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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)

(1) CONVERSION OF PREFERENCE SHARES

AND

PREFERENCE A SHARES

AND

(2) UNUSUAL PRICE AND TRADING VOLUME MOVEMENT

(1) CONVERSION OF PREFERENCE SHARES AND PREFERENCE A SHARES

On 20 July 2015, China Uptown Group Company Limited (the “Company”) received conversion notices from China Sugar for the conversion of:

- (i) Preference Shares in the amount of HK\$90,000,000.00 in full at the conversion price of HK\$0.38 per Ordinary Shares. Upon the conversion of the said Preference Shares a total number of 236,842,105 Ordinary Shares will be issued to China Sugar.
- (ii) Preference A Shares in the amount of HK\$2,000,000.00 in full at the conversion price of HK\$0.38 per Ordinary Shares. Upon the conversion of the said Preference A Shares a total number of 5,263,157 Ordinary Shares will be issued to China Sugar.

(2) UNUSUAL PRICE AND TRADING VOLUME MOVEMENT

The Board noted the increases in the price and trading volume of the Ordinary Shares on 22 July 2015. Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that, save as disclosed in this announcement, it is not aware of any reasons that caused such increases in price and trading volume of the Ordinary Shares or of any information which must be announced to avoid a false market in the Ordinary Shares or of any inside information that needs to be disclosed under Part XIVA of the SFO.

(1) CONVERSION OF PREFERENCE SHARES AND PREFERENCE A SHARES

On 20 July 2015, the Company received conversion notices from China Sugar Holdings Limited (“China Sugar”) for the conversion of:

- (i) Preference Shares in the amount of HK\$90,000,000.00 in full at the conversion price of HK\$0.38 per Ordinary Shares. Upon the conversion of the said Preference Shares a total number of 236,842,105 Ordinary Shares will be issued to China Sugar.

- (ii) Preference A Shares in the amount of HK\$2,000,000.00 in full at the conversion price of HK\$0.38 per Ordinary Shares. Upon the conversion of the said Preference A Shares a total number of 5,263,157 Ordinary Shares will be issued to China Sugar.

As at the date of this announcement (before issue of the Conversion Shares), the Company has 941,453,683 Ordinary Shares in issue. The number of issued Ordinary Shares of the Company will be increased to 1,183,558,945 Ordinary Shares upon issue of the Conversion Shares to China Sugar on 22 July 2015, represent approximately 25.72% of the issued share capital of the Company immediately before the issue of the Conversion Shares and approximately 20.46% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. The following is a table showing the shareholding of the Company:

	(i) as at the date of this announcement (before issue of the Conversion Shares)				(ii) upon issue of the Conversion Shares			
	No. of Ordinary Shares	Approx. %	No. of Preference Shares	No. of Preference A Shares	No. of Ordinary Shares	Approx. %	No. of Preference Shares	No. of Preference A Shares
Substantial Shareholder								
Chen Qiang	160,000,000	16.99%	-	-	160,000,000	13.52%	-	-
Mega Edge International Limited (Note 1)	79,500,000	8.44%	-	-	79,500,000	6.72%	-	-
Xu Deliang	21,980,000	2.33%	-	-	21,980,000	1.86%	-	-
China Sugar (Note 2)	-	-	225,000,000	5,000,000	242,105,262	20.46%	-	-
Best Contact (Note 3)	-	-	-	25,000,000	-	-	-	25,000,000
Other individuals (Note 4)	-	-	50,000,000	70,000,000	-	-	50,000,000	70,000,000
	261,480,000	27.77%	275,000,000	100,000,000	503,585,262	42.55%	50,000,000	95,000,000
Public Shareholders	679,973,683	72.23%	-	-	679,973,683	57.45%	-	-
Total	<u>941,453,683</u>	<u>100.00%</u>	<u>275,000,000</u>	<u>100,000,000</u>	<u>1,183,558,945</u>	<u>100.00%</u>	<u>50,000,000</u>	<u>95,000,000</u>

Notes:

- Mega Edge International Limited is 100% owned by Ms. Xia Dan. By virtue of the SFO, Ms. Xia, an executive Director of the Company, is deemed to have interest of the Ordinary Shares held by Mega Edge International Limited.
- China Sugar is directly wholly-owned by Mr. Liu Zhongxiang, the son aged over 18 of Mr. Liu Feng, who is the chairman and the executive Director of the Company. By virtue of the SFO, Mr. Liu Zhongxiang is deemed to have interest in the Ordinary Shares, Preference Shares and Preference A Shares held by China Sugar.
- Best Contact is legally and beneficially owned by Mr. Xu Deliang. By virtue of the SFO, Mr. Xu Deliang is deemed to have interest in the Preference A Shares held by Best Contact.
- To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, all of these other individuals are Independent Third Parties.

Upon the issue of the Conversion Shares, the outstanding principal amount of the Preference Shares and Preference A Shares are as follows:

	Amount (HK\$)
Preference Shares	20,000,000
Preference A Shares	38,000,000

(2) UNUSUAL PRICE AND TRADING VOLUME MOVEMENT

The following statement is made at the request of the Stock Exchange in accordance with Rule 13.10 of the Listing Rules.

The Board noted the increases in the price and trading volume of the Ordinary Shares on 22 July 2015. Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that, save as disclosed in this announcement, it is not aware of any reasons that caused such increases in price and trading volume of the Ordinary Shares or of any information which must be announced to avoid a false market in the Ordinary Shares or of any inside information that needs to be disclosed under Part XIVA of the SFO.

DEFINITIONS

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

“Best Contact”	Best Contact Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Board”	the board of Directors of the Company
“China Sugar”	China Sugar Holdings Limited, a company incorporated in Hong Kong with limited liability, is directly wholly-owned by Mr. Liu Zhongxiang, the son aged over 18 of Mr. Liu Feng, who is the chairman and the executive Director of the Company
“Conversion Shares”	the 242,105,262 new Ordinary Shares in aggregate which fall to be allotted and issued upon exercise of the conversion rights attaching to the Preference A Shares and Preference Shares by China Sugar on 22 July 2015
“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 enquires is/are third party(ies) independent of and not connected with the Company, its subsidiaries and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ordinary Share(s)”	ordinary share(s) of the Company of HK\$0.10 each in the share capital of the Company

“Preference Share(s)”	transferrable non-voting convertible redeemable preference share(s) of the Company, holder(s) of which is/are entitled to a fixed cumulative preferential dividend at the rate of 3.5% per annum
“Preference A Share(s)”	transferrable non-voting convertible redeemable preference A share(s) of the Company, holder(s) of which is/are entitled to a fixed cumulative preferential dividend at the rate of 3.5% per annum
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 22 July 2015

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.

If there is any inconsistency in this announcement between the Chinese and English versions and the English version shall prevail.