

3. The net profit margin is calculated by dividing the net profit attributable to the owners of the Company by the turnover of the property development segment of the Group or the Sales of Properties via Disposal (as the case may be).

USE OF PROCEEDS

According to the Agreement, the Consideration is RMB560,000,000. It is estimated that the net proceeds from the Disposal will be approximately RMB558,510,000 after deducting all relevant expenses. The Directors intend to apply as to approximately RMB223.51 million for the Possible Acquisition (which may or may not proceed) or in case the Possible Acquisition does not proceed, other suitable property development projects (as at the Latest Practicable Date, the Company has not yet identified any property development projects or other investment opportunities, save for the Possible Acquisition. Should the Group determine to capture any property development projects or (in case no suitable property development project is identified by the Remaining Group) other investment opportunities by entering into any transaction, the Company shall comply with the applicable rules under the Listing Rules with regard to, among other things, the disclosure and shareholders' approval requirements, if appropriate.). The Directors also intend to apply as to approximately RMB335 million for the full repayments of the principal amounts, together with all accrued interests and the redemption premium, of the convertible bonds which will be due in November 2013 and February 2014.

The bank balances and cash of the Remaining Group as at 31 December 2012 amounted to approximately RMB15.08 million, representing the difference between that of the Group as stated in the Company's 2012 annual report and the bank balances and cash of the Disposal Group as set out in Appendix I to this circular. Therefore, having considered that (i) the aggregate of the principal amounts, together with all accrued interests and the redemption premium, of the convertible bonds of the Company amounts to approximately RMB335 million, all of which will become mature within 9 months; (ii) the bank balances and cash of the Remaining Group amounted to approximately 15.08 million as at 31 December 2012; and (iii) the Group has already applied RMB150 million as the refundable deposit for the Possible Acquisition and intends to apply approximately RMB223.51 million out of the net proceeds from the Disposal for the Possible Acquisition or other suitable property development projects, the Directors are of the opinion that it is appropriate to reserve a portion of the proceeds from the Disposal for the repayment of the convertible bonds.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in (i) property development in the PRC; (ii) property investment in the PRC; (iii) trading business in relation to the distribution of electronic components and mobile phone modules; and (iv) automation and mobile handset projects.

With regard to the property development in the PRC, while the Board is optimistic about the long term property market in the PRC, it is expected that the increased complication and tightening property market measures imposed by the PRC government would result in additional investment risk on the developers. The Board will closely monitor future market trends and respond to market changes in a prudent and pro-active manner to mitigate the investment risk in particular.

The Consideration was arrived at arm's length negotiation between the Purchaser and the Vendor after taking into account, inter alia, the market value of the unsold Properties attributable to the Company as at 31 December 2012 as valued by Vigers Appraisal &

Consulting Limited, a registered and qualified independent valuer in Hong Kong. Therefore, the Company is expected to realize a similar return from the unsold Properties if the Disposal does not take place and the Group continues the sales of the unsold Properties with reference to such market price. Furthermore, the development of the Properties is currently the only property development project and investment of the Disposal Group. All development works of the Properties were completed by 2012. As at 31 December 2012, approximately 96% of the aggregate of residential and commercial properties of Property A and over 50% of residential properties and 14% commercial properties of Property B in terms of number of units have been sold. The Directors consider that, subject to Completion, the Disposal offers an opportunity for the Group to realize its investments in the Properties concurrently with certainty notwithstanding the property market conditions in the PRC and would put the Group in a better position to timely capture any investment opportunities including, but not limited to, the Possible Acquisition. In addition, upon Completion and full settlement of the Consideration within six months from the Completion Date, the Group will be able to apply part of the net proceeds to finance the Possible Acquisition (which may or may not proceed) or any suitable investment opportunities if the Possible Acquisition does not proceed in order to promote a sustainable growth of the Company in future.

Besides, the convertible bonds of the Group, principals, accrued interests and redemption premium of which amount to approximately RMB335 million in aggregate, will become mature in November 2013 and February 2014. The Directors are of the view that the application of part of the net proceeds from the Disposal for the full repayments of the convertible bonds will help strengthen the financial position of the Group and aid the prudent management of the capital resources of the Group.

Given the foregoing, the Directors are of the view that the terms of the transactions contemplated under the Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE REMAINING GROUP

Immediately upon the Completion, assuming there is no further update on the Possible Acquisition, the Remaining Group would be principally engaged in property investment and trading.

Property investment segment of the Remaining Group would represent the leasing of the Group's investment property held in Shenzhen, the PRC for rental income, whilst the trading segment of the Remaining Group would represent distribution of electronic components and mobile phone modules. As set out in the annual reports of the Company for the three years ended 31 December 2012, the aggregate turnover for the two segments amounted to approximately RMB171,592,000, RMB150,642,000 and RMB75,015,000 respectively and the aggregate segment profits for the two segments amounted to approximately RMB28,859,000, RMB18,823,000 and RMB24,929,000 respectively. Based on such aggregate segment profits for the property investment segment and the trading segment and the unallocated corporate incomes/expenses of the Group (not including those attributable to the Disposal Group), the profits/losses (before taxation) of the Remaining Group for the three years ended 31 December 2012 were loss of approximately RMB18,960,000, profit of approximately RMB34,962,000 and loss of approximately RMB7,663,000 according to the unaudited management account of the Group.

Despite the Disposal, the Remaining Group intends to continue the property development segment. Upon the assignment of all Possible Acquisition Interests as detailed in the section headed "Information on the Disposal Group – Boom Lotus" above, the Remaining Group will continue its negotiation with the Possible Acquisition Vendor regarding the Possible Acquisition, which may or may not proceed. Save for the Possible Acquisition, the Company has not yet identified any property development projects or other investment opportunities.

IMPLICATIONS UNDER LISTING RULES

As certain applicable percentage ratios for the Disposal calculated in accordance with Rule 14.07 of the Listing Rules exceed 75%, the Disposal constitutes a very substantial disposal of the Company and is therefore subject to reporting, announcement, circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

The EGM will be held to consider and, if thought fit, approve the ordinary resolutions in respect of the Agreement, the Share Charge and the transactions respectively contemplated thereunder by way of poll. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Disposal and hence no Shareholder is required to abstain from voting on the ordinary resolutions to approve the Agreement, the Share Charge and the transactions respectively contemplated thereunder at the EGM.

EGM

A notice convening the EGM to be held at Fountains Room 5, LG/F, Hotel Nikko Hong Kong, 72 Mody Road, Tsimshatsui, Kowloon, Hong Kong on 19 June 2013 at 10:30 a.m. is set out on pages N-1 and N-2 of this circular.

A form of proxy for use at the EGM is enclosed herewith. Whether or not you are able to attend the extraordinary general meeting of the Company in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's head office and principal place of business in Hong Kong at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

RECOMMENDATION

The Directors are of the opinion that the Agreement, the Share Charge and the transactions contemplated under the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions in relation to the Agreement, the Share Charge and the transactions contemplated under the Agreement to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By order of the Board
China Uptown Group Company Limited
Liu Feng
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information on the Group for each of the three years ended 31 December 2010, 2011 and 2012 are disclosed in the annual reports of the Company for the years ended 31 December 2010, 2011 and 2012 respectively. These annual reports are published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.chinauptown.com.hk).

2. INDEBTEDNESS

As at the close of business on 31 March 2013, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Remaining Group had outstanding bank borrowings of approximately HK$16.2 million which were guaranteed by the Remaining Group companies and secured by fixed charges on certain of the Remaining Group's properties of approximately HK$21.46 million. In addition, the Remaining Group has consideration payable of approximately HK$63.59 million as at 31 March 2013.

Save as aforesaid or as otherwise disclosed in note 7 of General Information in respect of litigation contained in Appendix VI to this circular, and apart from intra-group liabilities, the Remaining Group did not have, outstanding at the close of business on 31 March 2013, any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees, or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account its internal resources and the existing available credit facilities of the Remaining Group and upon the completion of the Disposal, the Remaining Group has sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

The Directors have confirmed that they were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2012, being the date to which the latest published audited consolidated financial statements of the Company were made up to.

5. MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

Set out below is the management discussion and analysis on the Remaining Group for the three years ended 31 December 2010, 2011 and 2012:

Business review

Property Investment

Property investment business represented the lease of the Group's investment properties situated in the PRC and in Hong Kong. The investment properties comprised of office premises in Hong Kong, with gross floor area of approximately 425.67 square meters, 77.67 square meters and nil square meters as at 31 December 2010, 2011 and 2012 respectively, and a 7-storey building with a basement in Shenzhen, the PRC with gross floor area of approximately 15,084 square meters for the three years ended 31 December 2012.

For the year ended 31 December 2011, the rental income of the Remaining Group's investment properties decreased to approximately RMB7,057,000 from approximately RMB12,107,000 for the year ended 31 December 2010, representing a decrease of approximately 41.71%. The decrease was due to several units pending to be leased after the previous tenants moved out in 2011.

For the year ended 31 December 2012, the rental income of the Remaining Group's investment property slightly increased to approximately RMB7,723,000 from approximately RMB7,057,000 for the year ended 31 December 2011, representing an increase of approximately 9.44%.

Trading

The Remaining Group's trading business represented the distribution of electronic related components, mobile phone modules, such as keyboard, LCD display and processors, and imported automation products.

For the year ended 31 December 2011, the total revenue from the trading business decreased to approximately RMB143,585,000 from approximately RMB159,485,000 for the year ended 31 December 2010, representing a decrease of approximately 9.97% amid the downturn of the oversea markets.

For the year ended 31 December 2012, the total revenue from the trading business further decreased to RMB67,292,000 from approximately RMB143,585,000 for the year ended 31 December 2011. The decrease in turnover was mainly due to the weak non-smartphone market.

Although the profit margin was relatively low from the trading business, the required financial and business resources were limited and the relevant risks could be mitigated by effective operation procedures and internal controls. The Remaining Group has taken various measures to diversify the product range with an objective to further increase turnover and enhance the profit margin. For instance, the Group devoted more resources to the smartphone market and commenced its trading and licensed distribution in smartphone business in 2012. The turnover of the Group's trading business increased from approximately RMB20.11 million for the six months ended 30 June 2012 to approximately RMB47.18 million for the six months ended 31 December 2012, representing an increase of approximately 134.55%. Besides, the segment loss of the Group's trading business of approximately RMB1.02 million was improved to segment profit of approximately RMB0.48 million for the same periods. The Directors expect that such measures would have positive impact on the performance of the Group's trading business in the future.

Technology

The automation and mobile handset projects involve substantial capital investments and resources while market environment in the short-term to medium-term still remained uncertain and the competition was very keen. The management has taken a cautious and critical review on potential business opportunities, and has decided to engage in projects only if the business risks could be certainly managed and controlled. During the three years ended 31 December 2012, the Remaining Group did not carry out any significant operations in the technology segment.

Liquidity and financial resources

The total amount of bank balances and cash and restricted bank deposits were approximately RMB14,966,000 as at 31 December 2010, RMB14,566,000 as at 31 December 2011 and RMB15,076,000 as at 31 December 2012. The bank balances and cash were denominated in Hong Kong dollars, RMB and United States dollars.

In 2010 and 2011, the Group issued convertible bonds with a principal amount of HK$160,000,000 (equivalent to approximately RMB128,000,000) (the "**CB I**") and HK$230,000,000 (equivalent to approximately RMB184,000,000) (the "**CB II**") respectively. CB I carries an interest at 4% per annum and is secured by a guarantee and share charge over a wholly-owned subsidiary of the Company, whilst CB II is a zero-coupon bond.

The bank borrowings of the Remaining Group were approximately RMB35,936,000 as at 31 December 2010, RMB19,357,000 as at 31 December 2011 and RMB13,198,000 as at 31 December 2012. The bank borrowings were all denominated in Hong Kong dollars and were secured by buildings and the investment properties of the Remaining Group. The bank borrowings carried interest at the prevailing market interest rate, with effective interest rate for the bank borrowings of approximately 2.4%, 2.7% and 2.9% for the three years ended 31 December 2012 respectively.

As at 31 December 2010, 2011 and 2012, the gearing ratio, expressed as a percentage of total borrowings over net assets was 72.98%, 23.20%, and 17.57%. The significant drop in the gearing ratio from 2010 to 2011 and 2012 was due to the repayments of certain secured bank borrowings after the disposal of certain investment properties of the Group located in Hong Kong.

Capital structure

The issued ordinary share capital of the Company as at 31 December 2010 and 2011 was HK$85,198,000 divided into 851,980,000 shares of HK$0.10 each. At 31 December 2010 and 2011, the issued convertible redeemable preference share capital was HK$35,000,000 divided into 350,000,000 shares of HK$0.10 each and the convertible redeemable preference A share capital was HK$11,000,000 divided into 110,000,000 shares of HK$0.10 each. None of the convertible redeemable preference shares and convertible redeemable preference A shares were converted into ordinary shares.

The issued ordinary share capital of the Company at 31 December 2012 was approximately HK$94,145,000 divided into 941,453,683 shares of HK$0.10 each. At 31 December 2012, the issued convertible redeemable preference shares was HK$27,500,000 divided into 275,000,000 shares of HK$0.10 each and the convertible redeemable preference A shares was HK$10,000,000 divided into 100,000,000 shares of HK$0.10 each. During the year ended 31 December 2012, 75,000,000 convertible redeemable preference shares and 10,000,000 convertible redeemable preference A shares were converted into approximately 78,947,368 and 10,526,315 ordinary shares respectively.

Foreign currency exposure

The Remaining Group mainly earns revenues and incurs costs in Renminbi, United States dollars and Hong Kong dollars. The Remaining Group's monetary assets and liabilities are denominated in Renminbi, United States dollars and Hong Kong dollars. The Remaining Group currently does not have any financial instruments for hedging purposes or any foreign currency hedging policy. However, management will monitor foreign exchange exposure closely and consider the use of hedging instruments when the need arises.

Charge on assets

At 31 December 2010, the Remaining Group's certain investment properties and building with an aggregate net carrying value of approximately RMB70,039,000 were pledged to banks for securing revolving loans and general banking facilities of the Remaining Group.

At 31 December 2011, the Remaining Group's certain investment properties and building with an aggregate net carrying value of approximately RMB24,242,000 were pledged to banks for securing revolving loans and general banking facilities of the Remaining Group.

At 31 December 2012, the Remaining Group's certain building with an aggregate net carrying value of approximately RMB204,787,000 were pledged to banks for convertible bonds issued on 1 December 2010, securing revolving loans and general banking facilities of the Remaining Group.

Material investments and acquisitions

The acquisition of additional 25% equity interest in Zhong Zhu was completed at 1 March 2011. Zhong Zhu is principally engaged in the development of real-estate in the PRC and is the sole legal and beneficial owner of the Properties as at the Latest Practicable Date. Please refer to the circular dated 22 December 2010 for details of the acquisition.

Save for the further acquisition of Zhong Zhu, the Group did not have any material investments or acquisition for the three years ended 31 December 2012.

Employee and remuneration policies

As at 31 December 2010, 2011 and 2012, the Remaining Group employed 33, 31 and 33 full time employees respectively in Hong Kong and the PRC. The Remaining Group's emolument policies are formulated on the basis of market trends, future plans and the performance of individuals, which are reviewed periodically. Apart from provident fund scheme and state-managed social welfare scheme, share options will also be awarded to employees according to assessment of individuals' performance.

Litigations and contingent liabilities

As at the Latest Practicable Date, the Group has the following litigations and contingent liabilities:

(i) On 25 April 2008, Techwayson Industrial Limited, a PRC subsidiary of the Company, had been served with a writ of summons in the PRC and was being claimed for a total amount of approximately HK$23,000,000 (equivalent to approximately RMB20,010,000) under a guarantee being allegedly issued by the PRC subsidiary. The PRC subsidiary has appointed a firm of legal counsel to represent the PRC subsidiary to defend the claim and legal proceedings. First court hearing was held on 20 October 2008 and after a series of legal proceedings, the Company received a civil judgment (the "**Judgment**") issued by the Intermediate People's Court in Shenzhen, the PRC on 14 June 2010. The PRC subsidiary was liable to bear 50% of any shortfall that the first defendant is unable to settle in respect of the claims amount of approximately HK$23,000,000 (equivalent to approximately RMB20,010,000).

    On 30 November 2010, the PRC subsidiary entered into a settlement agreement ("**Settlement Agreement**") with the plaintiff pursuant to which the PRC subsidiary shall pay HK$4,800,000 (equivalent to approximately RMB4,080,000) to the plaintiff within five days upon entering into the Settlement Agreement for settlement of all responsibilities and claims of the Judgment. Payment was made on 1 December 2010. On 2 December 2010, the Senior People's Court of the Guangdong Province in the PRC approved the application for the withdrawal of the Judgment by the PRC subsidiary and the plaintiff.

Details of settlement are set out in the announcement of the Company dated 3 December 2010.

(ii) On 12 December 2009, the Company received a writ of summons from Global Tide Limited ("**Global Tide**"). Global Tide brought civil action in the High Court of the Hong Kong Special Administrative Region against the Company for compensation and damages of approximately HK$8,834,000 (the "**Claim**") in relation to the disposal of its former wholly-owned subsidiary, Magic Gain Investments Limited. Details of the Claim are set out in the announcement of the Company dated 16 December 2009.

On 31 January 2012, Global Tide filed an amended statement of claim in the High Court. Pursuant to which the claim was revised and reduced to HK$7,967,000. The Company decided to defend against the Claim and obtained legal advice in respect of the merits of the Claim. The Directors expect that there will not be any material adverse financial effect on the earnings, net assets and liabilities of the Company and its subsidiaries.

(iii) On 31 January 2013, an indirectly wholly-owned subsidiary, 德維森實業(深圳)有限公司 received a writ of summons from 廣東國暉律師事務所 in relation to the full payment of a legal fee of RMB18,000,000 for the professional services rendered for the investigation of an investment in a trust company.

The Company decided to defend against and obtained legal advice in respect of the merits of the claim. The Directors expect that there will not be any material adverse financial effect on the earnings, net assets and liabilities of the Company and its subsidiaries.

6. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Upon the Completion, assuming there is no further update on the Possible Acquisition, the principal activities of the Remaining Group would be (i) property investment; (ii) trading of electronic components, mobile phone modules and automation products; and (iii) technology automation and handsets project.

In 2013, a new round of economic development opportunities will be started. The deepening of urbanization and different demand in each city will provide the growth opportunities in the real estate business. The Group will actively seek suitable property-related investment opportunities and (in case no suitable property-related investment opportunities are identified by the Remaining Group) other investment opportunities to provide sustainable growth of the Company while closely monitor future market trends and respond to market changes in a prudent and pro-active manner to mitigate the investments risk in particular those caused by the increasing measures towards property markets of the PRC government.

In respect of the trading business of the Group, the turnover has significantly improved in the second half of the year 2012 as a result of the successful diversification of the mobile phone module segment from non-smartphone market to smartphone market. The Remaining

Group will continue to expand the trading business by exploring new customers both in the PRC and in other Asian countries. The Remaining Group is considering further broadening its product range by trading completed mobile phone products to further enhance the marketability and the profit margin of the trading business.

Despite the Disposal, the Remaining Group intends to continue the property development segment. Upon the assignment of all Possible Acquisition Interests as detailed in the section headed "Information on the Disposal Group – Boom Lotus" in the letter from the Board contained in this circular, the Remaining Group will continue its negotiation with the Possible Acquisition Vendor regarding the Possible Acquisition, which may or may not proceed. Save for the Possible Acquisition, as at the Latest Practicable Date, the Company has not yet identified any property development projects or other investment opportunities.

Set out below are the unaudited consolidated statements of financial position of the Disposal Group as at 31 December 2010, 2011 and 2012 and the related unaudited consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for the three years ended 31 December 2010, 2011 and 2012, and explanatory notes, which have been reviewed by the auditors of the Company, SHINEWING (HK) CPA Limited, Certified Public Accountants, Hong Kong, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. There was no qualification or modification in the review reports issued by the auditors.

信永中和
ShineWing

SHINEWING (HK) CPA Limited
43/F., The Lee Gardens
33 Hysan Avenue
Causeway Bay, Hong Kong

TO THE BOARD OF DIRECTORS OF CHINA UPTOWN GROUP COMPANY LIMITED
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the unaudited consolidated financial information set out on pages II-3 to II-8, which comprises the unaudited consolidated statements of financial position of Boom Lotus Holdings Limited and its subsidiaries (collectively referred as the "Disposal Group") as of 31 December 2010, 2011 and 2012, and the unaudited consolidated statements of comprehensive income, unaudited consolidated statements of changes in equity and unaudited consolidated statements of cash flows for each of the years then ended (the "Relevant Periods') and explanatory notes (the "Unaudited Consolidated Financial Information"). The Unaudited Consolidated Financial Information has been prepared solely for the purpose of inclusion in the circular to be issued by China Uptown Group Company Limited (the "Company") in connection with the disposal of Disposal Group in accordance with Rule 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The directors of the Company are responsible for the preparation and presentation of the Unaudited Consolidated Financial Information of the Disposal Group in accordance with the basis of preparation set out in note 2 to the Unaudited Consolidated Financial Information and Rule 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The directors of the Company are also responsible for such internal control as management determines is necessary to enable the preparation of the Unaudited Consolidated Financial Information that is free from material misstatement, whether due to fraud or error. The Unaudited Consolidated Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 "Presentation of Financial Statements" or an interim financial report as defined in Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibility is to express a conclusion on the Unaudited Consolidated Financial Information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA, which applies to a review of historical financial information performed by the independent auditor of the entity. A review of Unaudited Consolidated Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Unaudited Consolidated Financial Information of the Disposal Group for the Relevant Periods is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Unaudited Consolidated Financial Information.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Hon Kei, Anthony

Practising Certified Number: P05591

Hong Kong

31 May 2013

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December		
	2010	**2011**	**2012**
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
Turnover	156,488	63,838	904,409
Cost of sales	(221,596)	(64,458)	(562,059)
Gross (loss) profit	(65,108)	(620)	342,350
Other operating income	454	3,680	952
Change in fair value of investment properties	(9,500)	–	–
Selling expenses	(10,017)	(12,927)	(13,216)
Administrative expenses	(4,779)	(3,970)	(4,605)
(Loss) profit before taxation	(88,950)	(13,837)	325,481
Taxation	49,498	3,501	(170,525)
(Loss) profit for the year	(39,452)	(10,336)	154,956
Exchange differences arising on translation of financial statements of foreign operations and total other comprehensive income for the year	222	6,248	1,531
Total comprehensive (expense) income for the year	(39,230)	(4,088)	156,487
(Loss) profit for the year attributable to:			
Owners of the Company	(8,927)	(5,726)	115,501
Non-controlling interests	(30,525)	(4,610)	39,455
	(39,452)	(10,336)	154,956
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company	(8,705)	522	117,032
Non-controlling interests	(30,525)	(4,610)	39,455
	(39,230)	(4,088)	156,487

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December		
	2010	**2011**	**2012**
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
Non-current assets			
Plant and equipment	214	223	173
Deferred taxation	–	–	2,731
	214	223	2,904
Current assets			
Properties under development	737,095	971,642	–
Properties held for sale	129,220	64,762	746,701
Trade and other receivables	28,719	52,537	9,762
Amounts due from fellow subsidiaries	–	12,116	21,991
Amount due from ultimate holding company	90,000	–	–
Refundable deposit paid for a possible acquisition	–	–	150,000
Income tax recoverable	–	27,717	–
Restricted bank deposits	32,776	92,298	–
Bank balances and cash	108,062	122,127	181,592
	1,125,872	1,343,199	1,110,046
Current liabilities			
Trade and other payables	309,561	904,991	523,744
Amount due to ultimate holding company	–	89,443	87,848
Amount due to a fellow subsidiary	–	32	37
Income tax payable	945	–	147,388
Secured bank borrowings	–	80,000	–
	310,506	1,074,466	759,017
Net current assets	815,366	268,733	351,029
Total assets less current liabilities	815,580	268,956	353,933

	As at 31 December		
	2010	**2011**	**2012**
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
Capital and reserves			
Share capital	7	7	7
Reserves	282,427	172,149	289,181
Equity attributable to owners of the Company	282,434	172,156	289,188
Non-controlling interests	154,790	75,290	64,745
Total equity	437,224	247,446	353,933
Non-current liabilities			
Secured bank borrowings	350,000	–	–
Deferred taxation	28,356	21,510	–
	378,356	21,510	–
	815,580	268,956	353,933

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company							
	Ordinary share capital	Exchange translation reserve	General reserve	Other reserve	Accumulated profits (losses)	Total	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2010 (Unaudited)	7	–	–	–	291,132	291,139	299,590	590,729
Loss for the year	–	–	–	–	(8,927)	(8,927)	(30,525)	(39,452)
Other comprehensive income for the year								
– Exchange differences arising on translation of financial statements of foreign operation	–	222	–	–	–	222	–	222
Total comprehensive income (expense) for the year	–	222	–	–	(8,927)	(8,705)	(30,525)	(39,230)
Dividend paid to non-controlling interests	–	–	–	–	–	–	(114,275)	(114,275)
At 31 December 2010 and 1 January 2011 (Unaudited)	7	222	–	–	282,205	282,434	154,790	437,224
Loss for the year	–	–	–	–	(5,726)	(5,726)	(4,610)	(10,336)
Other comprehensive income for the year								
– Exchange differences arising on translation of financial statements of foreign operation	–	6,248	–	–	–	6,248	–	6,248
Total comprehensive income (expense) for the year	–	6,248	–	–	(5,726)	522	(4,610)	(4,088)
Reversal of dividend paid to non-controlling interests of a subsidiary in prior year	–	–	–	–	–	–	403	403
Acquisition of non-controlling interests	–	–	–	(110,800)	–	(110,800)	(75,293)	(186,093)
At 31 December 2011 and 1 January 2012 (Unaudited)	7	6,470	–	(110,800)	276,479	172,156	75,290	247,446
Profit for the year	–	–	–	–	115,501	115,501	39,455	154,956
Other comprehensive income for the year								
– Exchange differences arising on translation of financial statements of foreign operation	–	1,531	–	–	–	1,531	–	1,531
Total comprehensive income for the year	–	1,531	–	–	115,501	117,032	39,455	156,487
Appropriations	–	–	28,772	–	(28,772)	–	–	–
Dividend paid to non-controlling interests	–	–	–	–	–	–	(50,000)	(50,000)
At 31 December 2012 (Unaudited)	7	8,001	28,772	(110,800)	363,208	289,188	64,745	353,933

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2010	**2011**	**2012**
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
OPERATING ACTIVITIES			
(Loss) profit before taxation	(88,950)	(13,837)	325,481
Adjustments for :			
Change in fair value of investment properties	9,500	–	–
Depreciation of plant and equipment	95	85	75
Loss on disposal of plant and equipment	48	–	–
Impairment loss recognised in respect of properties held for sale	28,600	3,430	–
Reversal of impairment loss recognised in respect of properties held for sale	–	(6,904)	(1,577)
Interest income	(454)	(1,628)	(825)
Reversal of bad debts directly written off	–	(1,676)	–
Operating cash flows before movements in working capital	(51,161)	(20,530)	323,154
Increase in properties under development	(351,314)	(216,706)	(268,474)
Decrease in properties held for sale	175,906	67,932	563,635
(Increase) decrease in trade and other receivables	(21,613)	(22,142)	42,775
Increase (decrease) in trade and other payables	133,584	595,545	(381,247)
Cash (used in) generated from operations	(114,598)	404,099	279,843
PRC Enterprise Income Tax paid	(13,194)	(31,719)	(14,925)
PRC Land Appreciation Tax paid	(1,139)	–	(4,736)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(128,931)	372,380	260,182

	Year ended 31 December		
	2010	**2011**	**2012**
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
INVESTING ACTIVITIES			
(Increase) decrease in restricted bank deposits	(32,776)	(59,522)	92,298
Purchase of plant and equipment	(84)	(94)	(25)
Proceeds from sale of plant and equipment	3	–	–
Interest received	454	1,628	825
Deposit for acquisition of plant and equipment	–	–	(150,000)
(Advance to) repayment from fellow subsidiaries	–	(10,296)	(10,183)
NET CASH USED IN INVESTING ACTIVITIES	(32,403)	(68,284)	(67,085)
FINANCING ACTIVITIES			
New bank borrowings raised	350,000	–	–
Repayment of bank borrowings	–	(270,000)	(80,000)
Dividend paid to non-controlling interest interests	(114,275)	–	(50,000)
(Repayment to) advance from ultimate holding company	(85,172)	(2,222)	244
Advance from a fellow subsidiary	–	32	5
Interest paid	(9,522)	(17,841)	(3,881)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	141,031	(290,031)	(133,632)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(20,303)	14,065	59,465
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	128,365	108,062	122,127
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented bank balances and cash	108,062	122,127	181,592

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL

On 15 May 2013, Lead Prospect Investment Holdings Limited (the "Subsidiary") entered into a disposal agreement (the "Disposal Agreement") with an independent third party, Ace Goal Holdings Limited ("Ace Goal"). Pursuant to this Disposal Agreement, China Uptown Group Company Limited (the "Company") has conditionally agreed to dispose of the entire equity interest of Boom Lotus Holdings Limited ("Boom Lotus") and their subsidiaries (collectively referred as the "Disposal Group") and all the obligations, liabilities and debts owing to or incurred by the Disposal Group to the Company and its subsidiaries on or at any time prior to the completion of the Disposal Agreement to Ace Goal (the "Disposal") at a consideration of RMB560,000,000.

2. BASIS OF PRESENTATION OF UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

The consolidated financial information of the Disposal Group for each of the three years ended 31 December 2012 ("Unaudited Consolidated Financial Information") has been prepared in accordance with paragraph 68(2)(a)(i) of Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and solely for the purpose of inclusion in the circular to be issued by the Company in connection with the Disposal.

The consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows including the results and cash flows of the companies comprising the Disposal Group have been prepared as if the current group structure had been in existence since the respective date of incorporation up to 31 December 2012. The consolidated statements of financial position of the Disposal Group as at 31 December 2010, 2011 and 2012 have been prepared to present the assets and liabilities of the companies comprising the Disposal Group as if the current group structure had been in existence at those dates.

The amounts included in the Unaudited Consolidated Financial Information have been recognised and measured in accordance with the relevant accounting policies of the Company adopted in the preparation of its consolidated financial statements for the year ended 31 December 2012, which conform with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The Unaudited Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 "Presentation of Financial Statements" nor a set of condensed financial statements as defined in Hong Kong Accounting Standard 34 "Interim Financial Report" issued by the HKICPA.

A. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

31 May 2013

The Directors
China Uptown Group Company Limited
Suite 1501, 15/F
Tower 1, Silvercord
30 Canton Road, Tsimshatsui
Kowloon, Hong Kong

Dear Sirs,

We report on the unaudited pro forma financial information of China Uptown Group Company Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out in Section B of Appendix III to the circular issued by the Company dated 31 May 2013 (the "Circular") in connection with the proposed disposal of the entire equity interest in Boom Lotus Holdings Limited (together with its subsidiaries collectively referred to the "Disposal Group") (the Group excluding the Disposal Group hereinafter referred to as the "Remaining Group") and the sum of the outstanding loans due from the Disposal Group to the Remaining Group on completion (the "Disposal") (the "Unaudited Pro Forma Financial Information"). The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company (the "Directors") for illustrative purposes only, to provide information about how the Disposal might have affected the relevant financial information presented.

The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Section B below.

Respective responsibilities of Directors and reporting accountants

It is the responsibility solely of the Directors to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgements and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Remaining Group as at 31 December 2012 or any future date; and
- the results and cash flows of the Remaining Group for the year ended 31 December 2012 or any future periods.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Hon Kei, Anthony
Practising Certified Number: P05591

Hong Kong

B. UNAUDITED PRO FORMA FINANCIAL INFORMATION

Introduction to the unaudited pro forma financial information

The accompanying unaudited pro forma financial information of China Uptown Group Company Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") excluding Boom Lotus Holdings Limited ("Boom Lotus") and its subsidiaries (the "Disposal Group") (the Group excluding the Disposal Group hereinafter referred to as Boom Lotus and its subsidiaries collectively referred to the "Remaining Group") has been prepared by the directors of the Company (the "Directors") to illustrate the effect of the following proposed disposal of the entire equity interest in Boom Lotus and the sum of the outstanding loans due from the Disposal Group to the Remaining Group (the "Sale Loan") (the "Disposal").

The unaudited pro forma financial information has been prepared as if the Disposal has been completed on 31 December 2012 for the unaudited pro forma consolidated statement of financial position and on 1 January 2012 for the unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows.

The unaudited pro forma consolidated statement of financial position of the Remaining Group is prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2012 extracted from the published annual report of the Group for the year ended 31 December 2012, adjusted as described below, as if the Disposal had taken place on 31 December 2012.

The unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group are prepared based on the audited consolidated statement of comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2012 extracted from the published annual report of the Group for the year ended 31 December 2012, adjusted as described below, as if the Disposal had taken place on 1 January 2012.

The accompanying unaudited pro forma financial information of the Remaining Group is prepared by the Directors and based on a number of assumptions, estimates, uncertainties and currently available information to provide information of the Remaining Group upon completion of the Disposal. As it is prepared for illustrative purpose only and because of its hypothetical nature, it does not purport to give a true picture of the actual financial position, results and cash flows of the Remaining Group on completion of the Disposal. Furthermore, the accompanying unaudited pro forma financial information of the Remaining Group does not purport to predict the future financial position or results of operations of the Remaining Group after the completion of the Disposal. The unaudited pro forma financial information of the Remaining Group was prepared in accordance with paragraph 29 of Chapter 4 and paragraph 68(2)(a)(ii) of Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The unaudited pro forma financial information of the Remaining Group should be read in conjunction with the financial information of the Group included in the published annual report of the Group for the year ended 31 December 2012 and the financial information of the Disposal Group included in Appendix II to the Circular.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE REMAINING GROUP

For the year ended 31 December 2012

	The Group	**Pro forma adjustments**	**Pro forma adjustments**	**The Remaining Group**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	
Turnover	979,424	(904,409)		75,015
Cost of sales	(628,113)	562,059		(66,054)
Gross profit	351,311			8,961
Other operating income	1,844	(952)		892
Change in fair value of investment properties	20,100			20,100
Change in fair value of convertible bonds	(4,139)			(4,139)
Selling and distribution costs	(14,468)	13,216		(1,252)
Administrative expenses	(25,356)	4,605		(20,751)
Finance costs	(11,475)			(11,475)
Gain on disposal of subsidiaries	–		227,967	227,967
Profit before taxation	317,817			220,303
Taxation	(176,921)	170,525		(6,396)
Profit for the year	140,896			213,907
Exchange differences arising on translation of financial statements of foreign operations and total other comprehensive income for the year	3,538	(1,531)		2,007
Total comprehensive income for the year	144,434			215,914
Profit for the year attributable to:				
Owners of the Company	103,489	(115,501)	227,967	215,955
Non-controlling interests	37,407	(39,455)		(2,048)
	140,896			213,907
Total comprehensive income for the year attributable to:				
Owners of the Company	107,027	(117,032)	227,967	217,962
Non-controlling interests	37,407	(39,455)		(2,048)
	144,434			215,914

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE REMAINING GROUP

As at 31 December 2012

	The Group	Pro forma adjustments	Pro forma adjustments	The Remaining Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1)	*(Note 4)*	*(Note 5)*	
Non-current assets				
Property, plant and equipment	29,683	(173)		29,510
Investment properties	175,800			175,800
Prepaid lease payments	234			234
Goodwill	184,231		(184,231)	–
Available-for-sale investments	–			–
	389,948			205,544
Current assets				
Inventories	3,174			3,174
Properties under development	–			–
Properties held for sale	746,701	(746,701)		–
Trade and other receivables	18,606	(9,762)		8,844
Amounts due from group companies	–	(21,991)	21,991	–
Refundable deposit paid for a possible acquisition	150,000	(150,000)	150,000	150,000
Prepaid lease payments	6			6
Held-to-maturity investments	–			–
Held-for-trading investments	53			53
Bank balances and cash	196,668	(181,592)	558,510	573,586
	1,115,208			735,663
Current liabilities				
Trade and other payables	541,866	(523,744)	4,963	23,085
Amounts due to group companies	–	(87,885)	87,885	–
Income tax payable	147,951	(147,388)		563
Secured bank borrowings	13,198			13,198
Convertible bonds	132,405			132,405
Consideration payable	48,815			48,815
	884,235			218,066
Net current assets	230,973			517,597
Total assets less current liabilities	620,921			723,141

	The Group	Pro forma adjustments	Pro forma adjustments	The Remaining Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1)	*(Note 4)*	*(Note 5)*	
Capital and reserves				
Ordinary share capital	88,424			88,424
Convertible redeemable preference shares	152,006			152,006
Reserves	125,705		164,234	289,939
Equity attributable to owners of the Company	366,135			530,369
Non-controlling interests	62,912			(1,833)
Total equity	429,047			528,536
Non-current liabilities				
Convertible bonds	179,782			179,782
Deferred taxation	12,092	2,731		14,823
	191,874			194,605
Net assets (liabilities)	620,921			723,141

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING GROUP

For the year ended 31 December 2012

	The Group	Pro forma adjustments	Pro forma adjustments	The Remaining Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1)	*(Note 6)*	*(Note 7)*	
OPERATING ACTIVITIES				
Profit before taxation	317,817	(325,481)		(7,664)
Adjustments for:				
Amortisation of prepaid lease payments	6			6
Change in fair value of convertible bonds	4,139			4,139
Change in fair value of held-for-trading investments	164			164
Change in fair value of investment properties	(20,100)			(20,100)
Depreciation of property, plant and equipment	1,778	(75)		1,703
Equity-settled share-based payment expenses	3,742			3,742
Finance costs	11,475			11,475
Gain on disposal of investment properties	(316)			(316)
Impairment loss recognised in respect of trade receivables	31			31
Interest income	(850)	825		(25)
Reversal of impairment loss recognised in respect of inventories	(464)			(464)
Reversal of impairment loss recognised in respect of properties held for sale	(1,577)	1,577		–
Operating cash flows before movements in working capital	315,845			(7,309)
Decrease in inventories	796			796
Increase in properties under development	(268,474)	268,474		–
Decrease in properties held for sale	563,635	(563,635)		–
Decrease in trade and other receivables	43,688	(42,775)		913
(Decrease) increase in trade and other payables	(378,911)	381,247		2,336
Increase in amounts due to Disposal Group	–	9,934		9,934
Cash from operations	276,579			6,670
PRC Enterprise Income Tax paid	(5,921)	4,736		(1,185)
PRC Land Appreciation Tax paid	(14,925)	14,925		–
NET CASH FROM (USED IN) OPERATING ACTIVITIES	255,733			5,485

	The Group	Pro forma adjustments	Pro forma adjustments	The Remaining Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 1)	*(Note 6)*	*(Note 7)*	
INVESTING ACTIVITIES				
Refundable deposit paid for a possible acquisition	(150,000)	150,000		–
Purchase of property, plant and equipment	(26)	25		(1)
Interest received	850	(825)		25
Proceeds from disposal of investment properties, net of transaction costs	6,610			6,610
Decrease in restricted bank deposits	92,298	(92,298)		–
Proceed from disposal of subsidiaries	–		558,510	558,510
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(50,268)			565,144
FINANCING ACTIVITIES				
Repayment of bank borrowings	(85,961)	80,000		(5,961)
Dividend paid to non-controlling interests of a subsidiary	(50,000)	50,000		–
Interest paid	(9,457)	3,881		(5,576)
NET CASH USED IN FINANCING ACTIVITIES	(145,418)			(11,537)
NET INCREASE IN CASH AND CASH EQUIVALENTS	60,047			559,092
EFFECT ON FOREIGN EXCHANGE RATE CHANGES	(72)			(72)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	136,693	(122,127)		14,566
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	196,668			573,586

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

Notes:

Pursuant to the conditional agreement dated 13 May 2013 in relation to the Disposal, the refundable deposit of RMB150,000,000 will not be retained by the Disposal Group but will be assigned to the Remaining Group before completion of the Disposal. For the purpose of preparation of the unaudited pro forma financial information, the Directors consider that it gives a more representative picture of the effect of the Disposal upon the completion of the Disposal after taking into account the refundable deposit paid in respect to the possible acquisition as set out in the announcement of the Company dated 5 December 2012. The unaudited pro forma adjustments set out below for the unaudited pro forma consolidated statement of comprehensive income and consolidated statement of cash flows of the Remaining Group have been prepared based on the assumption that the refundable deposit had been paid immediately prior to the agreement on Disposal and the completion of the Disposal on 1 January 2012.

(1) Figures are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2012, and the consolidated statement of comprehensive income and the consolidated statement of cash flows of the Group for the year then ended as set out in the annual report of the Company for the year ended 31 December 2012.

(2) The adjustment represents the exclusion of the results of the Disposal Group for the year ended 31 December 2012, as if the Disposal had taken place on 1 January 2012. The results of the Disposal Group are extracted from the unaudited financial information of the Disposal Group for the year ended 31 December 2012 as set out in Appendix II of this circular.

(3) These adjustments reflect the pro forma gain on the Disposal, as if the Disposal had taken place on 1 January 2012. Pro forma gain on the Disposal is calculated as follows:

	RMB'000
Cash consideration	560,000
Adjustment to the consideration	
Decrease in the net asset value of the Disposal Group attributable to owners, after the adjustment for the increase in Sale Loan, amounting to RMB11,470,000, from 31 December 2012 to 1 January 2012	(105,562)
Increase in the valuation premium of the properties held for sale and properties under development attributable to owners from 31 December 2012 to 1 January 2012	63,733
Adjusted consideration	518,171
Less: Estimated direct expenses in relation to the Disposal	(1,490)
	516,681
Add: refundable deposit paid for a possible acquisition	150,000
Add: non-controlling interests	75,290
Less: net asset value of the Disposal Group as at 1 January 2012	(247,446)
Less: goodwill	(184,231)
Less: disposal of Sale Loan	(82,327)
Estimated pro forma gain on disposal of the Disposal Group	227,967

(4) The adjustment represents the exclusion of the assets and liabilities of the Disposal Group, as if the Disposal had taken place on 31 December 2012. The assets and liabilities of the Disposal Group are extracted from the unaudited financial information of the Disposal Group for the year ended 31 December 2012 as set out in Appendix II of the circular.

(5) These adjustments reflect the pro forma gain on the Disposal as if the Disposal had taken place on 31 December 2012. Pro forma gain on the Disposal is calculated as follows:

	RMB'000
Cash consideration	560,000
Less: Estimated direct expenses in relation to the Disposal	(1,490)
	558,510
Add: refundable deposit paid for a possible acquisition	150,000
Add: non-controlling interests	64,745
Less: net asset value of the Disposal Group as at 31 December 2012	(353,933)
Less: goodwill	(184,231)
Less: disposal of Sale Loan	(70,857)
Estimated pro forma gain on the Disposal	164,234

(6) The adjustment represents the exclusion of the cash flows of the Disposal Group for year ended 31 December 2012, as if the Disposal had taken place on 1 January 2012. The cash flows of the Disposal Group are extracted from the unaudited financial information of the Disposal Group for the year ended 31 December 2012 as set out in Appendix II of this circular.

(7) These adjustments represent the cash inflow from investing activities as follows, assuming the Disposal had taken place on 1 January 2012.

	RMB'000
Cash consideration	560,000
Less: Estimated direct expenses in relation to the Disposal	(1,490)
	558,510

(8) Notes 2, 3, 4, 5, 6 and 7 are not expected to have a continuing effect on the Group.

The following is the text of a letter, a summary of valuation and valuation certificates prepared for the purpose of incorporation in this circular received from Vigers Appraisal & Consulting Limited, a qualified and registered independent valuer, in connection with its valuation as at 28 February 2013 of the market value of the Properties.

Vigers Appraisal & Consulting Limited
International Assets Appraisal Consultants

VIGERS 威格斯

10th Floor, The Grande Building
398 Kwun Tong Road
Kowloon
Hong Kong

31 May 2013

The Directors
China Uptown Group Company Limited
Suite 1501, Tower 1,
Silvercord,
No. 30 Canton Road,
Tsim Sha Tsui,
Kowloon,
Hong Kong

Dear Sirs,

In accordance with the instructions of China Uptown Group Company Limited (the "Company") for us to value the property interests held by 珠海中珠房地產開發有限公司 (Zhuhai Zhongzhu Real Estate Development Company Ltd.) ("Zhong Zhu") in the People's Republic of China ("the PRC"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of such property interests as at 28 February 2013 ("valuation date") for the purpose of incorporation in the circular.

Our valuation is our opinion of the market value of the property interest which we would define market value as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

In valuing the property interests which are held by Zhong Zhu for sale in the PRC, we have valued the properties by the direct comparison approach assuming sale of the properties in their existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

Our valuation has been made on the assumption that the owner sells the property interests on the open market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of the property interests. In addition, no forced sale situation in any manner is assumed in our valuation.

We have not caused title searches to be made for the property interests at the relevant government bureau in the PRC. We have been provided with certain extracts of title documents relating to the property interests. However, we have not inspected the original documents to verify the ownership, encumbrances or the existence of any subsequent amendments which may not appear on the copies handed to us. In undertaking our valuation for the property interests, we have relied on the legal opinion (the "PRC legal opinion") provided by the Company's PRC legal adviser, Guangdong Zhong Cheng Law Firm.

We have relied to a considerable extent on information provided by the Company and have accepted advice given to us by the Company on such matters as planning approvals or statutory notices, easements, tenure, occupation, lettings, site and floor areas and in the identification of the property and other relevant matter. We have also been advised by the Company that no material facts had been concealed or omitted in the information provided to us. All documents have been used for reference only.

All dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Company and are approximations only. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. The site inspection was carried out on 27 March 2013 by Mr. Clement Tam, Chartered Surveyor. However, we have not carried out a structural survey nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the properties are free from defect. No tests were carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interest nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Our valuation is prepared in accordance with the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors (HKIS) and the requirements set out in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

Unless otherwise stated, all money amounts stated are in Renminbi (RMB). The exchange rate used in valuing the property interest in the PRC as at 28 February 2013 was HK$1=RMB0.803. There has been no significant fluctuation in the exchange rate for Renminbi against Hong Kong Dollars (HK$) between that date and the date of this letter.

We enclose herewith a summary of valuation and valuation certificates.

Yours faithfully,
For and on behalf of
Vigers Appraisal & Consulting Limited
Raymond Ho Kai Kwong
Registered Professional Surveyor (GP)
MRICS MHKIS MSc(e-com)
China Real Estate Appraiser
Managing Director

Note: Mr. Raymond Ho Kai Kwong, Chartered Surveyor, MRICS MHKIS MSc(e-com), has over twenty five years' experiences in undertaking valuations of properties in Hong Kong and has over eighteen years' experiences in valuations of properties in the PRC.

SUMMARY OF VALUATION

Property interests held by Zhong Zhu for sale in the PRC

	Property	Market Value in existing state as at 28 February 2013
1.	Unsold portion of Zhongzhu Uptown Phase 1 (中珠 • 上城一期), No. 1 Shanghua Road, Xiangzhou District, Zhuhai City, Guangdong Province, the PRC	RMB117,580,000 (equivalent to approximately HK$146,430,000)
2.	Unsold portion of Zhongzhu Uptown Phase 2 (中珠 • 上城二期), No. 2 Shanghua Road, Xiangzhou District, Zhuhai City, Guangdong Province, the PRC	RMB801,000,000 (equivalent to approximately HK$997,510,000)
	Grand total:	**RMB918,580,000 (equivalent to approximately HK$1,143,940,000)**

VALUATION CERTIFICATES

Property interests held by Zhong Zhu for sale in the PRC

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 28 February 2013
1.	Unsold portion of Zhongzhu Uptown Phase 1 (中珠 • 上城一期), No. 1 Shanghua Road, Xiangzhou District, Zhuhai City, Guangdong Province, the PRC	The property comprises the unsold portion of Zhongzhu Uptown Phase 1 having a total gross floor area of approximately 9,560.83 sq.m. and 248 car parking spaces completed in 2009. According to the Group, the gross floor area of the property is as follows: **Use** / **Approximate Gross Floor Area** *(sq.m.)* Residential 3,404.44 Commercial 6,156.39 Total: 9,560.83 The property is held with the land use rights for terms expiring on 5 July 2076 and 5 July 2046 for residential and commercial uses respectively.	The property is currently vacant.	RMB117,580,000 (equivalent to approximately HK$146,380,000)

Notes:

1. According to a Real Estate Ownership Certificate (Document No.: Yue Fang Di Zheng Zi No. C4701426), the land use rights of the property having a site area of approximately 48,382.70 sq.m. have been granted to 珠海中珠房地產開發有限公司 (Zhuhai Zhongzhu Real Estate Development Company Ltd.) for terms expiring on 5 July 2076 and 5 July 2046 for residential and commercial uses respectively.

2. According to a Planning Permit for Construction Land (Document No.: 2006 Yong Di Zi No. 079) issued by Zhuhai City Planning Bureau on 4 July 2006, the construction site of a parcel of land with a site area of approximately 48,382.70 sq.m. is in compliance with the urban construction requirements.

3. According to 2 Planning Permits for Construction Works (Document Nos.: 2006 Gui Zi Nos. 0941-1 and 094-2) issued by Zhuhai City Planning Bureau on 31 May 2006, the property being part of the construction works of Zhongzhu Uptown Phase 1 with a total gross floor area of 143,876.93 sq.m. is in compliance with the urban construction requirements and are approved.

4. According to 3 Permits for Commencement of Construction Works (Document Nos.: 440400200605316101, 440400200605316001 and 440400200809080201) issued by Zhuhai City Construction Bureau, the property being part of the construction works of Zhongzhu Uptown Phase 1 with a total gross floor area of 125,405.34 sq.m. is in compliance with the requirements for works commencement and are approved.

5. According to 2 Commodity Housing Pre-sale Permits (Document Nos.: S200700036 and S200700036-2) issued by Zhuhai City Construction Bureau, the property being part of the Zhongzhu Uptown Phase 1 with a total gross floor area of 107,305.72 sq.m. is permitted for pre-sale.

6. The PRC legal opinion states, inter alia, the following:

   (i) 珠海中珠房地產開發有限公司 (Zhuhai Zhongzhu Real Estate Development Company Ltd.) has legally obtained the title of the property and has the right to transfer and dispose the property.

   (ii) The land premium has been duly paid and settled.

   (iii) The property is free from any mortgages, charges and third party encumbrances.

7. The status of title and grant of major approvals and permits in accordance with the PRC legal opinion and information provided by the Company are as follows:

(i)	Real Estate Ownership Certificate	Yes
(ii)	Planning Permit for Construction Land	Yes
(iii)	Planning Permit for Construction Works	Yes
(iv)	Permit for Commencement of Construction Works	Yes
(v)	Commodity Housing Pre-sales Permit	Yes

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 28 February 2013
2.	Unsold portion of Zhongzhu Uptown Phase 2 (中珠 • 上城二期), No. 2 Shanghua Road, Xiangzhou District, Zhuhai City, Guangdong Province, the PRC	The property comprises the unsold portion of Zhongzhu Uptown Phase 2 having a total gross floor area of approximately 49,665.95 sq.m. and 451 car parking spaces completed in 2012. According to the Group, the gross floor area of the property is as follows: **Use** / **Approximate Gross Floor Area** *(sq.m.)* Residential: 46,540.05 Commercial: 3,125.90 Total: 49,665.95 The property is held with the land use rights for terms expiring on 5 July 2076 and 5 July 2046 for residential and commercial uses respectively.	The property is currently vacant.	RMB801,000,000 (equivalent to approximately HK$997,510,000)

Notes:

1. According to a Real Estate Ownership Certificate (Document No.: Yue Fang Di Zheng Zi No. C4701427), the land use rights of the property having a site area of approximately 57,762.92 sq.m. have been granted to 珠海中珠房地產開發有限公司 (Zhuhai Zhongzhu Real Estate Development Company Ltd.) for terms expiring on 5 July 2076 and 5 July 2046 for residential and commercial uses respectively.

2. According to a Planning Permit for Construction Land (Document No.: 2006 Yong Di Zi No. 078) issued by Zhuhai City Planning Bureau on 4 July 2006, the construction site of a parcel of land with a site area of approximately 57,762.92 sq.m. is in compliance with the urban construction requirements.

3. According to 2 Planning Permits for Construction Works (Document Nos.: 2006 Gui Zi Nos. 0941-3 and 094-4) issued by Zhuhai City Planning Bureau on 31 May 2006, the property being part of the construction works of Zhongzhu Uptown Phase 2 with a total gross floor area of 176,747.59 sq.m. is in compliance with the urban construction requirements and are approved.

4. According to a Permit for Commencement of Construction Works (Document No.: 440400201001180101) issued by Zhuhai City Construction Bureau, the property being part of the construction works of Zhongzhu Uptown Phase 2 with a total gross floor area of 170,838.66 sq.m. is in compliance with the requirements for works commencement and are approved.

5. According to 4 Commodity Housing Pre-sale Permits (Document Nos.: S200700036-3, S200700036-4, S200700036-5 and S200700036-6) issued by Zhuhai City Construction Bureau, the property being part of the Zhongzhu Uptown Phase 2 with a total gross floor area of 121,712.71 sq.m. is permitted for pre-sale.

6. The PRC legal opinion states, inter alia, the following:

   (i) 珠海中珠房地產開發有限公司 (Zhuhai Zhongzhu Real Estate Development Company Ltd.) has legally obtained the title of the property and has the right to transfer and dispose the property.

   (ii) The land premium has been duly paid and settled.

   (iii) The property is free from any mortgages, charges and third party encumbrances.

7. The status of title and grant of major approvals and permits in accordance with the PRC legal opinion and information provided by the Company are as follows:

(i)	Real Estate Ownership Certificate	Yes
(ii)	Planning Permit for Construction Land	Yes
(iii)	Planning Permit for Construction Works	Yes
(iv)	Permit for Commencement of Construction Works	Yes
(v)	Commodity Housing Pre-sales Permit	Yes

PROPERTY INTEREST, PROPERTY VALUATION AND RECONCILIATION OF APPRAISED PROPERTY VALUE WITH NET BOOK VALUE

Vigers Appraisal & Consulting Limited, a qualified and registered independent valuer, has valued the property interest in the Properties held by Zhong Zhu, a subsidiary of the Disposal Group, at 28 February 2013 and is of the opinion that the market value of the property interest amounted to approximately RMB918,580,000 as at 28 February 2013.

Set forth below is the reconciliation of the valuation figure of the property interest with the figures included in the unaudited consolidated financial statements of the Disposal Group:

	RMB'000
Book value as at 31 December 2012 (as extracted from Appendix II to this circular)	746,701
Movements during the two months ended 28 February 2013:	
Disposals	(193,048)
Book value as at 28 February 2013	553,653
Valuation surplus	364,927
Market value as at 28 February 2013 (as extracted from Appendix IV to this circular)	918,580

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make may statement herein or this circular misleading.

2. DIRECTORS' INTEREST AND SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the Latest Practicable Date, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (1) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (2) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (3) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") of the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

	Number of Shares held				
Name of Directors	**Personal interest**	**Corporate interest**	**Number of options held**	**Total**	**Approximate percentage of shareholding**
Ms. XIA Dan (*Note*)	–	79,500,000	4,000,000	83,500,000	8.87%
Mr. Chen Xian	–	–	8,000,000	8,000,000	0.85%
Mr. LAU Sai Chung	148,000	–	4,000,000	4,148,000	0.44%
Mr. Poon Lai Yin, Michael	–	–	500,000	500,000	0.05%
Mr. Chan Chun Fai	–	–	500,000	500,000	0.05%
Mr. Ng Kwok Chu, Winfield	–	–	500,000	500,000	0.05%

*Note: Ms. Xia Dan ("**Ms. Xia**") is taken to be interested in 79,500,000 shares held by Mega Edge International Limited which is 100% owned by Ms. Xia. By virtue of the SFO, Ms. Xia is deemed to have interest of the Shares held by Mega Edge International Limited.*

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executive of the Company nor their associates had any interest or short position in shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept under Section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than the Directors or the chief executive of the Company) have interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of division 2 and 3 of Part XV of the SFO, or which were recorded in the register of substantial shareholder required to be kept by the Company under section 336 of the SFO:

(i) Long position in ordinary Shares

Substantial Shareholders	Capacity and nature of interest	Number of Shares held	Approximate percentage of shareholding
Mega Edge International Limited (*Note*)	Registered Shareholder	79,500,000	8.44%
Mr. Ho Man Hung	Registered Shareholder	185,600,000	19.71%

Note: Mega Edge International Limited, which is 100% owned by Ms. Xia Dan, an executive Director of the Company. By virtue of the SFO, Ms. Xia is deemed to have interest of Shares held by Mega Edge International Limited.

(ii) Long position in underlying Shares

Name	Capacity and nature of interest	Number of Underlying Shares held	Approximate percentage of shareholding
Preference shares:			
Best Contact Holdings Limited ("**Best Contact**") *(Notes 1 and 2)*	Beneficial owner	268,421,054	28.51%
Mr. Xu Deliang *(Note 2)*	Interest of a controlled corporation	268,421,054	28.51%

Name	Capacity and nature of interest	Number of Underlying Shares held	Approximate percentage of shareholding
Convertible bonds:			
Seaton Limited *(Note 3)*	Beneficial owner	349,908,338	37.17%
Leading Front Limited *(Note 3)*	Interest of a controlled corporation	349,908,338	37.17%
Mr. Ho Man Hung	Interest of a controlled corporation	349,908,338	37.17%
Zilver Yuan Investment Partners Ltd. ("**Zilver Yuan**") *(Note 4)*	Beneficial owner	271,186,440	28.81%
Bank of China Group Investment Limited ("**BOCGI"**) *(Note 4)*	Interest of a controlled corporation	271,186,440	28.81%
Bank of China Limited ("**BOC**") *(Note 4)*	Interest of a controlled corporation	271,186,440	28.81%
Central Huijin Investment Ltd. ("**Huijin**") *(Note 4)*	Interest of a controlled corporation	271,186,440	28.81%

Notes:

1. *The Company entered into a subscription and option agreement on 26 May 2006 with Weina (BVI) Limited ("Weina") and through such agreement and the exercise of option by the Company, Weina is interested in 350,000,000 convertible redeemable preference shares of the Company and has the right to convert the aforesaid shares in 350,000,000 Shares (based on its initial conversion price). On 2 June 2009, the Company and Weina entered into a first supplemental agreement to extend the conversion period for the aforesaid shares for a further 12 months from the expiry date of the conversion period under the subscription and option agreement. By a second supplemental agreement dated 23 October 2009, the conversion period shall be extended automatically for a period of 12 months with effect from each expiry date of the said conversion period unless (i) Weina serves a written notice on the Company notifying its intention of not extending the said conversion period for a further 12 months not later than 7 days prior to the expiry date of the said conversion period, and (ii) the Company agrees not to extend the said conversion period for a further 12 months upon receiving such notice. It is also agreed that the convertible redeemable preference shares shall become transferable. On 25 May 2010, Weina transferred 225,000,000 convertible redeemable preference shares to Best Contact. On 31 August 2010, Weina further transferred 50,000,000 convertible redeemable preference shares to certain individuals. On 17 March 2011, Weina further transferred 75,000,000 convertible redeemable preference shares to Best Contact.*

   Moreover, the Company entered into a sale and purchase agreement on 17 November 2006 with Weina Holdings Limited and through such agreement, Weina (as designated by Weina Holdings Limited) is interested in 110,000,000 convertible redeemable preference A shares of the Company and has the right to convert the aforesaid preference A shares into 110,000,000 Shares. By a supplemental agreement dated 23 October 2009, the conversion period for the aforesaid preference A shares is extended for a further 12 months from the expiry date of the conversion *period; the said conversion period shall be extended automatically for a period of 12 months with effect from each expiry date of the said conversion period unless (i) Weina serves a written notice on the Company notifying its intention of not extending the said conversion period for a further 12 months not later than 7 days prior to the expiry date of the said conversion period, and (ii) the Company agrees not to extend the said conversion period for a further 12 months upon receiving such notice. It is also agreed that the convertible redeemable preference A shares shall become transferable. On 25 May 2010, Weina transferred 5,000,000 convertible redeemable preference A shares to Best Contact. On 31 August 2010, Weina further transferred 70,000,000 convertible redeemable preference A shares to certain individuals. On 17 March 2011, Weina further transferred 35,000,000 convertible redeemable preference A shares to Best Contact.*

In accordance with the terms and conditions of the convertible redeemable preference shares and the convertible redeemable preference A shares, the conversion price of the convertible redeemable preference shares and the convertible redeemable preference A shares will be adjusted as a result of the issue of the Convertible Bonds to HK$0.38.

2. *Best Contact is legally and beneficially owned by Mr. Xu Deliang. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Xu Deliang is an independent third party of the substantial Shareholders and Directors.*

   On 14 November 2012, Best Contact has exercised HK$30,000,000 principal amount of the Preference Shares and HK$4,000,000 principal amount of the Preference A Shares at the adjusted Conversion Price of HK$0.38 and 78,947,368 and 10,526,315 Conversion Shares have been issued accordingly.

   As at 31 December 2012, Best Contact have 19,473,683 ordinary shares of the Company, which represented 2.07% of the issued share capital of the Company.

   As at 31 December 2012, Mr. Xu Deliang also directly owned 21,980,000 ordinary shares of the Company, which represented approximately 2.33% of the issued share capital of the Company. Together with the ordinary shares owned by Best Contact, Mr. Xu Deliang is deemed to have approximately 4.40% of the issued share capital of the Company.

3. *On 3 December 2010, the Company entered into an acquisition agreement with Seaton Limited and through such agreement and the exercise of the conversion right of the convertible bonds, Seaton Limited is interested in 283,425,754 shares of the Company (based on its initial conversion price). The acquisition was completed and the convertible bonds were issued on 1 March 2011. With reference to the announcement of the Company dated 4 March 2013, the conversion price of the convertible bonds was adjusted HK$0.657315 with effective from 1 March 2013. Based on the adjusted conversion price, an aggregate number of 349,908,338 ordinary shares of the Company can be converted.*

   Seaton Limited is 100% owned by Leading Front Limited and Leading Front Limited is 100% owned by Mr. Ho Man Hung. Accordingly, Mr. Ho Man Hung and Leading Front Limited are deemed to be interested in the relevant convertible bonds issued by the Company to Seaton Limited.

4. *On 19 September 2010, the Company entered into a subscription agreement with Zilver Yuan and through such agreement and the exercise of the conversion right of the convertible bonds, Zilver Yuan is interested in 271,186,440 shares of the company (based on its initial conversion price). The subscription was completed and the convertible bonds are issued on 1 December 2010.*

   Zilver Yuan is 100% owned by BOCGI and BOCGI is 100% owned by BOC. Huijin owned 67.53% capital of BOC. Accordingly, Huijin, BOC, BOCGI are deemed to be interested in the relevant convertible bonds issued by the Company to Zilver Yuan.

Save as disclosed above, no person had registered interest in the share capital of the Company that was required to be disclosed under Division 2 and 3 of the Part XV of the SFO and the Listing Rules.

Save for the shareholders as disclosed herein, the Directors are not aware of any persons, who, as at the Latest Practicable Date, were entitled to exercise or control the exercise of 5% or more of the voting power at the general meeting of the Company and were also, a practicable matter, able to direct or influence the management of the Company.

4. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2012, being the date to which the latest published audited consolidated accounts of the Group were made up.

There was no contract or arrangement subsisting at the Latest Practicable Date in which any Director was materially interested and which was significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, each of the executive Directors has entered into a service agreement with the Company without fixed term. Each of the executive Directors may receive a discretionary bonus, the amount of which will be determined by the Board of Directors as its absolute discretion having regard to the operation results of the Company.

As at the Latest Practicable Date, no Director of the Company proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

6. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, no Directors or the substantial shareholders of the Company and their respective associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, as defined in the Listing Rules.

7. LITIGATIONS

As at the Latest Practicable Date, the Group has the following litigations:

(i) On 12 December 2009, the Company received a writ of summons from Global Tide Limited ("**Global Tide**"). Global Tide brought civil action in the High Court of the Hong Kong Special Administrative Region against the Company for compensation and damages of approximately HK$8,834,000 (the "**Claim**") in relation to the disposal of its former wholly-owned subsidiary, Magic Gain Investments Limited. Details of the Claim are set out in the announcement of the Company dated 16 December 2009.

    On 31 January 2012, Global Tide filed an amended statement of claim in the High Court. Pursuant to which the claim was revised and reduced to HK$7,967,000. The Company decided to defend against the Claim and obtained legal advice in respect of the merits of the Claim. The Directors expect that there will not be any material adverse financial effect on the earnings, net assets and liabilities of the Company and its subsidiaries.

(ii) On 31 January 2013, an indirectly wholly-owned subsidiary, 德維森實業(深圳)有限公司 received a writ of summons from 廣東國暉律師事務所 in relation to the full payment of a legal fee of RMB18,000,000 for the professional services rendered for the investigation of an investment in a trust company.

The Company decided to defend against and obtained legal advice in respect of the merits of the claim. The Directors expect that there will not be any material adverse financial effect on the earnings, net assets and liabilities of the Company and its subsidiaries.

8. MATERIAL CONTRACTS

Within the two years immediately preceding the issue of this circular, the following contracts (not being contracts entered into in the ordinary course of business of the Group) has been entered into by members of the Group and are or may be material:

(1) a second supplemental agreement dated 18 November 2011 entered into between Mr. Ho Man Hung and Boom Lotus in relation to the deferral of payment of the remaining sum of HK$61,666,423 under the sale and purchase agreement entered into between Mr. Ho Man Hung and Boom Lotus dated 11 August 2009 to 20 February 2013;

(2) a third supplemental agreement dated 20 February 2013 entered into between Mr. Ho Man Hung and Boom Lotus in relation to the further deferral of payment of the remaining sum of HK$63,593,000 under the sale and purchase agreement entered into between Mr. Ho Man Hung and Boom Lotus dated 11 August 2009 to 20 November 2013;

(3) a non-legally binding letter of intent dated 5 December 2012 (as amended and supplemented by a supplemental letter of intent dated 15 April 2013) entered into between Boom Lotus and an independent third party in relation to the potential acquisition of 70% equity interest in a company established in the PRC which is principally engaged in property development; and

(4) the Agreement.

9. QUALIFICATIONS AND CONSENTS OF EXPERTS

The followings are the qualifications of the experts who have given opinions or advice contained in this circular:

Name	Qualification
SHINEWING (HK) CPA Limited	Certified public accountants
Vigers Appraisal & Consulting Limited	Professional surveyors and valuers

As at the Latest Practicable Date, each of SHINEWING (HK) CPA Limited and Vigers Appraisal & Consulting Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its opinions, advice and/or letter in the form and context in which it appears herein.

As at the Latest Practicable Date, all the experts aforementioned were not beneficially interested in the share capital of member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the experts aforementioned has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2012, being the date to which the latest published audited consolidated accounts of the Group were made up.

10. GENERAL

(i) The registered address of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands.

(ii) The head office and principal place of business of the Company in Hong Kong is at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

(iii) The principal share registrar and transfer office of the Company is at Royal Bank of Canada Trust Company (Cayman) Limited, 4th Floor, Royal Bank House, 24 Shedden Road, George Town, Grand Cayman KY 1-1110, Cayman Islands.

(iv) The Hong Kong branch share registrar and transfer office of the Company is at Union Registrars Limited, 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.

(v) The company secretary of the Company is Mr. Fu Lui. Mr. Fu was appointed as the financial controller and company secretary of the Company with effect from 2 July 2010. Mr. Fu is a member of Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He holds a master degree in business administration from The Chinese University of Hong Kong and a bachelor degree in accountancy from The Hong Kong Polytechnic University. He has extensive professional experience in accounting.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during business hours at the head office and principal place of business of the Company in Hong Kong at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong from the date of this circular up to and including the date of the EGM:

(i) the memorandum and articles of association of the Company;

(ii) the material contracts referred to under the section headed "Material contracts" in this appendix;

(iii) the annual reports of the Company for each of the three financial years ended 31 December 2012;

(iv) the review report on the Disposal Group for each of the three years ended 31 December 2012 as set out in Appendix II to this circular;

(v) the report on unaudited pro forma financial information on the Remaining Group as set out in Appendix III to this circular;

(vi) the valuation report on the Disposal Group as set out in Appendix IV to this circular;

(vii) the written consents from the experts referred to under the section headed "Qualifications and consents of experts" in this appendix; and

(viii) this circular.

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)

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the "**EGM**") of China Uptown Group Company Limited (the "**Company**" and its subsidiaries, collectively the "**Group**") will be held at Fountains Room 5, LG/F, Hotel Nikko Hong Kong, 72 Mody Road, Tsimshatsui, Kowloon, Hong Kong on 19 June 2013 at 10:30 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTIONS

1. "**THAT** the conditional agreement dated 15 May 2013 (the "**Agreement**") entered into between Lead Prospect Investment Holdings Limited as vendor (the "**Vendor**") and Ace Goal Holdings Limited as the purchaser (the "**Purchaser**") pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire issued share capital of Boom Lotus Holdings Limited ("**Boom Lotus**", and its subsidiaries, collectively the "**Disposal Group**") and the loan due from the Disposal Group to the Group (excluding the Disposal Group) as at the date of the Agreement (after netting off the amount due from the Group to the Disposal Group) amounting to RMB70,857,000 which bears no interests at a consideration of RMB560 million be and is hereby approved, confirmed and ratified;"

2. "**THAT** subject to and conditional upon passing of resolution no.1 above, a share charge (the "**Share Charge**") to be executed and delivered by the Purchaser in favour of the Vendor pursuant to which the entire issued share capital of Boom Lotus is to be made subject to a charge in favour of the Vendor, upon the terms and subject to the conditions set out in the Share Charge and all the transactions contemplated thereby, be and are hereby approved and confirmed;"

3. "**THAT** any one director of the Company be and is/are hereby authorized for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her/them to be incidental to, ancillary to or in connection with matters contemplated in or relating to the Agreement as he/she/they may consider necessary, desirable or expedient."

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

Hong Kong, 31 May 2013

Registered office:
Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong:
Suite 1501, 15th Floor
Tower 1, Silvercord
30 Canton Road
Tsimshatsui, Kowloon
Hong Kong

Notes:

1. A member entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of associations of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's head office and principle place of Business in Hong Kong at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the EGM or any adjournment thereof, should he so wish.

3. In the case of joint holders of shares of the Company, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.

4. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you wish, and in such event, the form of proxy shall be deemed to be revoked.

5. As at the date of this notice, 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. Chan Chun Fai and Mr. Ng Kwok Chu, Winfield.