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ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017 (the “Year”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2017

	<i>NOTES</i>	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
Continuing operations			
Revenue	3	615,899	479,111
Cost of sales		<u>(496,338)</u>	<u>(394,009)</u>
Gross profit		119,561	85,102
Other income		296	1,117
Selling and marketing expenses		(7,796)	(7,027)
Administrative expenses		(35,477)	(26,988)
Fair value change on investment properties		43,644	–
Fair value change on held-for-trading investments		(13)	(4)
Finance costs		<u>(6,701)</u>	<u>(9,720)</u>
Profit before taxation		113,514	42,480
Income tax expense	5	<u>(60,898)</u>	<u>(35,246)</u>
Profit for the year from continuing operations		52,616	7,234
Discontinued operation			
Profit for the year from discontinued operation	6	<u>–</u>	<u>2,805</u>
Profit for the year	7	<u>52,616</u>	<u>10,039</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

For the year ended 31 December 2017

	<i>NOTE</i>	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
Profit for the year attributable to owners of the Company			
– from continuing operations		44,702	3,555
– from discontinued operation		–	1,057
		<u>44,702</u>	<u>4,612</u>
Profit for the year attributable to non-controlling interests			
– from continuing operations		7,914	3,679
– from discontinued operation		–	1,748
		<u>7,914</u>	<u>5,427</u>
		<u>52,616</u>	<u>10,039</u>
Basic earnings per share (RMB cents)	<i>9</i>		
From continuing and discontinued operations		<u>2.93</u>	<u>0.30</u>
From continuing operations		<u>2.93</u>	<u>0.23</u>
Diluted earnings per share (RMB cents)	<i>9</i>		
From continuing and discontinued operations		<u>2.93</u>	<u>N/A</u>
From continuing operations		<u>2.93</u>	<u>N/A</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
Profit for the year	<u>52,616</u>	<u>10,039</u>
Other comprehensive income (expense)		
<i>Item that will not be reclassified to profit or loss:</i>		
Exchange differences arising on translation of functional currency to presentation currency	(7,574)	(2,015)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of financial statements of foreign operations	9,844	565
Reclassification of cumulative translation reserve to profit or loss upon disposal of a subsidiary	<u>—</u>	<u>557</u>
	<u>2,270</u>	<u>(893)</u>
Total comprehensive income for the year	<u>54,886</u>	<u>9,146</u>
Total comprehensive income attributable to:		
Owners of the Company	46,972	3,719
Non-controlling interests	<u>7,914</u>	<u>5,427</u>
	<u>54,886</u>	<u>9,146</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	<i>NOTES</i>	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
Non-current Assets			
Investment properties		93,815	–
Property, plant and equipment		19,030	19,359
Deferred tax assets		–	3,578
		112,845	22,937
Current Assets			
Properties under development		744,072	354,831
Properties held for sale		394,860	891,580
Trade and other receivables	<i>10</i>	83,328	138,068
Held-for-trading investments		27	40
Tax recoverable		–	16,099
Restricted bank deposit		8,015	7,888
Pledged bank deposits		12,908	34,044
Bank balances and cash		26,322	42,795
		1,269,532	1,485,345
Current Liabilities			
Trade and other payables	<i>11</i>	564,953	744,739
Consideration payable		–	16,942
Loan payable		16,656	–
Amount due to a director		2,714	3,160
Tax payable		20,919	–
Secured bank borrowings		119,304	133,539
		724,546	898,380
Net Current Assets		544,986	586,965
Total Assets Less Current Liabilities		657,831	609,902
Non-current Liability			
Deferred tax liabilities		63,436	75,874
Net Assets		594,395	534,028

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)

As at 31 December 2017

	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Capital and Reserves		
Share capital	136,015	136,015
Reserves	420,344	367,891
	<hr/>	<hr/>
Equity attributable to owners of the Company	556,359	503,906
Non-controlling interests	38,036	30,122
	<hr/>	<hr/>
Total Equity	594,395	534,028
	<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 of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and held-for-trading investments, which are measured at fair values, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle

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	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle ¹
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle ²

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

² Effective for annual periods beginning on or after 1 January 2019.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2021.

3. REVENUE

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

	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
Sales of properties	546,659	479,111
Sales of raw sugar	68,558	–
Rental income	682	–
	<u>615,899</u>	<u>479,111</u>

4. SEGMENT INFORMATION

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (i.e. the executive directors of the Company) (the "CODM") in order to allocate resources to the segments and to assess their performance.

The Group's operating segments under HKFRS 8 "*Operating Segments*" are identified as the follows:

- Property development and investment: this segment primarily develops and sells office premises, commercial and residential properties. This segment also generates rental income from investment properties and achieves gain from the appreciation in the properties' values in the long term. All the Group's activities in this segment are carried out in the PRC.
- Trading of raw sugar: this segment trades raw sugar on a worldwide basis.

Property development and investment and trading of raw sugar also represent the Group's reportable segments. The segment information reported in this note does not include any amounts for the discontinued operation, which is described in more detail in note 6.

Segment revenues and results

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

Continuing operations

For the year ended 31 December 2017

	Property development and investment <i>RMB'000</i>	Trading of raw sugar <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue	<u>547,341</u>	<u>68,558</u>	<u>615,899</u>
Segment profit	<u>132,739</u>	<u>2,274</u>	135,013
Bank interest income			296
Fair value charge on held-for-trading investments			(13)
Finance costs			(458)
Unallocated corporate expenses			<u>(21,324)</u>
Profit before taxation			<u>113,514</u>

For the year ended 31 December 2016

	Property development and investment <i>RMB'000</i>	Trading of raw sugar <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue	<u>479,111</u>	<u>–</u>	<u>479,111</u>
Segment profit (loss)	<u>57,804</u>	<u>(485)</u>	57,319
Bank interest income			1,117
Fair value charge on held-for-trading investments			(4)
Finance costs			(342)
Unallocated corporate expenses			<u>(15,610)</u>
Profit before taxation			<u>42,480</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 bank interest income, fair values charge on held-for-trading investments, certain finance costs and unallocated corporate expenses (i.e. central administration costs and directors' emoluments). This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

5. INCOME TAX EXPENSE

	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
Continuing operations		
Current tax		
PRC Enterprise Income Tax ("EIT")	37,148	19,567
PRC Land Appreciation Tax ("LAT")	<u>32,610</u>	<u>20,342</u>
	69,758	39,909
Underprovision in prior years		
PRC EIT	-	1
Deferred taxation		
Current year	<u>(8,860)</u>	<u>(4,664)</u>
	<u>60,898</u>	<u>35,246</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No provision for Hong Kong Profits Tax has been made as the Group's assessable profit for the current year was wholly absorbed by tax losses brought forward.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

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 of land value, with certain allowable exemptions and deductions.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

6. DISPOSAL OF A SUBSIDIARY (DISCONTINUED OPERATION)

Disposal of trading of electronic products operation

On 31 December 2015, the Group entered into a sale and purchase agreement to (i) dispose of its 51% equity interest in Fame Electronics Limited (“Fame”), which carried out all of the Group’s trading of electronic products operation, and (ii) assign its non-interest bearing shareholder’s loan to an independent third party, at a total consideration of HK\$100,000 (equivalent to RMB84,000). The disposal was completed and control over Fame was passed to the acquirer on 30 March 2016.

The profit for the year from discontinued operation is set out below:

	From 1 January 2016 to 30 March 2016 RMB'000
Profit of trading of electronic products operation	3,568
Loss on disposal of trading of electronic products operation	<u>(763)</u>
	<u><u>2,805</u></u>

The results of the trading of electronic products operation for the period were as follows:

	From 1 January 2016 to 30 March 2016 RMB'000
Revenue	–
Other income	3,569
Administrative expenses	<u>(1)</u>
Profit before taxation	3,568
Income tax expense	<u>–</u>
Profit for the period	<u><u>3,568</u></u>

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

	From 1 January 2016 to 30 March 2016 RMB'000
Auditor's remuneration	–
Reversal of impairment loss recognised in respect of amount due from a fellow subsidiary	<u><u>(3,569)</u></u>

Upon the completion, the Company ceased to hold any interest in Fame.

7. PROFIT FOR THE YEAR

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

Continuing operations

	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Directors' remuneration	11,041	7,851
Other staff costs	7,803	7,768
Retirement benefits scheme contributions	646	635
Share-based payment expense for other staffs	1,627	–
	<u>21,117</u>	<u>16,254</u>
Auditor's remuneration	1,110	1,164
Cost of properties held for sale recognised as expenses (included in cost of sales)	432,483	394,009
Net foreign exchange loss	794	21
Depreciation of property, plant and equipment	837	803
Operating lease rentals in respect of equipment	28	28
Operating lease rentals in respect of rental premises	–	3
	<u><u>–</u></u>	<u><u>3</u></u>

8. DIVIDEND

No dividends were declared and proposed by the Company during the year ended 31 December 2017 and 2016, nor has any dividend been proposed since the end of the reporting period (2016: nil).

9. EARNINGS PER SHARE

From continuing and discontinued operations

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

	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
Earnings		
Earnings attributable to owners of the Company for the purpose of calculation of basic earnings per share	<u><u>44,702</u></u>	<u><u>4,612</u></u>
Earnings attributable to owners of the Company for the purpose of calculation of diluted earnings per share	<u><u>44,702</u></u>	<u><u>N/A</u></u>
	2017 <i>'000</i>	2016 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,524,478	1,524,478
Effect of dilutive potential ordinary shares in respect of outstanding share options	<u><u>-</u></u>	<u><u>N/A</u></u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u><u>1,524,478</u></u>	<u><u>N/A</u></u>

The computation of diluted earnings per share for the year ended 31 December 2017 does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for shares during the period from the grant date of those share options to 31 December 2017.

No diluted earnings per share was presented for the year ended 31 December 2016 as there was no potential ordinary share outstanding during that year.

From continuing operations

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

	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Earnings		
Earnings for the year attributable to owners of the Company	44,702	4,612
<i>Less: profit for the year from discontinued operation</i>	<u>—</u>	<u>(1,057)</u>
Earnings for the purpose of basic earnings per share for the year attributable to owners of the Company	<u>44,702</u>	<u>3,555</u>
Earnings for the year attributable to owners of the Company	44,702	N/A
<i>Less: profit for the year from discontinued operation</i>	<u>—</u>	<u>N/A</u>
Earnings for the purpose of diluted earnings per share for the year attributable to owners of the Company	<u>44,702</u>	<u>N/A</u>

The denominators used are the same as those detailed above for basic earnings per share from continuing and discontinued operations.

From discontinued operation

Basic earnings per share from discontinued operation for the year ended 31 December 2016 was RMB0.07 cents per share, calculated based on the profit for the year from discontinued operation of RMB1,057,000 and the denominator detailed above for basic earnings per share from continuing and discontinued operation.

10. TRADE AND OTHER RECEIVABLES

	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
Trade receivables	–	3,289
Less: impairment loss recognised	–	(3,289)
	<u>–</u>	<u>–</u>
Deposits and other receivables	17,378	27,810
Less: impairment loss recognised	(407)	(437)
	<u>16,971</u>	<u>27,373</u>
Prepayments	65,142	76,859
Other tax recoverable	1,215	33,836
	<u>66,357</u>	<u>110,695</u>
	<u>83,328</u>	<u>138,068</u>

11. TRADE AND OTHER PAYABLES

	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
Trade payables	36,641	39,111
Accrued expenditure on construction	51,827	29,938
Other payables and accrued charges	31,023	12,203
Deposits and receipts in advance from pre-sale of properties	412,983	607,092
Receipts in advance from sales of raw sugar	32,479	56,395
	<u>564,953</u>	<u>744,739</u>

Credit periods granted to the Group by suppliers range from 0 to 90 days.

The following is an aging analysis of trade payables, presented based on the invoice date at the end of the reporting period:

	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days	36,502	38,378
91 – 365 days	139	330
over 365 days	—	403
	<u> </u>	<u> </u>
	<u>36,641</u>	<u>39,111</u>

As at 31 December 2017, the Group's receipts in advance from the sale of raw sugar carry interest at a rate of 5.3% plus 3-month London Interbank Offered Rate (2016: 5.3% plus 3-month London Interbank Offered Rate) per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

Property Development and Investment

The revenue attributed to the property development and investment business amounted to approximately RMB547,341,000 (2016: approximately RMB479,111,000) representing sales of properties of approximately RMB546,659,000 (2016: approximately RMB479,111,000) and rental income of approximately RMB682,000 (2016: Nil).

The Group owns 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.

As disclosed in the Company’s 2016 annual report, the construction of properties of phase 1 and 2 was completed in second half of year 2016, and the properties were delivered to the customers according to the delivery schedule of sales agreements in second half of year 2016 and in 2017. As a result, the financial performance of the property development business has significantly improved since second half of year 2016. Moreover, as majority of the properties were contracted for pre-sale in previous years and recognised as sales in accordance with scheduled delivery during the Year, the property development business remains stable as compared to second half of year 2016.

During the Year, a portion of the commercial properties of phase 1 and 2 of the Project of approximately 4,000 square metres was leased and reclassified as investment properties of the Group. Fair value change on investment properties of approximately RMB43,644,000 (2016: Nil) was recorded during the Year which contributed significantly to the improved result.

The construction of phase 3 of the Project has 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 metres with residential and commercial properties of saleable floor area of approximately 128,000 square metres, which mainly consists 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. During the Year, turnover attributable to the trading of raw sugar business amounted to approximately RMB68,558,000 (2016: Nil). The sales represented the raw sugar acquired from the supplier in Association of South East Asian Nations (“ASEAN”) countries and sold to the customer in Europe. Reference is made to the announcements of the Company dated 22 January 2018 and 14 February 2018 and circular of the Company dated 6 March 2018, Techwayson Trading Limited, a wholly-owned subsidiary of the Company, has entered into a master agreement and a supplement agreement with China Sugar Holdings Limited (“China Sugar”) to purchase raw cane sugar from China Sugar for a period of 34 months ended 31 December 2020. The management of the Company is of the view that such arrangement could enhance the sugar procurement network of the Group for a more rapid expansion of its trading of raw sugar business.

MARKET OUTLOOK AND PROSPECTS

In 2017, the PRC economy remained complicated. Tightening policies and measures of the real estate market remained. In order to regulate the development of real estate industry in the PRC continuously, the government has announced a series of regulatory policies focusing on a long-term and effective mechanism to regulate the industry and, at the same time, develop a sustainable and healthy growth of the real estate market.

Government policies and financial policies were tightened, particularly in the first and second tier cities. However, driven by urbanization of third tier and satellite cities, the management of the Company is confident that our real estate project in Maoming City will not be materially affected. In particular (1) good reputation of the Project since the delivery of phase 1 & 2 of the Project; (2) approximately 50% (based on planned gross floor area) of residential properties of phase 3 of the Project were contracted for sales during the Year; (3) average selling price of phase 3 of the Project gradually increased and the property market in Maoming was rather stable during the Year and will be similar in the foreseeable future; and (4) the local city transformation created a strong end-user housing demands in the district of the Project.

While the Company is cautious in its investment policies, the continuous urbanisation in the PRC and infrastructure development in western Guangdong province, including completion of the new regional airport and the China high-speed railway, the management of the Company is optimistic on the pre-sale of the remaining properties of phase 3 of the Project which will be launched in 2018.

Regarding the trading of raw sugar business, it is the goal of the Group to expand its supply chain worldwide and to diversify its customer base in the coming years. As described above, securing a steady supply source will significantly improve the overall business flow and enhance the ability of the Group in exploring new customers. The raw cane sugar price is at a relatively low range (with reference to Sugar no.11 contract of New York Intercontinental Exchange) as compared to recent 2 years with a rather stable fluctuation in recent months. A relatively stable price trend, however, in the view of the management of the Company will lower the trading risk and be beneficial in exploring new business opportunity.

FINANCIAL REVIEW

For the Year, the Group has achieved turnover of approximately RMB615,899,000 (2016: approximately RMB479,111,000). The profit attributable to owners of the Company was approximately RMB44,702,000 (2016: approximately RMB4,612,000). The upsurges in the turnover and improvements of the results of the Group, as disclosed in the Company's interim report 2017 and annual report 2016, were mainly attributable to the recognition of sales from phase 1 and 2 of the Project and fair value change on certain investment properties. During the Year, over 95% and 55% (based on the gross saleable area) of the residential and commercial properties (including office premises) of phase 1 and 2, which were classified as properties held for sale of the Group, were delivered and recognised as sales respectively.

During the Year, the Group's operating activities generated a net cash outflow of approximately RMB43,030,000 (2016: inflow of approximately RMB188,972,000). As at 31 December 2017, bank balances and cash was approximately RMB26,322,000 (2016: approximately RMB42,795,000), restricted bank deposit was approximately RMB8,015,000 (2016: approximately RMB7,888,000) and pledged bank deposit was approximately RMB12,908,000 (2016: approximately RMB34,044,000).

As at 31 December 2017, the total assets of the Group was approximately RMB1,382,377,000 (2016: approximately RMB1,508,282,000), representing a decrease of approximately 8%. The decrease was mainly due to the sales of properties of the phase 1 and 2 of the Project. As at 31 December 2017, the Group's total borrowings and loan payable increased to approximately RMB135,960,000 (2016: approximately RMB133,539,000).

As at 31 December 2017, the gearing ratio, expressed as a percentage of total borrowings and loan payable over net assets was approximately 23% (2016: approximately 25%) and the current ratio was approximately 1.8 (2016: approximately 1.7).

FINANCE COSTS

For the Year, the finance costs were approximately RMB6,701,000 (2016: approximately RMB9,720,000). For the Year, interest expenses of approximately RMB5,143,000 (2016: approximately RMB18,743,000) was capitalised as properties under development. The charge mainly comprised of bank borrowings wholly repayable within five years of approximately RMB4,963,000 (2016: approximately RMB9,361,000) and interest expenses on receipt in advance of approximately RMB1,738,000 (2016: approximately RMB358,000).

CAPITAL STRUCTURE

The issued ordinary share capital of the Company as at 31 December 2017 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 2017, certain of the Group's leasehold land and buildings and properties under development with an aggregate carrying values of approximately RMB570,919,000 (2016: approximately RMB206,591,000) were pledged to banks for securing general banking facilities granted to certain subsidiaries of the Company. As at 31 December 2017, banking facilities of approximately RMB119,304,000 (2016: approximately RMB133,539,000) were utilised and approximately RMB8,686,000 (2016: 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 AND OTHER COMMITMENTS

As at 31 December 2017, the Group had commitments for properties under development contracted for but not provided in the consolidated financial statements of approximately RMB249,161,000 (2016: approximately RMB427,727,000).

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2017, the Group employed 71 (2016: 66) full time employees in Hong Kong and the PRC. Total remuneration of the Group for the Year was approximately RMB21,117,000 (2016: approximately RMB16,254,000). 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 2017, the Group's maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to approximately RMB443,460,000 (2016: approximately RMB535,979,000).

DIVIDEND

No dividend was declared or proposed during the Year. The Directors do not recommend the payment of any dividend for the Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

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. The whole Board and the auditor of the Company had attended the annual general meeting of the Company held on 23 June 2017 (the “2017 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) could not attend the 2017 AGM due to other business engagement but he had appointed the other attended Directors as his representatives to answer questions of the shareholders of the Company. In the future, the Company will endeavour to encourage all the Directors to attend 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.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as otherwise disclosed, there were neither significant investments held as at 31 December 2017 nor material acquisitions and disposals of subsidiaries during the Year. There is no plan for material investments or capital assets as at the date of this announcement.

AUDIT COMMITTEE

The Company established an audit committee of the Company (the “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.

EVENTS AFTER THE REPORTING PERIOD

On 22 January 2018, Techwayson Trading Limited (“Techwayson”), a wholly-owned subsidiary of the Company, entered into the master agreement (the “Master Agreement”) with China Sugar, a substantial shareholder of the Company, for purchase of raw cane sugar from China Sugar Holdings Limited. On 14 February 2018, Techwayson and China Sugar entered into a supplement agreement (the “Supplemental Agreement”) to supplement and amend certain terms of the Master Agreement. The Master Agreement dated 22 January 2018 as supplemented and amended by the Supplemental Agreement dated 14 February 2018 (the “Revised Master Agreement”) has been approved by independent shareholders of the Company at the Company’s extraordinary general meeting convened on 21 March 2018.

China Sugar is wholly-owned by Mr. Liu Zhongxiang, the executive Director. Accordingly, China Sugar, Mr. Liu Zhongxiang and Mr. Liu Feng are the connected persons to the Company as defined under the Listing Rules and the transaction under the Revised Master Agreement constitutes continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

For the details, please refer to the (i) announcement dated 22 January 2018 and 14 February 2018; (ii) circular, notice of extraordinary general meeting and proxy form dispatched on 6 March 2018 and (iii) poll results of extraordinary general meeting dated 21 March 2018.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in respect of the Company's consolidated financial statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Company's audited consolidated financial statements for the Year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

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, 29 March 2018

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