

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Celestial Securities Limited

PLACING

On 14 September 2018 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place, on a best effort basis, up to 304,800,000 Placing Shares to the Placees at the Placing Price of HK\$0.15 per Placing Share, for and on behalf of the Company.

The maximum number of 304,800,000 Placing Shares represents approximately 19.99% of the entire issued share capital of the Company as at the date of this announcement and approximately 16.66% of the entire issued share capital of the Company as enlarged by the Placing (assuming that the Placing Shares are fully placed and there will be no change in the issued share capital of the Company between the date of this announcement and the date of completion of the Placing save for the issue of the Placing Shares).

On the assumption that all the Placing Shares are fully placed, the gross proceeds arising from the Placing will be HK\$45.72 million. The estimated net proceeds, after deducting the placing commission and all relevant expenses, arising from the Placing will be approximately HK\$44.7 million and are intended to be used (i) as to approximately HK\$10 million for partial repayment of a secured interest-bearing bank loan; (ii) as to approximately HK\$30 million for partial repayment of an unsecured and interest-free loan payable to a related company controlled by a director of the Company (such loan payable forms part of the “Loan payables” of the Group as disclosed in the Company’s announcement dated 29 August 2018 in respect of the interim results for the six months ended 30 June 2018); and (iii) as to approximately HK\$4.7 million as general working capital of the Group.

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

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

THE PLACING AGREEMENT

On 14 September 2018 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place, on a best effort basis, up to 304,800,000 Placing Shares to the Places at the Placing Price of HK\$0.15 per Placing Share, for and on behalf of the Company.

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

Date

14 September 2018 (after trading hours of the Stock Exchange)

Parties

Issuer: The Company

Placing Agent: Celestial Securities Limited

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

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

Placees

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

Placing Shares

The maximum number of 304,800,000 Placing Shares represents approximately 19.99% of the entire issued share capital of the Company as at the date of this announcement and approximately 16.66% of the entire issued share capital of the Company as enlarged by the Placing (assuming that the Placing Shares are fully placed and there will be no change in the issued share capital of the Company between the date of this announcement and the date of completion of the Placing save for the issue of the Placing Shares).

The maximum aggregate nominal value of the Placing Shares is HK\$30,480,000.

Ranking of the Placing Shares

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

Placing Price

The Placing Price of HK\$0.15 per Placing Share represents:

- (a) a premium of approximately 0.67% over the closing price of HK\$0.149 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a discount of approximately 11.97% to the average closing price of approximately HK\$0.1704 per Share for the last five consecutive trading days immediately prior to the date of the Placing Agreement as quoted on the Stock Exchange.

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

On the assumption that all the Placing Shares are fully placed, the net placing price per Placing Share, after deduction of all relevant expenses of the Placing, is approximately HK\$0.1465.

Placing Commission

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

General Mandate

The Placing Shares of up to 304,800,000 Shares, representing approximately 19.99% of the existing issued share capital of the Company, will be allotted and issued by the Company pursuant to the General Mandate. According to the General Mandate granted by the Shareholders during the AGM, a total of 304,895,704 Shares, representing 20% of a total of 1,524,478,520 Shares then in issue as at the date of the AGM, may be allotted and issued thereunder. As at the date of this announcement, no Share has been allotted and issued under the General Mandate.

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

Conditions Precedent

Completion of the Placing is conditional upon the fulfilment of all of the following conditions:–

- (a) the Placee(s) having been identified and procured by the Placing Agent;
- (b) the listing of and permission to deal in the Placing Shares having been granted by the Listing Committee of the Stock Exchange (and such listing and permission not subsequently revoked);
- (c) the allotment, issue and subscription of the Placing Shares not having been prohibited by any statute, order, rule, regulation, ruling, directive or request promulgated or issued after the date of the Placing Agreement by any legislative, executive or regulatory body or authority (including the Stock Exchange and the SFC) which is applicable to the Company; and
- (d) all relevant approvals and consents from governmental or other competent authority or in accordance with applicable laws having been obtained for the Placing Agreement.

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

Termination

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

- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing;

- (b) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (c) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

Completion

Completion of the Placing shall take place on the Closing Date, which shall be the date falling two Business Days after the fulfilment of all of the conditions precedent of the Placing Agreement as mentioned in the paragraph headed “Conditions Precedent” above.

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

REASONS FOR THE PLACING AND USE OF PROCEEDS

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

On the assumption that all the Placing Shares are fully placed, the gross proceeds arising from the Placing will be HK\$45.72 million and the estimated net proceeds, after deducting the placing commission and all relevant expenses, from the Placing will be approximately HK\$44.7 million. The Directors intend to apply (i) as to approximately HK\$10 million for partial repayment of a secured interest-bearing bank loan; (ii) as to approximately HK\$30 million for partial repayment of an unsecured and interest-free loan payable to a related company controlled by a director of the Company (such loan payable forms part of the “Loan payables” of the Group as disclosed in the Company’s announcement dated 29 August 2018 in respect of the interim results for the six months ended 30 June 2018); and (iii) as to approximately HK\$4.7 million as general working capital of the Group.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the completion of the Placing, on the assumptions that (a) the maximum number of 304,800,000 Placing Shares will be fully placed; (b) there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing; and (c) no Placee will become a connected person of the Company immediately upon completion of, and as a result of, the Placing:

Shareholders	(i) As at the date of this announcement		(ii) Immediately after the completion of the Placing	
	Shares	%	Shares	%
Substantial Shareholder				
China Sugar Holdings Limited <i>(Notes 1 and 2)</i>	242,105,262	15.88	242,105,262	13.24
Sub-total	242,105,262	15.88	242,105,262	13.24
Director				
Mr. Lau Sai Chung	148,000	0.01	148,000	0.01
Sub-total	148,000	0.01	148,000	0.01
Public Shareholders				
Placees	–	–	304,800,000	16.66
Other public Shareholders	1,282,225,258	84.11	1,282,225,258	70.09
Sub-total	1,282,225,258	84.11	1,587,025,258	86.75
Total	1,524,478,520	100	1,829,278,520	100

Notes:

- China Sugar Holdings Limited is directly wholly-owned by Mr. Liu Zhongxiang, an executive Director.
- China Sugar Holdings Limited has provided a share charge in respect of the 242,105,262 Shares held by it in favour of Guangdong Nanyue Bank First Direct Branch*.

* For identification purpose only

FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

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

INFORMATION ON THE GROUP

The Group is principally engaged in property development and investment as well as trading of raw sugar.

APPLICATION FOR LISTING

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

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 15 June 2018
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday and public holidays in Hong Kong) on which licensed banks generally are open for business in Hong Kong
“Closing Date”	the date on which the Placing Shares will be allotted and issued to the Placees in exchange for the payment of the net proceeds of the Placing to the Company, which shall be the date falling two Business Days after the date on which the conditions of the Placing Agreement are fulfilled, but in any event no later than the Long Stop Date

“Company”	China Uptown Group Company Limited, a company incorporated in the Cayman Islands with limited liability, and the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Encumbrance”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect
“General Mandate”	the general mandate granted to the Directors to allot and issue new Shares for up to 20% of the issued share capital of the Company on the date of the AGM by a resolution of the Shareholders passed at the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) independent of and not connected with the Company and any of its connected persons (having the meaning ascribed to it under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	5 October 2018, or such later date as the Company and the Placing Agent may agree in writing

“Placee(s)”	any individual, corporate, professional, institutional or other investor(s) procured by or on behalf of the Placing Agent to subscribe for the Placing Shares pursuant to the terms of the Placing Agreement
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agent”	Celestial Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities) regulated activity within the meaning of the SFO
“Placing Agreement”	the conditional placing agreement dated 14 September 2018 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	the period commencing upon the date of the Placing Agreement and terminating at completion on the Closing Date, unless terminated earlier pursuant to the Placing Agreement
“Placing Price”	HK\$0.15 per Placing Share, excluding any SFC transaction levy, Stock Exchange trading fee and other fees or levies as may be payable by the Placees
“Placing Shares”	up to 304,800,000 new Shares to be allotted and issued by the Company and placed through the Placing Agent on a best effort basis pursuant to the terms and conditions of the Placing Agreement
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“SFC”	the Securities and Futures Commission of Hong Kong

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

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

Hong Kong, 14 September 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.