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## **China Uptown Group Company Limited**

**中國上城集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2330)**

### **SUPPLEMENTAL LETTER OF INTENT IN RELATION TO A POSSIBLE ACQUISITION**

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions.

#### **SUPPLEMENTAL LETTER OF INTENT AND POSSIBLE ACQUISITION**

References are made to the two announcements of the Company respectively dated 27 August 2013 and 28 August 2013 regarding the non-legally binding Letter of Intent dated 27 August 2013 entered into by the Company, the Potential Vendor and Mr. Huang (being the sole beneficial owner of the Potential Vendor) in relation to the Possible Acquisition.

After trading hours of the Stock Exchange on 30 December 2013, the Company, the Potential Vendor, Mr. Huang and Shenzhen LSH (which is also solely and beneficially owned by Mr. Huang) entered into the non-legally binding Supplemental Letter of Intent for the purpose of supplementing and amending the Letter of Intent, inter alia, by (i) confirming the current ownership of the Target Equity Interest vested in Shenzhen LSH upon completion of transfer of the Target Equity Interest by the Potential Vendor to Shenzhen LSH; (ii) notifying and acknowledging the proposed assignment of the Target Shareholder's Loan by the Potential Vendor to Shenzhen LSH; and (iii) extending the validity period of the Letter of Intent from 31 December 2013 to 31 January 2014 and, subject to the grant of the Construction Permit to the Target Company on or before 31 January 2014, further to 28 February 2014. Save for the change of the owner and vendor of the Target Equity Interest, as well as the proposed assignment of the Target Shareholder's Loan from the Potential Vendor to Shenzhen LSH (while the ultimate beneficial owner of the Target Equity Interest remains unchanged and continues to be Mr. Huang, being the sole beneficial owner of both the Potential Vendor and Shenzhen LSH), and the extension of the validity period of the Letter of Intent for the Possible Acquisition, other major terms of the Letter of Intent remain unchanged.

## **POSSIBLE ACQUISITION**

As set out in the Announcements, the Possible Acquisition involves the possible acquisition by the Group of the Target Equity Interests and the Target Shareholder's Loan. The Target Company is principally engaged in property development and has been granted and owns the land use certificates in respect of the Land which will be developed into a mix of residential and commercial properties. The Target Company has applied for the Construction Permit in respect of the development of the Land, which is expected to be granted to the Target Company on or before 31 January 2014. The Directors believe that it is in the interest of the Company to extend the Exclusivity Period to 31 January 2014 and, subject to the grant of the Construction Permit to the Target Company on or before 31 January 2014, further to 28 February 2014 by entering into the Supplemental Letter of Intent and sign any formal agreement relating to the Possible Acquisition, if any, after the grant of the Construction Permit (which is considered to be critical to the development of the Land and any terms and conditions relating to the grant thereof may affect the consideration for the Target Equity Interest) to the Target Company.

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

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions.

## **SUPPLEMENTAL LETTER OF INTENT**

References are made to the Company's announcement dated 27 August 2013 (the "**Announcement I**") and the announcement dated 28 August 2013 (the "**Announcement II**", together with the Announcement I collectively referred as "**Announcements**") regarding the non-legally binding Letter of Intent entered into by the Company, the Potential Vendor and Mr. Huang Shibao (黃石保) ("**Mr. Huang**") (being the sole beneficial owner of the Potential Vendor and referred to as "Party A" in the Announcement I) in relation to the Possible Acquisition. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

After trading hours of the Stock Exchange on 30 December 2013, the Company, the Potential Vendor, Mr. Huang and Shenzhen Longshenghang Supply Chain Limited\* (深圳市隆盛行供應鏈有限公司) ("**Shenzhen LSH**") (as advised by Mr. Huang, being a company established in the PRC solely and beneficially owned by Mr. Huang and referred to as "Party A's Company" in the Announcement I) entered into a non-legally binding supplemental letter of intent (the "**Supplemental Letter of Intent**") for the purpose of supplementing and amending the Letter of Intent, inter alia, by (i) confirming that the current ownership of the Target Equity Interest has already vested in Shenzhen LSH upon completion of transfer of the Target Equity Interest by the Potential Vendor to Shenzhen LSH; (ii) notifying and acknowledging the proposed assignment of

the Target Shareholder's Loan by the Potential Vendor to Shenzhen LSH; and (iii) extending the validity period of the Letter of Intent from 31 December 2013 to 31 January 2014 and, subject to the grant of the construction permit (施工許可證) (the "**Construction Permit**") in respect of the development of the Land to the Target Company on or before 31 January 2014, further to 28 February 2014. Save for the change of the owner and vendor of the Target Equity Interest, as well as the proposed assignment of the Target Shareholder's Loan from the Potential Vendor to Shenzhen LSH (while the ultimate beneficial owner of the Target Equity Interest remains unchanged and continues to be Mr. Huang, being the sole beneficial owner of both the Potential Vendor and Shenzhen LSH), and the extension of the validity period of the Letter of Intent for the Possible Acquisition, other major terms of the Letter of Intent remain unchanged.

## **POSSIBLE ACQUISITION**

As set out in the Announcement I, the Possible Acquisition involves the possible acquisition by the Group of the Target Equity Interests and the Target Shareholder's Loan, being 90% equity interests in the Target Company and the shareholder's loan due by the Target Company. The Target Company is a company established under the laws of the PRC principally engaged in property development. The Target Company has been granted and owns the land use certificates (土地使用證) in respect of the Land which will be developed into a mix of residential and commercial properties. The Company has been advised by Mr. Huang that the Target Company has applied for the Construction Permit in respect of the development of the Land and in light of the current progress, it is expected that the Construction Permit will be granted to the Target Company on or before 31 January 2014.

According to the Letter of Intent, the Company has been granted the sole and exclusive right to negotiate with the parties in relation to the Possible Acquisition during the period (the "**Exclusivity Period**") up to and including 31 December 2013. Having considered (i) the progress of the Target Company's application for the Construction Permit; (ii) the criticalness of the grant of the Construction Permit to the development of the Land and the Company's final decision in investing in the Target Company and the Land through the acquisition of the Target Equity Interest and the Target Shareholder's Loan; and (iii) any terms and conditions relating to the grant of the Construction Permit that may affect the valuation of the Land and the property(ies) to be developed thereon and the consideration for the Target Equity Interest, the Directors believe that it is in the interest of the Company to extend the Exclusivity Period to 31 January 2014 and, subject to the grant of the Construction Permit to the Target Company on or before 31 January 2014, further to 28 February 2014 and sign any formal agreement relating to the Possible Acquisition (if any and subject to (a) due diligence by the Company of the Target Company and the Land; and (b) further negotiation (among the parties of the Supplemental Letter of Intent) after the grant of the Construction Permit to the Target Company which is expected to take place on or before 31 January 2014. As such, the parties entered into the Supplemental Letter of Intent on 30 December 2013, pursuant to which the Company will continue to enjoy the sole and exclusive right to negotiate with the parties in relation to the Possible Acquisition during the extended Exclusivity Period up to and including 31 January 2014 or, subject to the grant of the Construction Permit to the Target Company on or before 31 January 2014, up to and including 28 February 2014.

Pursuant to the terms of the Letter of Intent, (i) the Company has paid the Refundable Deposit to the Potential Vendor; and (ii) the pledge of the Target Equity Interest (the “**Pledge**”) held by Shenzhen LSH in favor of a wholly-owned subsidiary of the Company for securing the Refundable Deposit has been registered with the Administration Bureau for Industry and Commerce of Maoming City\* (茂名市工商行政管理局). Pursuant to the Supplemental Letter of Intent, the Pledge will continue to be effective and will not be released by the Group. In case no formal agreement relating to the Possible Acquisition is entered into, the Potential Vendor and Shenzhen LSH shall jointly and severally within 15 business days from:

- (a) the expiry of the Letter of Intent (as supplemented by the Supplemental Letter of Intent) on 31 January 2014 or, subject to the grant of the Construction Permit to the Target Company on or before 31 January 2014, on 28 February 2014; or
- (b) date of termination of the Letter of Intent (as supplemented by the Supplemental Letter of Intent) as agreed by the parties to Letter of Intent (as supplemented by the Supplemental Letter of Intent),

whichever is earlier, repay the Refundable Deposit (together with the relevant interest accrued thereon) to the Company.

Further announcement will be made by the Company upon execution of any formal agreement relating to the Possible Acquisition, or upon expiry or termination of the Letter of Intent (as supplemented by the Supplemental Letter of Intent) accordingly.

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

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

Hong Kong, 30 December 2013

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

\* *If there is any inconsistency between the Chinese name of a PRC entity mentioned in the announcement and its English translation, the Chinese name shall prevail.*