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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)

MAJOR TRANSACTION

THE ACQUISITION

References are made to the announcements of the Company dated 27 August 2013, 28 August 2013 and 30 December 2013 respectively in relation to the entering into the LOI and Supplemental LOI for a possible acquisition by the Group.

The Board is pleased to announce that on 25 February 2014 (after trading hours of the Stock Exchange), Uni-Business, the Vendor and the Guarantor entered into the Sale and Purchase Agreement, pursuant to which Uni-Business has conditionally agreed to acquire (and/or procure its nominee to acquire) the Target Equity Interest and the Target Shareholder's Loan; and the Vendor has conditionally agreed to (i) sell 99.98% of the Target Equity Interest and the Target Shareholder's Loan; and (ii) procure Mr. Hu to sell 0.02% of the Target Equity Interest, for the Consideration. The Target Equity Interest refers to the entire equity interest in Shenzhen LSH, which holds 90% equity interest in Maoming Huada.

Upon Completion, Shenzhen LSH will become an indirectly wholly-owned subsidiary of the Company and Maoming Huada will become an indirectly non-wholly owned subsidiary of the Company. In addition, all outstanding amount of the Target Shareholder's Loan will be due by Shenzhen LSH to Uni-Business.

LISTING RULES IMPLICATIONS

As two of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition, are greater than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement, circular and shareholders' approval requirements.

GENERAL

The EGM will be held to consider and, if thought fit, approve the ordinary resolution(s) in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder. As advised by the Vendor, the Vendor (together with his associates), in aggregate hold 40,000,000 shares of the Company (represented approximately 4.2% of the issued share capital of the Company) as at the date of this announcement, the Vendor and his associates will abstain from voting on the ordinary resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, except for the above interests of the Vendor and his associates in the Company, no other Shareholder has a material interest in the Acquisition nor is required to abstain from voting on the ordinary resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, inter alia, (i) further details of the Sale and Purchase Agreement and the Acquisition; (ii) the accountant's report on Shenzhen LSH Group; (iii) the property valuation report on the Land; and (iv) the notice of EGM, will be despatched to the Shareholders on or before 18 March 2014.

As the Completion is subject to the satisfaction and/or waiver, where applicable, of the Conditions set out in the Sale and Purchase Agreement, the Acquisition may or may not proceed to Completion. Shareholders and potential investors of the Company should exercise caution when dealing in the shares or any securities of the Company.

INTRODUCTION

References are made to the announcements of the Company dated 27 August 2013, 28 August 2013 and 30 December 2013 respectively in relation to the entering into the LOI and the Supplemental LOI for a possible acquisition by the Group. According to the LOI and the Supplemental LOI, the Group was granted the sole and exclusive right to negotiate with the relevant parties in relation to the possible acquisition of 90% equity interest in, and the shareholder's loan due by, a company, namely Maoming Huada, which has been granted and owns the land use certificates* (土地使用證) of the Land.

The Board is pleased to announce that on 25 February 2014 (after trading hours of the Stock Exchange), Uni-Business, a directly wholly-owned subsidiary of the Company, the Vendor and the Guarantor entered into the Sale and Purchase Agreement, pursuant to which Uni-Business has conditionally agreed to acquire (and/or procure its nominee to acquire) the Target Equity Interest and the Target Shareholder's Loan; and the Vendor has conditionally agreed to (i) sell 99.98% of the Target Equity Interest and the Target Shareholder's Loan; and (ii) procure Mr. Hu to sell 0.02% of the Target Equity Interest, for the Consideration. The Target Equity Interest refers to the entire equity interest in Shenzhen LSH, which in turn holds 90% equity interest in Maoming Huada.

The Sale and Purchase Agreement replaced any preceding agreements, arrangements, statements, understandings or transactions entered into prior to the Sale and Purchase Agreement in relation to the Acquisition and possible acquisition of 90% equity interest in, and the shareholder's loan due by, Maoming Huada, including but not limited to the LOI and the Supplemental LOI.

THE SALE AND PURCHASE AGREEMENT

Set out below are the principal terms of the Sale and Purchase Agreement:

Date: 25 February 2014

Parties: Uni-Business, as the purchaser;

Mr. Huang Shibao, as the vendor; and

Zhanjiang Huada Trading Co., Limited, as the guarantor.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and the Guarantor (which is ultimately beneficially owned by the Vendor) are third parties independent to the Company and connected persons of the Company.

Assets to be acquired

The Target Equity Interest, being the entire equity interest of Shenzhen LSH of RMB30 million (equivalent to approximately HK\$38.1 million), of which the Vendor and Mr. Hu are the registered equity holders legally owned 99.98% and 0.02% equity interest in Shenzhen LSH respectively. Shenzhen LSH is an investment holding company established in the PRC. As at the date of this announcement, Shenzhen LSH directly holds an aggregate of 90% equity interest in Maoming Huada, which is the sole legal and beneficial owner of the Land, being the major asset of Shenzhen LSH Group.

The Target Shareholder's Loan, which amounted to approximately RMB280 million (equivalent to approximately HK\$355.6 million) as at the date of the Sale and Purchase Agreement, due by Shenzhen LSH to the Vendor.

Upon Completion, Shenzhen LSH will become an indirectly wholly-owned subsidiary of the Company and Maoming Huada will become an indirectly non-wholly owned subsidiary of the Company. In addition, all outstanding amount of the Target Shareholder's Loan will be due by Shenzhen LSH to Uni-Business.

Consideration

The Consideration of RMB300 million (equivalent to approximately HK\$381.0 million) shall be payable by Uni-Business to the Vendor (in his own capacity and on behalf of Mr. Hu) as to RMB31 million (equivalent to approximately HK\$39.4 million) being the consideration for the acquisition of the Target Equity Interest by Uni-Business and as to RMB269 million (equivalent to approximately HK\$341.6 million) being the consideration for the assignment of the Target Shareholder's Loan to Uni-Business. Upon payment of the Consideration to the Vendor, the Vendor

and Mr. Hu shall make their own arrangement to allocate the Consideration and Uni-Business shall neither have the obligation to deal with nor confirm such arrangement. The Consideration shall be satisfied in RMB by Uni-Business to the Vendor as follows:

- (i) the Deposit in the amount of RMB140 million (equivalent to approximately HK\$177.8 million), which has been paid by the Group on behalf of Uni-Business within 15 Business Days after the date of LOI pursuant to the LOI, will be applied by Uni-Business to offset against part of the Consideration;
- (ii) the amount of RMB50 million (equivalent to approximately HK\$63.5 million) (the “**Retention Fund**”) will be retained by Uni-Business on Completion Date. If there is any claims raised by Uni-Business and/or any third parties against Shenzhen LSH Group, except those liabilities already disclosed in the management accounts of Shenzhen LSH Group as at 31 January 2014, within the first year immediately after Completion Date, Uni-Business shall be entitled to deduct the amounts being claimed and relevant costs of such claims from the Retention Fund. The balance of the Retention Fund, if any, will then be released to the Vendor on the date of the first anniversary of Completion Date (without interest); and
- (iii) the remaining amount of approximately RMB110 million (equivalent to approximately HK\$139.7 million), subject to the satisfactory fulfillment of Conditions (save as to those having been waived by Uni-Business in writing, where applicable), will be payable by Uni-Business to the Vendor on Completion Date.

It is expected that the Consideration (excluding the Deposit which has already been paid) will be financed by the internal resources of the Group.

The Consideration was determined after arm’s length negotiations between the Company and the Vendor with references to (i) the net liability value of Shenzhen LSH Group attributable to the Vendor of approximately RMB196 million (equivalent to approximately HK\$249.0 million) as at 31 December 2013; (ii) the valuation surplus of the Land attributable to the Vendor of approximately RMB314.5 million (equivalent to approximately HK\$399.4 million), based on (a) the preliminary valuation of the Land of RMB814 million (equivalent to approximately HK\$1,033.8 million) as at 31 December 2013 valued by Vigers Appraisal and Consulting Limited, a registered and qualified independent valuer in Hong Kong, adopting the direct comparison approach by making reference to comparable sales evidences as available in the relevant market and taking into account the expended construction costs and the costs that will be expended to complete the development, (b) the book value of the Land of approximately RMB465 million (equivalent to approximately HK\$590.0 million) as at 31 December 2013, and (c) 90% equity interest in Maoming Huada ultimately owned by the Vendor; and (iii) the Target Shareholder’s Loan of approximately RMB280 million (equivalent to approximately HK\$355.6 million) owed by Shenzhen LSH to the Vendor as at the date of the Sale and Purchase Agreement.

Conditions precedent

Completion of the Acquisition is subject to the satisfactory fulfillment and/or waiver by Uni-Business, where applicable, of the following Conditions on or prior to the Conditions Fulfillment Date:

- (i) the completion of and satisfaction with the results of the due diligence review (including but not limited to the review on the liabilities of Shenzhen LSH Group) on Shenzhen LSH Group by Uni-Business;

- (ii) Uni-Business shall have received (and be satisfied with) the documents relating to the transfer of 99.98% of the Target Equity Interest by the Vendor to Uni-Business and/or its nominee and registered the said documents (and be satisfied by Uni-Business and the PRC legal adviser of Uni-Business) with the relevant Administration of Industry and Commerce* (工商行政管理局);
- (iii) Uni-Business shall have been satisfied that the Vendor has procured Mr. Hu to transfer 0.02% of the Target Equity Interest to Uni-Business and/or its nominee according to the applicable law; Uni-Business shall have received (and be satisfied with) the documents relating to the transfer of 0.02% of the Target Equity Interest and registered the said documents (and be satisfied by Uni-Business and the PRC legal adviser of Uni-Business) with the relevant Administration of Industry and Commerce* (工商行政管理局);
- (iv) the acquisition of the Target Equity Interest and the assignment of the Target Shareholder's Loan shall be completed simultaneously;
- (v) the approval by the Shareholders at the EGM (if applicable) with respect to the Sale and Purchase Agreement and the transactions contemplated thereunder;
- (vi) the Vendor shall be the legal and ultimate beneficial owner of the 99.98% of the Target Equity Interest and the Target Shareholder's Loan; Mr. Hu shall be the legal owner of the 0.02% of the Target Equity Interest; and the Target Equity Interest and the Target Shareholder's Loan shall not be subject to any encumbrances or third party's rights;
- (vii) Uni-Business shall have received (and be satisfied with) the documents proving Maoming Huada has been granted and obtained the land use certificates* (土地使用證) in respect of the Land;
- (viii) the obtaining of all necessary authorisations and approvals for all agreements and transactions contemplated under the Sale and Purchase Agreement by the Vendor, the Guarantor and Shenzhen LSH, including but not limited to the approvals from their respective boards of directors and shareholders;
- (ix) Uni-Business shall have received (and be satisfied with) the documents (including but not limited to the business license* (營業執照)) proving that the respective directors, shareholders, legal representatives and addresses of Shenzhen LSH and Maoming Huada have been duly changed according to the applicable laws and Uni-Business's intentions and registered the said documents (and be satisfied by Uni-Business and the PRC legal adviser of Uni-Business) with the relevant Administration of Industry and Commerce* (工商行政管理局);
- (x) Uni-Business shall have received (and be satisfied with) the documents proving that the articles of associations of Shenzhen LSH and Maoming Huada have been duly changed according to the applicable laws and Uni-Business's intentions and registered the said documents (and be satisfied by Uni-Business and the PRC legal adviser of Uni-Business) with the relevant Administration of Industry and Commerce* (工商行政管理局);

- (xi) the management of Shenzhen LSH Group shall have no material change and shall not have done any act which may have negative impact on the businesses, assets, properties, financial conditions, operations and future prospects of the Shenzhen LSH Group on or prior to Completion; and all warranties shall be accurate and true in all respects as at the Completion Date;
- (xii) Uni-Business shall have received (and be satisfied with) the documents proving that all employment contracts of Shenzhen LSH Group with its employees as designated by Uni-Business have been terminated and all relevant severance payments have been made;
- (xiii) Uni-Business shall have received (and be satisfied with the content of) the deed of guarantee duly executed by the Guarantor;
- (xiv) Uni-Business shall have received the draft of the Completion Accounts;
- (xv) Uni-Business shall have received (and be satisfied with) the documents proving that details of all bank accounts of Shenzhen LSH Group having been changed according to the Uni-Business's requests;
- (xvi) Uni-Business shall have received (and be satisfied with) the documents proving that all insurance policies of Shenzhen LSH Group having been changed to Uni-Business and/or its nominee as the beneficiary (if applicable); and
- (xvii) Uni-Business shall have received (and be satisfied with) the documents for Completion as set out in the appendix of the Sale and Purchase Agreement.

Save for Conditions (i) to (xv), Uni-Business shall have the right to waive any of the Conditions at its discretion. If any of the Conditions have not been fulfilled or waived (as the case may be) by the Conditions Fulfillment Date or such later date as the parties to the Sale and Purchase Agreement may agree in writing, the Sale and Purchase Agreement shall lapse and have no further effect. The Vendor shall refund all amounts previously received from Uni-Business (including but not limited to the Deposit) without interest to Uni-Business immediately. Upon the due receipt of the above payment by Uni-Business and save for any antecedent breach of the Sale and Purchase Agreement, none of the parties shall make any claims against any other parties pursuant to the terms and conditions of the Sale and Purchase Agreement.

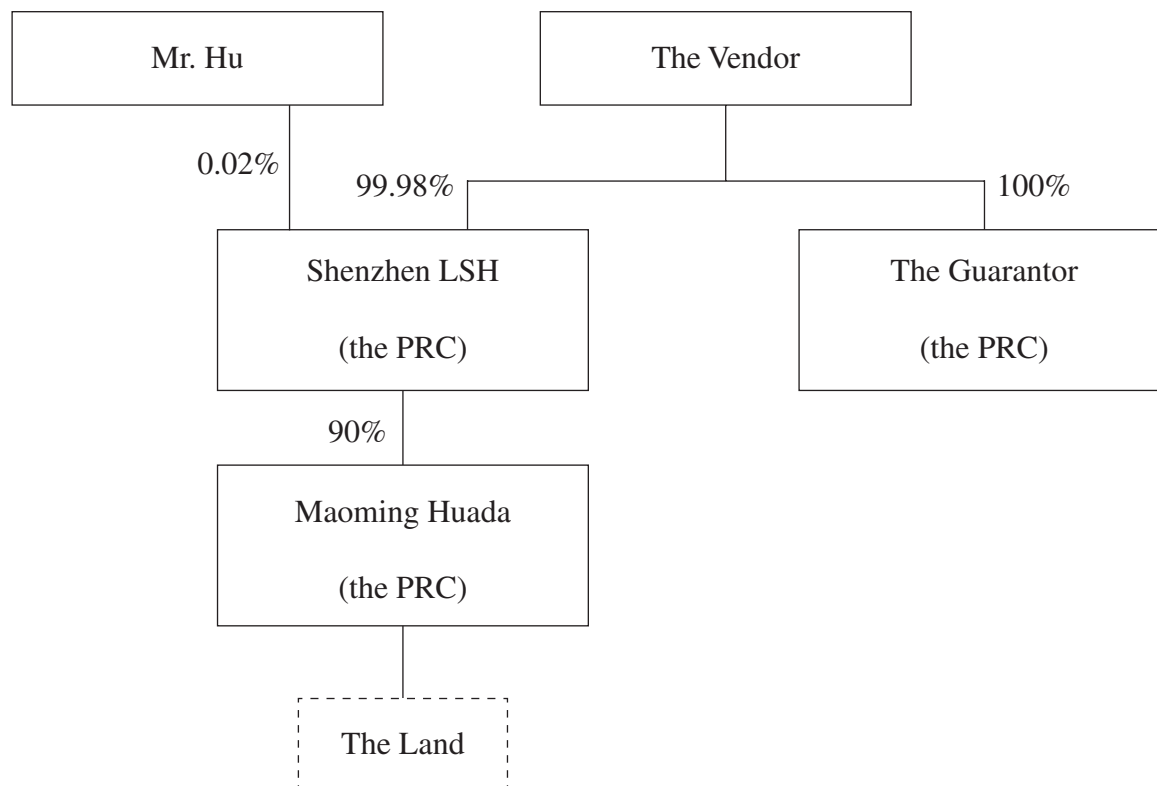
Completion

Completion shall take place on the fifth Business Day immediately following the date that all Conditions have been satisfied and/or waived (as the case may be) but not be later than the Conditions Fulfillment Date or such later date as the parties may agree in writing.

INFORMATION ON SHENZHEN LSH GROUP AND THE LAND

Shenzhen LSH Group

The following chart illustrates the shareholding and corporate structure of Shenzhen LSH Group as at the date of this announcement:



Shenzhen LSH is an investment holding company established in the PRC. As at the date of this announcement, Shenzhen LSH is directly owned as to 99.98% by the Vendor and 0.02% by Mr. Hu. As at the date of this announcement, Shenzhen LSH is not engaged in any business except for the only investment of 90% equity interest in Maoming Huada.

Maoming Huada is a company established in the PRC and is currently directly owned as to 90% by Shenzhen LSH and as to 10% by an Independent Third Party. Maoming Huada is principally engaged in property development and management and has been granted and owns the land use certificates* (土地使用證) of the Land, a piece of land in Maoming, Guangdong Province, the PRC with a total area of approximately 93,000 square meters. The Land will be developed into a mix residential and commercial complex (the “**Project**”). As at the date of this announcement, as advised by the Vendor, Maoming Huada does not interest in or own any investment, land and property other than the Land.

Information of the Project

The only major asset of Maoming Huada is the Land which is situated in the prime urban area in Maoming City, the PRC and will be developed into a residential and commercial complex with car parking spaces. The Project will be developed in three phases and is planned to be completed in 2016 and 2017. The land use certificates* (土地使用證) and the Planning Permit on Land for Construction Use* (建設用地規劃許可證) in respect of the Land have been granted.

Phase 1 of the Project (the “**Phase 1**”) will be developed into eight buildings with 28 to 32 floors and two buildings with 9 floors. These buildings will provide residential units of a total gross floor area of approximately 134,000 square meters and commercial properties of a total gross floor area of approximately 3,000 square meters. The development of Phase 1 has commenced in 2013 and is expected to be completed in early 2016. Based on the development plan, the pre-sale of Phase 1 will be conducted between this year and 2015. As at the date of this announcement, all the relevant major permits for the construction of Phase 1 including the Planning Permit on Construction Works* (建設工程規劃許可證) and the Working Permit on Construction Works* (建設工程施工許可證) have been granted.

Phase 2 of the Project (the “**Phase 2**”) will consist of two buildings with 32 floors and will provide residential units of a total gross floor area of approximately 32,000 square meters and commercial properties of gross floor area of approximately 4,000 square meters. Phase 3 of the Project (the “**Phase 3**”) will consist of nine buildings of 32 floors and will provide residential units of a total gross floor area of approximately 130,000 square meters and commercial properties of a total gross floor area of 7,000 square meters. The development of Phase 2 is planned to be commenced in first half of this year and its pre-sale is scheduled in early 2015. The development of Phase 3 is planned to be commenced in mid – 2015 and its pre-sale is scheduled in 2016. The development of Phase 2 and Phase 3 is expected to be completed in 2016 and 2017 respectively.

Outlook of Maoming

Maoming is located in western region of Guangdong Province, the PRC. The total population in Maoming is approximately seven million with approximately one million in the urban area of Maoming City. GDP of RMB216 billion was achieved in 2013 and average GDP growth of over 10% was recorded in recent years.

The Western Guangdong Express Rail Link* (廣東西海岸高速鐵路) will directly connect Maoming with Shenzhen, Guangzhou and Zhanjiang. The first phase of the railway connecting Maoming and Zhanjiang was completed in and operating since 2013. The second phase connecting Maoming with Shenzhen and Guangzhou is planned to be completed in 2017. Upon the completion of the second phase of the railway, the economy in the western region of Guangdong Province will be further boosted. Furthermore, in accordance with the Twelfth Five Year Plan of the Development of the Integrated Transportation System in Guangdong Province* (廣東省綜合運輸體系發展「十二五」規劃) published by the PRC government, the construction of Western Guangdong Province Airport* (粵西國際機場) will be commenced in the current year and expected to be completed by 2017. The management is optimistic on the future development of Maoming.

Financial information on Shenzhen LSH Group

The following are the financial information on Shenzhen LSH and Maoming Huada respectively for the two financial years ended 31 December 2013, extracted from the unaudited management accounts of Shenzhen LSH and Maoming Huada respectively prepared in accordance with the PRC GAAPs:

Shenzhen LSH	For the year ended	
	31 December	
	2012	2013
	(unaudited)	(unaudited)
	RMB	RMB
Loss before and after tax	<i>N/A (Note)</i>	13,943
	As at 31 December	
	2012	2013
	(unaudited)	(unaudited)
	RMB	RMB
Net asset value	<i>N/A (Note)</i>	30,004,057

Note: Shenzhen LSH was established in the PRC on 2 August 2013.

Maoming Huada	For the year ended	
	31 December	
	2012	2013
	(unaudited)	(unaudited)
	RMB	RMB
Loss before and after tax	1,358,991	4,310,414
	As at 31 December	
	2012	2013
	(unaudited)	(unaudited)
	RMB	RMB
Net asset value	47,611,378	43,300,964

INFORMATION ON THE GROUP, UNI-BUSINESS, THE VENDOR, MR. HU AND THE GUARANTOR

The Group is principally engaged in (i) property development in the PRC; (ii) property investment in the PRC; and (iii) trading business in relation to the distribution of electronic components and mobile phone modules. Uni-Business is a company incorporated in Hong Kong with limited liability and is a directly wholly-owned subsidiary of the Company. It is principally engaged in investments holding.

As advised by the Vendor, the Vendor, namely Mr. Huang Shibao, is a businessman and a citizen in the PRC.

As advised by the Vendor, Mr. Hu, is a businessman and a citizen in the PRC.

As advised by the Vendor, the Guarantor is a company established in the PRC and is directly owned as to 100% by the Vendor. It is principally engaged in trading of natural resources.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor, Mr. Hu and the Guarantor are third parties independent to the Company and connected persons of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As set out in the paragraph headed "Information on the Group, Uni-Business, the Vendor, Mr. Hu and the Guarantor" above, the Group is principally engaged in, among others, property development and investment in the PRC. As set out in the interim report of the Company for the six months ended 30 June 2013, the accelerating urbanization and increasing demand in most cities in the PRC will provide the growing opportunities in the real estate business. Although the PRC government may continue to impose strict property market measures, the Board is confident that there will be a strong growth of the residential property market sector on long term.

The Group disposed of its entire interest in its sole property project (the "**Disposal Project**") named Zhongzhu Uptown (中珠•上城) in June 2013 (For details of the Disposal Project, please refer to the announcements of the Company dated 15 May 2013 and 28 June 2013 and the circular of the Company dated 31 May 2013 (the "**Disposal Circular**")). As set out in the Disposal Circular, the Group intended to continue expanding its property development business sector. As such, the Board had actively explored potential property development projects during the second half of 2013. Based on the then preliminary information available to the Group in August 2013, the Board considered that it was appropriate to further assess the business potential and negotiate with the Vendor with respect to the potential acquisition of equity interest of Shenzhen LSH ultimately beneficially owned by the Vendor, as Shenzhen LSH involves the property development project relating to the Land. The Group, therefore, entered into the LOI on 27 August 2013 (as supplemented by the Supplemental LOI dated 30 December 2013) with, among others, the Vendor and the Guarantor. After months of assessments and negotiations with the Vendor and the Guarantor, the Board believes that the Acquisition provides the Group a chance to re-establish its position in the property market in Guangdong Province, the PRC after the Disposal Project.

As stated in the paragraph headed "Outlook of Maoming" above, the management is optimistic on the development of property market in Maoming. Currently, the price-level of the properties market in Maoming is relatively low as compared to other first or second tier cities in Guangdong Province (including Shenzhen, Guangzhou and Zhuhai, the PRC). The management believes the potential growth of property market is higher and the relevant downward risk of the properties pricing is smaller in Maoming and western region of Guangdong Province.

Based on the above, the Directors consider that the Acquisition is in the interests of the Company and the Shareholders as a whole, and the terms of the Sale and Purchase Agreement, including the Consideration, are on normal commercial terms and are fair and reasonable.

LISTING RULES IMPLICATIONS

As two of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition, are greater than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement, circular and shareholders' approval requirements.

GENERAL

The EGM will be held to consider and, if thought fit, approve the ordinary resolution(s) in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder. As advised by the Vendor, the Vendor (together with his associates), in aggregate hold 40,000,000 shares of the Company (represented approximately 4.2% of the issued share capital of the Company) as at the date of this announcement, the Vendor and his associates will abstain from voting on the ordinary resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, except for the above interests of the Vendor and his associates in the Company, no other Shareholder has a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Acquisition, nor is required to abstain from voting on the ordinary resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, inter alia, (i) further details of the Sale and Purchase Agreement and the Acquisition; (ii) the accountant's report on Shenzhen LSH Group; (iii) the property valuation report on the Land; and (iv) the notice of EGM will be despatched to the Shareholders on or before 18 March 2014.

As the Completion is subject to the satisfaction and/or waiver where applicable, of the Conditions set out in the Sale and Purchase Agreement, the Acquisition may or may not proceed to Completion. Shareholders and potential investors of the Company should exercise caution when dealing in the shares or any securities of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of the 99.98% of Target Equity Interest and the Target Shareholder's Loan from the Vendor and the 0.02% of Target Equity Interest from Mr. Hu by Uni-Business and/or its nominee pursuant to the terms and conditions of the Sale and Purchase Agreement
“associate(s)”	has the meanings as ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or a Sunday or a day on which a tropical cyclone warning no.8 or above is hoisted or a black rainstorm warning signal is given in Hong Kong at any time between 9:00 a.m. to 5:00 p.m.) on which licensed banks in the PRC and Hong Kong are open for general banking business throughout their normal business hours

“Company”	China Uptown Group Company Limited, a company incorporated in the Cayman Islands, the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
“Completion Accounts”	the unaudited management accounts of Shenzhen LSH Group prepared in accordance with the HKFRSs for the period commencing 1 January 2014 and ending on the Completion Date
“Completion Date”	the date on which Completion will take place in accordance with the Sale and Purchase Agreement, being the fifth Business Day (or such other time and/or date as the parties hereto may agree in writing) immediately following the date that all the Conditions have been satisfied or waived, as the case may be
“Conditions”	the conditions precedent of the Completion, details of which are set out in the paragraph headed “Conditions precedent” of this announcement
“Conditions Fulfillment Date”	31 August 2014 or such later date as the parties to the Sale and Purchase Agreement may agree in writing
“connected person(s)”	has the meanings as ascribed thereto under the Listing Rules, and “connected” shall be construed accordingly
“Consideration”	the total consideration payable for the Acquisition of RMB300 million (equivalent to approximately HK\$381.0 million), among which RMB31 million (equivalent to approximately HK\$39.4 million) being the consideration for the acquisition of the Target Equity Interest by Uni-Business and RMB269 million (equivalent to approximately HK\$341.6 million) being the consideration for the assignment of the Target Shareholder’s Loan to Uni-Business
“Deposit”	the amount of RMB140 million (equivalent to approximately HK\$177.8 million) having already been paid by the Group to the Vendor pursuant to the LOI which will be applied to offset the Consideration on Completion Date
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries from time to time
“Guarantor”	Zhanjiang Huada Trading Co., Limited* (湛江市華大貿易有限公司), a limited liability company established in the PRC which is directly wholly-owned by the Vendor

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRSs”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries is/are third parties independent of and not connected with the Company, its subsidiaries and its connected persons in accordance with the Listing Rules
“Land”	a piece of land in Maoming, Guangdong Province, the PRC with a total area of approximately 93,000 square meters
“LOI”	the non-legally binding letter of intent dated 27 August 2013 entered into among, inter alia, the Company, the Vendor and the Guarantor
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maoming Huada”	Maoming Huada Real Estate Limited Company* (茂名華大房地產有限公司), a limited liability company established in the PRC which is currently directly owned as to 90% by Shenzhen LSH and as to 10% by an Independent Third Party
“Mr. Hu”	Mr. Hu Jing* (胡經), a businessman and a citizen in the PRC who holds 0.02% of the Target Equity Interest. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Mr. Hu is a third party independent to the Company and connected persons of the Company
“PRC”	The People’s Republic of China, and for the purpose of this announcement, excluding Taiwan, Hong Kong and Macau Special Administrative Region
“PRC GAAPs”	Generally Accepted Accounting Practices in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 25 February 2014, including its amendments or replacement, entered into among Uni-Business, the Vendor and the Guarantor in relation to the Acquisition
“Shareholder(s)”	person(s) whose name(s) appear in the register of members of the Company as the holder(s) of the share(s) of the Company

“Shenzhen LSH”	Shenzhen Longshenghang Supply Chain Limited* (深圳市隆盛行供應鏈有限公司), a limited liability company established in the PRC which is directly owned as to 99.98% by the Vendor and 0.02% by Mr. Hu respectively
“Shenzhen LSH Group”	Shenzhen LSH and its subsidiary, namely Maoming Huada
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental LOI”	the non-legally binding supplemental letter of intent dated 30 December 2013 entered into among, inter alia, the Company, the Vendor and the Guarantor
“Target Equity Interest”	the entire equity interest of Shenzhen LSH
“Target Shareholder’s Loan”	the shareholder’s loan, which amounted to approximately RMB280 million (equivalent to approximately HK\$355.6 million) as at the date of the Sales and Purchase Agreement, due by Shenzhen LSH to the Vendor
“Uni-Business”	Uni-Business Limited, a limited liability company incorporated in Hong Kong and a directly wholly-owned subsidiary of the Company
“Vendor”	Mr. Huang Shibao* (黃石保), a businessman and a citizen in the PRC who holds 99.98% of the Target Equity Interest and the Target Shareholder’s Loan
“%”	per cent.

Conversion of RMB into HK\$ is, based on the exchange rate of RMB1 to HK\$1.27, 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
Liu Feng
Chairman

Hong Kong, 25 February 2014

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

* *For identification purpose only*