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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING

On 18 November 2015 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place, on a best effort basis, up to 188,288,000 Placing Shares to the Placees at the Placing Price of HK\$0.329 per Placing Share, for and on behalf of the Company.

The maximum number of 188,288,000 Placing Shares represents approximately 14.09% of the entire issued share capital of the Company as at the date of this announcement and approximately 12.35% of the entire issued share capital of the Company as enlarged by the Placing (assuming that the Placing Shares are fully placed and there will be no change in the issued share capital of the Company between the date of this announcement and the date of completion of the Placing save for the issue of the Placing Shares).

On the assumption that all Placing Shares are fully placed, the gross proceeds arising from the Placing will be approximately HK\$62 million. The estimated net proceeds, after deducting the placing commission and all relevant expenses, arising from the Placing will be approximately HK\$61 million and is intended to be used for the payment of part of the retention fund of RMB50 million (equivalent to approximately HK\$61 million) in relation to the acquisition of Shenzhen Longshenghang Supply Chain Limited, details of which were set out in the Company's announcement dated 25 September 2015, and as the working capital of the Company.

The Placing Shares will be allotted and issued under the General Mandate and the Placing is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing is subject to the satisfaction of the conditions precedent and the termination events set out in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

On 18 November 2015 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place, on a best effort basis, up to 188,288,000 Placing Shares to the Placees at the Placing Price of HK\$0.329 per Placing Share, for and on behalf of the Company.

The principal terms of the Placing Agreement are set out below:

Date

18 November 2015 (after trading hours of the Stock Exchange)

Parties

Issuer: The Company

Placing Agent: Celestial Capital Limited

The Placing Agent has been appointed to procure, on a best effort basis, the Placees to subscribe for the Placing Shares at the Placing Price during the Placing Period.

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

Placees

The Placing Agent agreed to place the Placing Shares, on a best effort basis, to not less than six Placees whom and whose ultimate beneficial owners are, so far as the Placing Agent is aware, individuals, corporate, institutional or other investors who are Independent Third Parties as at the date of the Placing Agreement. It is expected that none of the Placees and their respective associates will become a substantial Shareholder of the Company as a result of the Placing.

Placing Shares

The maximum number of 188,288,000 Placing Shares represents approximately 14.09% of the entire issued share capital of the Company as at the date of this announcement and approximately 12.35% of the entire issued share capital of the Company as enlarged by the Placing (assuming that the Placing Shares are fully placed and there will be no change in the issued share capital of the Company between the date of this announcement and the date of completion of the Placing save for the issue of the Placing Shares).

The maximum aggregate nominal value of the Placing Shares is HK\$18,828,800.

Ranking of the Placing Shares

The Placing Shares will be allotted and issued free from any Encumbrance, and rank pari passu with all other issued Shares as at the Closing Date in all respects, including the right to receive all dividends declared or payable or distribution made or proposed to be made at any time by reference to a record date falling on or after the Closing Date.

Placing Price

The Placing Price of HK\$0.329 per Placing Share represents:

- (a) a discount of approximately 13.42% to the closing price of HK\$0.380 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a discount of approximately 15.64% to the average closing price of approximately HK\$0.390 per Share for the last five consecutive trading days immediately prior to the date of the Placing Agreement as quoted on the Stock Exchange.

The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent with reference to, among others, the prevailing market price of the Share and the current market conditions.

After deduction of all relevant expenses of the Placing, the net placing price per Placing Share is approximately HK\$0.322.

Placing Commission

The Placing Agent will receive a placing commission of 1.75% on the gross proceeds of the Placing.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM, subject to the limit of up to 188,290,736 Shares, representing 20% of 941,453,683 Shares, being the issued share capital of the Company as at the date of the AGM. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate.

Since the Placing Shares will be allotted and issued under the General Mandate, the Placing is not subject to any additional Shareholders' approval.

Conditions Precedent

Completion of the Placing is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

In the event that the conditions precedent of the Placing are not fulfilled in full on or before the Long Stop Date, the Placing Agreement shall lapse and the obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and neither the Company nor the Placing Agent shall have any obligations and liabilities under the Placing Agreement (save and except any liability for antecedent breaches and provided that the Company shall remain liable for the payment of any costs, charges and expenses as agreed under the Placing Agreement).

Termination

The Placing Agent shall be entitled to terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such a notice is received prior to 3:00 p.m. (Hong Kong time) on the Closing Date:

- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing;
- (b) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (c) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

Completion

Completion of the Placing shall take place on the Closing Date.

Completion of the Placing is subject to the satisfaction of the conditions precedent and the termination events set out in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Board considers that the Placing represents a good opportunity to (i) strengthen the financial position of the Group; and (ii) broaden the shareholder base of the Company. The Directors consider that the terms of the Placing are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

On the assumption that all Placing Shares are fully placed, the gross proceeds arising from the Placing will be HK\$62 million and the estimated net proceeds, after deducting the placing commission and all relevant expenses, arising from the Placing will be approximately HK\$61 million. The Directors intend to apply the net proceeds (i) for the payment of part of the retention fund of RMB50 million (equivalent to approximately HK\$61 million) in relation to the acquisition of Shenzhen Longshenghang Supply Chain Limited, which indirectly owned a property project in Maoming, Guangdong Province, the PRC, by the Group in September 2014 (details of the acquisition were set out in the circular of the Company dated 19 May 2014 and details of the payment of the retention fund were set out in the announcement of the Company dated 25 September 2015); and (ii) as working capital of the Group.

The Company intends to pay the remaining part of the retention fund with its internal funds.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the completion of the Placing, on the assumption that (a) the maximum number of 188,288,000 Placing Shares will be fully placed; (b) there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing; and (c) the Placees do not and will not hold any Shares (other than the Placing Shares) as at the date of this announcement and immediately after the completion of the Placing:

Shareholders	(i) As at the date of this announcement		(ii) Immediately after the completion of the Placing	
	No. of Shares	%	No. of Shares	%
Substantial Shareholders				
China Sugar Holdings Limited (Note 1)	242,105,263	18.12	242,105,263	15.88
Mr. Chen Qiang	160,000,000	11.97	160,000,000	10.50
Sub-total	402,105,263	30.09	402,105,263	26.38
Directors				
Ms. Xia Dan (Note 2)	79,500,000	5.95	79,500,000	5.21
Mr. Lau Sai Chung	148,000	0.01	148,000	0.01
Sub-total	79,648,000	5.96	79,648,000	5.22
Public Shareholders				
Placees	–	–	188,288,000	12.35
Other public Shareholders	854,437,257	63.95	854,437,257	56.05
Sub-total	854,437,257	63.95	1,042,725,257	68.40
Total number of Shares	1,336,190,520	100.00	1,524,478,520	100.00

Notes:

- China Sugar Holdings Limited is directly wholly-owned by Mr. Liu Zhongxiang, an executive Director.
- Ms. Xia Dan, an executive Director, holds 100% interests in Mega Edge International Limited, which in turn holds 79,500,000 Shares.

FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months from the date of this announcement.

INFORMATION OF THE GROUP

The Group is principally engaged in property development, trading of electronic products and trading of raw sugar.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions shall have the following meanings.

“AGM”	the annual general meeting of the Company held on 12 June 2015
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday and public holidays in Hong Kong) on which licensed banks generally are open for business in Hong Kong
“Closing Date”	the date on which the Placing Shares will be allotted and issued to the Placees in exchange for the payment of the net proceeds of the Placing to the Company, which shall be the date falling two Business Days after the date on which the conditions of the Placing Agreement are fulfilled, but in any event no later than the Long Stop Date
“Company”	China Uptown Group Company Limited, a company incorporated in the Cayman Islands with limited liability, and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Encumbrance”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect

“General Mandate”	the general mandate granted to the Directors by a resolution of the Shareholders passed at the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) independent of and not connected with the Company and any of its connected persons (having the meaning ascribed to it under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	9 December 2015, or such later date as the Company and the Placing Agent may agree in writing
“Placee(s)”	any individuals, corporate, professional, institutional or other investor(s) procured by or on behalf of the Placing Agent to subscribe for any Placing Shares pursuant to the terms of the Placing Agreement
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agent”	Celestial Capital Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement dated 18 November 2015 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period commencing upon the date of the Placing Agreement and terminating at completion on the Closing Date, unless terminated earlier pursuant to the Placing Agreement
“Placing Price”	HK\$0.329 per Placing Share, excluding any SFC transaction levy, Stock Exchange trading fee and other fees or levies as may be payable by the Placees
“Placing Shares”	up to 188,288,000 new Shares to be allotted and issued by the Company and placed through the Placing Agent on a best effort basis pursuant to the terms and conditions of the Placing Agreement
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“SFC”	the Securities and Futures Commission of Hong Kong
“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
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

Conversion of RMB into HK\$ is, based on the exchange rate of RMB1 to HK\$1.22, for illustration purpose only. Such conversion should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.

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

Hong Kong, 18 November 2015

As at the date of this announcement, the Board comprises executive Directors, Mr. Liu Feng, Mr. Chen Xian, Mr. Lau Sai Chung, Ms. Xia Dan and Mr. Liu Zhongxiang; and independent non-executive Directors Mr. Poon Lai Yin, Michael, Mr. Char Shik Ngor, Stephen and Ms. Li Jiansheng.