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ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

The board (the “Board”) of directors (the “Directors”) of China Uptown Group Company Limited (the “Company”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2016 (the “Year”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2016

	<i>NOTES</i>	2016 RMB'000	2015 RMB'000
Continuing operations			
Turnover	3	479,111	7,801
Cost of sales		(394,009)	(7,591)
Gross profit		85,102	210
Other operating income	3	1,117	707
Selling and distribution costs		(7,027)	(11,301)
Administrative expenses		(26,992)	(25,127)
Finance costs		(9,720)	(244)
Profit (loss) before tax		42,480	(35,755)
Income tax expense	5	(35,246)	(1)
Profit (loss) for the year from continuing operations		7,234	(35,756)
Discontinued operation			
Profit (loss) for the year from discontinued operation	6	2,805	(345)
Profit (loss) for the year	7	10,039	(36,101)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*
For the year ended 31 December 2016

	<i>NOTES</i>	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Profit (loss) for the year attributable to owners of the Company			
– from continuing operations		3,555	(33,607)
– from discontinued operation		1,057	(176)
		<hr/>	<hr/>
Profit (loss) for the year attributable to owners of the Company		4,612	(33,783)
		<hr/>	<hr/>
Profit (loss) for the year attributable to non-controlling interests			
– from continuing operations		3,679	(2,149)
– from discontinued operation		1,748	(169)
		<hr/>	<hr/>
Profit (loss) for the year attributable to non-controlling interests		5,427	(2,318)
		<hr/>	<hr/>
		10,039	(36,101)
		<hr/> <hr/>	<hr/> <hr/>
Earnings (loss) per share	<i>9</i>		
From continuing and discontinued operations			
Basic and diluted		RMB0.30 cent	RMB(3.02) cents
		<hr/> <hr/>	<hr/> <hr/>
From continuing operations			
Basic and diluted		RMB0.23 cent	RMB(3.00) cents
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	2016	2015
	<i>RMB'000</i>	RMB'000
Profit (loss) for the year	<u>10,039</u>	<u>(36,101)</u>
Other comprehensive (expense) income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations:		
– Exchange loss arising during the year	(1,450)	(2,117)
– Reclassification of cumulative translation reserve upon disposal of a subsidiary to profit or loss	<u>557</u>	<u>–</u>
Other comprehensive expense for the year	<u>(893)</u>	<u>(2,117)</u>
Total comprehensive income (expense) for the year	<u>9,146</u>	<u>(38,218)</u>
Total comprehensive income (expense) for the year attributable to:		
Owners of the Company	3,719	(35,900)
Non-controlling interests	<u>5,427</u>	<u>(2,318)</u>
	<u>9,146</u>	<u>(38,218)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	<i>NOTES</i>	2016 RMB'000	2015 RMB'000 (Restated)
Non-current assets			
Property, plant and equipment		19,359	19,144
Deferred tax assets		3,578	–
Available-for-sale investments		–	–
		<u>22,937</u>	<u>19,144</u>
Current assets			
Properties under development		354,831	1,441,992
Properties held for sale		891,580	–
Trade and other receivables	10	138,068	56,944
Held-for-trading investments		40	42
Income tax recoverable		16,099	32,980
Restricted bank deposit		7,888	7,651
Pledged bank deposits		34,044	54,456
Bank balances and cash		42,795	32,298
		<u>1,485,345</u>	<u>1,626,363</u>
Assets classified as held for sale		–	11,303
		<u>1,485,345</u>	<u>1,637,666</u>
Current liabilities			
Trade and other payables	11	744,739	659,511
Consideration payable		16,942	19,042
Amount due to a director		3,160	–
Secured bank borrowings		133,539	245,079
		<u>898,380</u>	<u>923,632</u>
Liabilities associated with assets classified as held for sale		–	13,654
		<u>898,380</u>	<u>937,286</u>
Net current assets		<u>586,965</u>	<u>700,380</u>
Total assets less current liabilities		<u><u>609,902</u></u>	<u><u>719,524</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
As at 31 December 2016

	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Capital and reserves		
Ordinary share capital	136,015	136,015
Reserves	367,891	364,172
	<hr/>	<hr/>
Equity attributable to owners of the Company	503,906	500,187
Non-controlling interests	30,122	22,176
	<hr/>	<hr/>
Total equity	534,028	522,363
	<hr/>	<hr/>
Non-current liabilities		
Secured bank borrowings	–	120,000
Deferred tax liabilities	75,874	77,161
	<hr/>	<hr/>
	75,874	197,161
	<hr/>	<hr/>
	609,902	719,524
	<hr/> <hr/>	<hr/> <hr/>

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

2. APPLICATION OF NEW AND REVISED HKFRSs

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards (“HKAS(s)”), amendments and Interpretations (“Int(s)”), issued by the HKICPA.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptance Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

The application of the new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial results.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

HKFRS 9 (2014)	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 16	Leases ³
Amendments to HKAS 7	Disclosure Initiative ¹
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ²
Amendments to HKFRS 4	Applying HKFRS 9 <i>Financial Instruments</i> with HKFRS 4 <i>Insurance Contracts</i> ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 - 2016 Cycle ⁵

¹ Effective for annual periods beginning on or after 1 January 2017.

² Effective for annual periods beginning on or after 1 January 2018.

³ Effective for annual periods beginning on or after 1 January 2019.

⁴ Effective date not yet been determined.

⁵ Amendments to HKFRS 12 are effective for annual periods beginning on or after 1 January 2017, and Amendments to HKFRS 1 and Amendments to HKAS 28 are effective for annual periods beginning on or after 1 January 2018.

The directors of the Company anticipate that the application of new and revised HKFRSs may have a material impact on the results and the financial position of the Group. The directors of the Company anticipate that, the application of new and revised HKFRSs may have a material impact on the results and the financial position of the Group. However, until a detailed review of the impact of adopting the new and revised HKFRSs is performed, the Group cannot provide a reasonable estimate that quantifies the impact nor can it yet conclude whether that impact will be significant or not.

3 TURNOVER AND OTHER OPERATING INCOME

Turnover represents the revenue arising on sales on properties and sales of raw sugar, after deducting discounts, business tax and other sales related taxes.

An analysis of the Group's turnover for the year from continuing operations is as follows:

	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Turnover		
Sales of properties	479,111	–
Sales of raw sugar	–	7,801
	<u>479,111</u>	<u>7,801</u>
Other operating income		
Bank interest income	<u>1,117</u>	<u>707</u>
Total revenues	<u>480,228</u>	<u>8,508</u>

4. SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The directors of the Company have chosen to organise the Group around differences in products. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Trading of electronic products segment was classified as held for sale during the year ended 31 December 2015 and was regarded as discontinued operation. The segment information reported below does not include any amounts for the discontinued operation, which is described in more details in note 6.

Accordingly, the Group's reportable and operating segments under HKFRS 8 are as follows:

Property development	–	Development of properties in the PRC.
Trading of raw sugar	–	Trading of raw sugar.

(a) **Segment revenues and results**

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segment:

	Property development		Trading of raw sugar		Consolidated	
	2016	2015	2016	2015	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Continuing operations						
Turnover	<u>479,111</u>	<u>–</u>	<u>–</u>	<u>7,801</u>	<u>479,111</u>	<u>7,801</u>
Segment profit (loss)	<u>57,804</u>	<u>(21,705)</u>	<u>(485)</u>	<u>54</u>	<u>57,319</u>	<u>(21,651)</u>
Change in fair value of held-for-trading investments					(4)	(11)
Bank interest income					1,117	707
Unallocated corporate expenses					(15,610)	(14,556)
Finance costs					(342)	(244)
Profit (loss) before tax					<u>42,480</u>	<u>(35,755)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/loss represents the profit/loss of each segment without allocation of change in fair value of held-for-trading investments, bank interest income and unallocated corporate expenses (i.e. central administration costs and directors' emoluments) and certain finance costs. This is the measure reported to the chief operating decision makers (i.e. board of directors) of the Group for the purposes of resource allocation and performance assessment.

(b) **Revenue from major products and services**

The Group's revenue from continuing operations from its major products and services were as follows:

	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Sales of properties	479,111	–
Sales of raw sugar	<u>–</u>	<u>7,801</u>
	<u>479,111</u>	<u>7,801</u>

5. INCOME TAX EXPENSE

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Continuing operations		
Current year Income Tax		
– PRC Enterprise Income Tax (“EIT”)	19,567	–
– PRC Land Appreciation Tax (“LAT”)	<u>20,342</u>	<u>–</u>
	<u>39,909</u>	<u>–</u>
Under-provision in prior years		
– PRC Enterprise Income Tax	<u>1</u>	<u>–</u>
	39,910	–
Deferred taxation		
– Current year	<u>(4,664)</u>	<u>1</u>
	<u><u>35,246</u></u>	<u><u>1</u></u>

Notes:

- (a) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years ended 31 December 2016 and 2015.

For the year ended 31 December 2016 and 2015, no provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profit subject to Hong Kong Profits Tax.

- (b) Under the Law of the People’s Republic of China on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries of the Company was 25% for both years.

- (c) The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at progressive rates ranging from 30% to 60% on the appreciation value, with certain allowable deductions including land costs and the relevant property development expenditures. According to the State Administration of Taxation's official circulars, LAT shall be payable provisionally upon sales of the properties, followed by final ascertainment of the gain at the completion of the properties development.

6. DISCONTINUED OPERATION/DISPOSAL GROUP HELD FOR SALE

Disposal of trading of electronic products operation

On 31 December 2015, the Group entered into a sale agreement to dispose of (i) its 51% equity interest in Fame Electronics Limited ("Fame"), which carried out all of the Group's trading of electronic products operation, and (ii) non-interest bearing shareholder's loan to an independent third party at a consideration of HK\$100,000 (equivalent to approximately RMB85,000).

As at 31 December 2015, the assets and liabilities attributable to the business, which were expected to be sold within twelve months, had been classified as a disposal group held for sale and were presented separately in the consolidated statement of financial position (see below). The net proceeds of disposal were expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss had been recognised.

The disposal was completed on 30 March 2016, the date on which control of Fame was passed to the acquirer.

The profit (loss) for the period from discontinued trading of electronic products operation is set out below:

	From 1 January 2016 to 30 March 2016 <i>RMB'000</i>	From 1 January 2015 to 31 December 2015 <i>RMB'000</i>
Profit (loss) of trading of electronic product operation for the period/ year	3,568	(345)
Loss on disposal of trading of electronic products operation	(763)	–
	<u>2,805</u>	<u>(345)</u>

The results of the trading of electronic products operation which have been included in the consolidated statement of profit or loss, were as follow:

	From 1 January 2016 to 30 March 2016 2016 RMB'000	From 1 January 2015 to 31 December 2015 2015 RMB'000
Turnover	–	16,642
Cost of sales	–	(16,763)
Gross loss	–	(121)
Other operating income	3,569	1
Administrative expenses	(1)	(225)
Profit (loss) before tax	3,568	(345)
Income tax expense	–	–
Profit (loss) for the year	<u>3,568</u>	<u>(345)</u>

Profit (loss) for the year from discontinued operation has been arrived after charging (crediting):

Auditor's remuneration	–	195
Reversal of impairment loss recognised in respect of amount due from a fellow subsidiary	<u>(3,569)</u>	<u>–</u>

The major classes of assets and liabilities of the trading of electronic products operation as at 31 December 2015, which had been presented separately in the consolidated statement of financial position, were as follows:

	31 December 2015 <i>RMB'000</i>
Trade and other receivables, net	10,577
Bank balances and cash	<u>726</u>
Total assets classified as held for sale	<u><u>11,303</u></u>
Trade and other payables and total liabilities associated with assets classified as held for sale	<u><u>13,654</u></u>

7. PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year from continuing operations has been arrived at after charging:

Continuing operations

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Staff cost (including directors' emoluments):		
Salaries, wages and other benefits in kind	15,368	13,970
Retirement benefits scheme contributions	<u>886</u>	<u>741</u>
	<u>16,254</u>	<u>14,711</u>
Auditor's remuneration	1,164	846
Change in fair value of held-for-trading investments (included in administrative expenses)	4	11
Cost of inventories recognised as expenses (included in cost of sales)	–	7,591
Cost of properties held for sale recognised as expenses (included in cost of sales)	394,009	–
Net foreign exchange loss	21	34
Depreciation of property, plant and equipment	803	732
Operating lease rentals in respect of equipment	28	26
Operating lease rentals in respect of rental premises	<u>3</u>	<u>9</u>

8. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2016, nor has any dividend been proposed since the end of the reporting period (2015: nil).

9. EARNINGS (LOSS) PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted earnings (loss) per share attributable to the owners of the Company is based on the following data:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Earnings (loss)		
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share for the year attributable to the owners of the Company	<u><u>4,612</u></u>	<u><u>(33,783)</u></u>
	2016 '000	2015 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings/loss per share	<u><u>1,524,478</u></u>	<u><u>1,119,862</u></u>

Diluted earnings (loss) per share was same as the basic earnings (loss) per share for the years ended 31 December 2016 and 2015, as there are no dilutive effect from share options for the years ended 31 December 2016 and 2015, and all convertible redeemable preference shares had been converted into ordinary shares during the year ended 31 December 2015 and there are no outstanding convertible redeemable preference shares as at 31 December 2016 and 2015.

From continuing operations

The calculation of the basic and diluted earnings (loss) per share from continuing operations attributable to owners of the Company is based on the following data:

Earnings (loss) figures are calculated as follows:

	2016 RMB'000	2015 <i>RMB'000</i>
Profit (loss) for the year attributable to owners of the Company	4,612	(33,783)
Less: (Profit) loss for the year from discontinued operation	<u>(1,057)</u>	<u>176</u>
Earnings (loss) for the purpose of basic and diluted loss per share for the year attributable to the owners of the Company	<u>3,555</u>	<u>(33,607)</u>

The denominators used are the same as those detailed above for both basic and diluted earnings (loss) per share.

From discontinued operation

Basic and diluted earnings (2015: loss) per share for the discontinued operation are RMB0.07 cents per share (2015: RMB0.02 cents), based on the profit (2015: loss) for the year from the discontinued operation of RMB1,057,000 (2015: loss of RMB176,000) and the denominators detailed above for both basic and diluted earnings (2015: loss) per share.

10. TRADE AND OTHER RECEIVABLES

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
Trade receivables	3,289	3,123
Less: impairment loss recognised	<u>(3,289)</u>	<u>(3,123)</u>
	<u>–</u>	<u>–</u>
Prepayment, deposits and other receivables	138,505	57,359
Less: impairment loss recognised	<u>(437)</u>	<u>(415)</u>
	<u>138,068</u>	<u>56,944</u>
	<u>138,068</u>	<u>56,944</u>

Customers from the trading segment are normally required to settle the debts within one to two months upon issue of invoices, except for certain well established customers where the terms are extended to two to three months.

The Group does not hold any collateral over these balances.

(a) The movements in impairment losses recognised in respect of trade receivables are as follows:

	2016 <i>RMB'000</i>	2015 <i>RMB'000</i>
At beginning of the year	3,123	6,371
Exchange realignment	166	389
Transferred to assets classified as held for sale	<u>–</u>	<u>(3,637)</u>
At end of the year	<u>3,289</u>	<u>3,123</u>

At 31 December 2016, included in the impairment loss are individually impaired trade receivables with an aggregate balance of approximately RMB3,289,000 (2015: RMB3,123,000) which are due to long outstanding.

11. TRADE AND OTHER PAYABLES

The following is an aged analysis of the trade payables at the end of the reporting period based on invoice date is as follows:

	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days	38,378	12,814
91 to 365 days	330	8,937
Over 365 days	403	–
	<u>39,111</u>	<u>21,751</u>

The Group normally receives credit period from suppliers ranging from 30 days to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

12. COMPARATIVES

Bank balances and cash presented in the consolidated statement of financial position previously included pledged bank deposits and bank balances and cash. To conform to current year's presentation, pledged bank deposits as at 31 December 2015 has been reclassified from bank balances and cash to be separately presented in the consolidated statement of financial position to facilitate a better presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The review of the major business segments of the Group during the Year is as follows:

Property Development

The Group owned a property development project located in Maoming City (the “Project”), Guangdong Province, the People’s Republic of China (the “PRC”). The Project would be developed into a composite of residential and commercial properties in three phases. The construction of properties of Phase 1 and 2 was completed in the second half of the Year, and part of the properties of Phases 1 was delivered to the buyers in the second half of the Year.

For the Year, total turnover attributable to the property development business amounted to approximately RMB479,111,000 (2015: nil) which were mainly contributed by the recognition of relevant sales of Phase 1 of the Project. During the Year, over 50% of residential properties of Phase 1 and 2 of the Project, which were classified as properties held for sale of the Group, were recognised as sales. For the remaining properties of Phase 1 and 2 of the Project, over 95% of residential properties and 60% of commercial and office properties were contracted for pre-sales and are scheduled to be delivered in year 2017.

The construction of Phase 3 of the Project has been commenced in 2016 and will be completed in late 2018 and 2019. The total gross floor area of Phase 3 of the Project is approximately 188,000 square metre with residential and commercial properties of saleable floor area of approximately 127,000 square metre mainly consist of nine buildings of 32 floors each.

Trading of raw sugar

The Group has started its business in trading of raw sugar since late 2014. Amid the recovery of global demand of raw sugar, during the Year, the raw sugar price has steadily increased. While no turnover was recorded, the management is optimistic about the trading of raw sugar business in 2017 and will actively explore market opportunities, including in the global and the PRC markets.

MARKET OUTLOOK AND PROSPECTS

In 2016, despite the global and the PRC economy remained complicated, the PRC property market has recorded highest transaction volume and prices.

In the first half of 2016, real estate policies were driven by inventory clearance by stimulating housing demands of users. While entering the fourth quarter, government policies were tightened as a result of increasing housing price. In the fourth quarter, governmental measures and policies were launched and intensified in hotspot first and second tier cities, these including tightening home purchase eligibility, tightening mortgage for second home purchase, stricter controls on land sale and property pre-sale. These changes have no significant direct impact on the Group's property project, which is located in Maoming of Guangdong province, since (1) substantial portion of properties in Phase 1 and 2 of the project were contracted for pre-sales in year 2015 and early 2016; (2) the property market in Maoming was rather stable during the Year and as anticipated in foreseeable future; and (3) the city transformation created a strong end-user housing demands.

While cautious investment policies will be imposed in view of the complicated economic conditions and property market policies in the PRC, the continuous urbanisation in the PRC and infrastructure development in western Guangdong province in the next few years, the management is optimistic about the performance of the Project. With the successful and strong sales and market reputation of Phase 1 and Phase 2 of the Project, the management is in confidence with the performance of Phase 3 which the construction has started in 2016.

In 2017, the Group has planned to further diversify its business by both expanding its trading business of raw sugar and exploring other property investment opportunities, including in the PRC and in other Asian countries. Amid the recovery of global raw sugar demand and price in the year 2016, the management is optimistic about the Group's growth in the trading of raw sugar business in the coming years.

FINANCIAL REVIEW

For the Year, the Group has achieved turnover of approximately RMB479,111,000 (2015: RMB7,801,000). The profit attributable to owners of the Company was approximately RMB4,612,000 (2015: loss of RMB33,783,000). The upsurges in the turnover and improvements in the annual results were mainly attributable to the recognition of sales from the Phase 1 of the Project. During the Year, over 50% (based on the gross saleable area) of the residential properties of Phase 1 and 2, which were classified as properties held for sale of the Group, were delivered and recognised as sales. The majority of the remaining properties of Phase 1 and 2, which were contracted for pre-sale, are scheduled to be delivered and recognised as turnover in 2017.

For the Year, the Group's operating activities generated a net cash inflow of approximately RMB209,384,000 (2015: RMB165,594,000). As at 31 December 2016, bank balances and cash was approximately RMB42,795,000 (2015: RMB32,298,000), restricted bank deposit was approximately RMB7,888,000 (2015: RMB7,651,000) and pledged bank deposit was approximately RMB34,044,000 (2015: 54,456,000).

As at 31 December 2016, the total assets of the Group was approximately RMB1,508,282,000 (2015: RMB1,656,810,000), representing a decrease of approximately 9%. The decrease was mainly due to the sales of properties of the Phase 1 of the Project. As at 31 December 2016, the Group's total borrowings decreased to approximately RMB133,539,000 (2015: RMB365,079,000) as a result of repayment of construction loan during the Year.

As at 31 December 2016, the gearing ratio, expressed as a percentage of total borrowings over net assets was 25% (2015: 70%) and the current ratio was 1.7 (2015: 1.7).

FINANCE COSTS

For the Year, the finance costs were approximately RMB9,720,000 (2015: RMB244,000) and interest expenses of approximately RMB18,743,000 (2015: RMB57,531,000) was capitalised as properties under development. The charge mainly comprised of interest expenses on bank borrowings wholly repayable within five years of approximately RMB9,361,000 (2015: RMB233,000).

CAPITAL STRUCTURE

The issued ordinary share capital of the Company as at 31 December 2016 was approximately HK\$152,448,000 divided into 1,524,478,520 shares of HK\$0.10 each.

FOREIGN CURRENCY EXPOSURE

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

CHARGE ON ASSETS

As at 31 December 2016, certain of the Group's leasehold land and buildings and properties under development with an aggregate carrying values of approximately RMB206,591,000 were pledged to banks for securing general banking facilities granted to certain subsidiaries of the Company. As at 31 December 2016, banking facilities of approximately RMB133,539,000 were utilised and approximately RMB9,851,000 were unutilised and available for the Group's future financing.

SEGMENT INFORMATION

The details of segment information are set out in note 4 of this announcement.

CAPITAL COMMITMENTS

As at 31 December 2016, the Group had commitments for properties under development contracted for but not provided in the consolidated financial statements of approximately RMB427,727,000.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2016, the Group employed 66 full time employees (2015: 66) in Hong Kong and the PRC. The Group's emolument policies are formulated on the basis of market trends, future plans and the performance of individuals, which will be 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.

CONTINGENT LIABILITIES

As at 31 December 2016, the Group's maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to approximately RMB535,979,000.

DIVIDEND

The Board does not recommend any payment of dividend for the Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions ("Code Provisions") set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 of the Listing Rules.

Throughout the Year, the Company has complied with all of the code provisions of the CG Code, except A.6.7 and E.1.2.

Under the code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. In addition, under the code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting and he should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. The whole Board and the auditor of the Company had attended the annual general meeting of the Company held on 27 May 2016 (the "2016 AGM") to answer questions of the shareholders of the Company except that Mr. Poon Lai Yin Michael (the chairman of audit committee of the Company (the "Audit Committee")) and Ms. Li Jiansheng (the chairman of remuneration committee of the Company) could not attend the 2016 AGM due to other business engagement but they had appointed the other attended Directors as their representatives to answer questions of the shareholders of the Company. In the future, the Company will try its best to encourage the independent non-executive Directors to attend the general meetings of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions during the Year. Having made specific enquiry of all Directors, the Company confirms that all Directors have complied with the required standard set out in the Model Code during the Year.

PURCHASES, SALE AND REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Year.

AUDIT COMMITTEE

The Company established an Audit Committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process, risk management and internal controls of the Group. The Audit Committee currently comprises Mr. Poon Lai Yin Michael (Chairman), Mr. Char Shik Ngor Stephen and Ms. Li Jiansheng. The Audit Committee has reviewed and discussed with the management and the external auditor the financial reporting matters including the annual results for the Year.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is available for viewing at the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and at the website of the Company at www.chinauptown.com.hk. The annual report for the Year will be dispatched to the shareholders of the Company and published on the above websites as soon as practicable.

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

Hong Kong, 27 March 2017

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.