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**(1) PROPOSED SHARE CONSOLIDATION;
AND
(2) SUBSCRIPTION OF NEW SHARES BY
CONNECTED PERSON
UNDER SPECIFIC MANDATE**

(1) SHARE CONSOLIDATION

The Board proposes that every ten (10) Existing Shares of HK\$0.10 each in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share of HK\$1 each in the issued and unissued share capital of the Company. As at the date of this announcement, there were 1,824,690,520 Existing Shares of HK\$0.10 each in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued or repurchased from the date of this announcement up to the date of the EGM, there will be 182,469,052 Consolidated Shares of HK\$1 each in issue which are fully paid or credited as fully paid immediately following the Share Consolidation. The authorised share capital of the Company will become HK\$300,000,000 divided into 300,000,000 Consolidated Shares of HK\$1 each.

The Share Consolidation is subject to, among other things, the Shareholders' approval at the EGM.

(2) SUBSCRIPTION OF NEW SHARES BY CONNECTED PERSON UNDER SPECIFIC MANDATE

On 2 September 2020 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares at the Subscription Price each.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Subscription Shares.

The Subscription Shares represent approximately (i) 39.46% of the issued share capital of the Company as at the date of this announcement; and (ii) 28.29% of the issued share capital of the Company as enlarged by the Subscription Shares. The Subscription Shares will be allotted and issued pursuant to the Specific Mandate.

LISTING RULES IMPLICATIONS

The Share Consolidation is conditional upon, among other things, the approval of Shareholders at the EGM.

The Subscription Shares will be issued under the Specific Mandate, which is subject to the Shareholders' approval at the EGM. As Mr. Liu is interested in 15% of the equity interest in the Subsidiary, and is also the sole director and shareholder of the Subscriber, the Subscriber is a connected person of the Company pursuant to Chapter 14A of the Listing Rules.

As such, the Subscription constitutes a connected transaction of the Company under the Listing Rules.

The EGM will be convened to obtain, amongst other things, the Shareholders' approval for (i) the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to the Subscriber; and (ii) the Share Consolidation.

The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, no Shareholder has a material interest in the Subscription and/or the Share Consolidation. As such, no Shareholder will abstain from voting on the resolution(s) to be proposed at the EGM.

THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, which comprises all independent non-executive Directors, has been established to advise the Shareholders (i) as to whether the terms of the Subscription (including the Specific Mandate and the transactions contemplated thereunder) are fair and reasonable; (ii) how to vote on the resolutions at the EGM in relation to the Subscription (including the Specific Mandate and the transactions contemplated thereunder); and (iii) whether the Subscription (including the Specific Mandate and the transactions contemplated thereunder) are in the interests of the Company and the Shareholders as a whole, after taking into account the recommendations of the Independent Financial Adviser.

An Independent Financial Adviser will be appointed by the Company after approval by the Independent Board Committee to advise the Independent Board Committee and the Shareholders in respect of the Subscription (including the Specific Mandate).

GENERAL

A circular including, among other things, (i) further information on the Share Consolidation; (ii) the Subscription; and (iii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Wednesday, 23 September 2020.

As Subscription Completion is subject to the satisfaction of the Conditions, the Subscription may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

I. PROPOSED SHARE CONSOLIDATION

The Board proposes that every ten (10) Existing Shares of HK\$0.10 each in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share of HK\$1 each in the issued and unissued share capital of the Company. As at the date of this announcement, there were 1,824,690,520 Existing Shares of HK\$0.10 each in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued or repurchased from the date of this announcement up to the date of the EGM, there will be 182,469,052 Consolidated Shares of HK\$1 each in issue which are fully paid or credited as fully paid immediately following the Share Consolidation. The authorised share capital of the Company will become HK\$300,000,000 divided into 300,000,000 Consolidated Shares of HK\$1 each.

It is proposed that following the Share Consolidation, the Consolidated Shares will continue to be traded in board lots of 4,000 Consolidated Shares. Based on the closing price of HK\$0.068 per Share on the Last Trading Day, the value of each board lot of the Consolidated Shares, upon the Share Consolidation becoming effective, would be HK\$2,720.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of the necessary ordinary resolution(s) by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under Cayman Islands law (where applicable) and the Listing Rules to effect the Share Consolidation.

Effect of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$300,000,000 divided into 3,000,000,000 Existing Shares of HK\$0.10 each, of which 1,824,690,520 Existing Shares have been issued and are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective and on the basis that no further Existing Shares will be allotted, issued or repurchased prior thereto, the authorised share capital of the Company will become HK\$300,000,000 divided into 300,000,000 Consolidated Shares of HK\$1 each, of which 182,469,052 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue and fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other in accordance with the Company's articles of association.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

Listing application

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS. The Share Consolidation will be conducted in accordance with the provisions in the articles of association of the Company.

None of the Existing Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time of the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Reasons for the Share Consolidation

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. In this regard, the Share Consolidation would enable the Company to comply with the trading requirements of the Listing Rules.

Pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated on 28 June 2019, the expected board lot value should be greater than HK\$2,000 per board lot taking into account the minimum transaction costs for a securities trade. As at the date of this announcement, the closing price of each Share is HK\$0.068, with a board lot size of 4,000 Shares, the Company is trading under HK\$2,000 per board lot. For the purpose of reducing transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes the Share Consolidation.

The proposed Share Consolidation will increase the par value of the Existing Shares and decrease the total number of Existing Shares currently in issue. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange. Furthermore, as the theoretical market value of each board lot of the Consolidated Shares upon the Share Consolidation becoming effective will be higher than the market value of each board lot of the Existing Shares, the transaction cost as a proportion of the market value of each board lot will be lower. It is also expected that the liquidity in trading of the Existing Shares will increase accordingly.

As at the date of this announcement, save and except the Subscription, the Company has no intention to conduct any fundraising activities in the next 12 months. As such, the Board considers that the basis of the Share Consolidation is reasonable and sufficient. Further, as at the date of this announcement, having considered its current plans in relation to all corporate actions for the next 12 months, the Company expresses no intention to carry out any corporate actions in the next 12 months, including share consolidation, share subdivision and change in board lot size, which would offset the effect of the Share Consolidation. As such, the Board is of the view that the Share Consolidation is beneficial to the Company, the Shareholders and investors of the Company as a whole.

Shareholders and potential investors should be aware of and take note that the Share Consolidation is conditional upon satisfaction of the conditions precedent set out in the paragraph headed “Conditions of the Share Consolidation” above, and therefore may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Other Arrangements

Adjustments in relation to the other securities of the Company

Share Options

As at the date of this announcement, the Company has outstanding Share Options entitling the holders thereof to subscribe for a total of 64,000,000 Existing Shares. Under the terms and conditions of the Share Option Schemes, the Share Consolidation may lead to adjustments to the number of shares of the Company available for issue under the scheme limit, which has not yet been utilised, of the Share Option Schemes, and/or the exercise price and/or the number of shares of the Company falling to be issued upon the exercise of the Share Options. The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

Save as disclosed above, the Company does not have any other outstanding derivatives, options, warrants, conversion rights, securities in issue, convertible securities or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as at the date of this announcement.

Odd lots arrangements and matching services

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares arising from the Share Consolidation the Company will procure an arrangement with a securities firm as an agent to stand in the market to provide matching services for sale and purchase of odd lots of the Consolidated Shares on a best effort basis. Further details in respect of the odd lots arrangements will be set out in the circular to be issued by the Company.

Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not warranted. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

Fractional entitlement to Consolidated Shares

No fractional Consolidated Shares will be issued by the Company to the Shareholders. Any fractional entitlements of Consolidated Shares arising from the Share Consolidation will be aggregated, if possible, sold and retained for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Exchange of share certificates

Subject to the Share Consolidation having become effective, Shareholders may, during the specified period, submit the existing share certificates for the Existing Shares to the branch share registrar of the Company in Hong Kong, Union Registrars Limited, Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, in exchange, at the expense of the Company, for new share certificates for the Consolidated Shares.

Thereafter, existing share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Consolidated Shares at the expense of the Shareholders on payment of a fee of HK\$2.5 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each existing share certificate cancelled or each new share certificate issued for Consolidated Shares (whichever is higher) but are not acceptable for trading, settlement and registration.

The new share certificates for the Consolidated Shares will be issued in blue colour in order to distinguish them from the existing share certificates in red colour.

Subject to the Share Consolidation having become effective, after 4:10 p.m. on Tuesday, 24 November 2020, trading will only be in Consolidated Shares. Existing Share Certificates will then only remain effective as good evidence of legal title and may be exchanged for New Share Certificates at any time, at stated above, but will cease to be valid for delivery, trading and settlement purposes.

Expected Timetable

Set out below is the expected timetable for the implementation of the Share Consolidation:

Events	Date (Hong Kong time) 2020
Despatch of EGM Circular with notice and form of proxy of the EGM	Wednesday, 23 September
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM.	4:00 p.m. on Monday, 12 October
Closure of register of members for determining the entitlement to attend and vote at the EGM	from Tuesday, 13 October to Friday, 16 October (both days inclusive)
Latest date and time for lodging forms of proxy for the EGM	10:30 a.m. on Wednesday, 14 October

Events**Date (Hong Kong time)
2020**

Expected date and time of the EGM 10:30 a.m.
on Friday, 16 October

Publication of the announcement of
poll results of the EGM Friday, 16 October

***The following events are conditional on the fulfilment of the conditions for the
implementation of the Share Consolidation***

Effective date of the Share Consolidation Tuesday, 20 October

First date and time for free exchange of
Existing Share Certificates
for New Share Certificates 9:00 a.m.
on Tuesday, 20 October

Dealings in the Consolidated
Shares commences 9:00 a.m.
on Tuesday, 20 October

Original counter for trading in the Existing
Shares in board lots of 4,000 Existing Shares
(in the form of existing share
certificates) temporarily closes 9:00 a.m.
on Tuesday, 20 October

Temporary counter for trading in
the Consolidated Shares in board lots of
400 Consolidated Shares (in the form of
Existing Share Certificates) opens 9:00 a.m.
on Tuesday, 20 October

Events**Date (Hong Kong time)
2020**

Original counter for trading in board lots of 4,000 Consolidated Shares (in the form of New Share Certificates) re-opens	9:00 a.m. on Wednesday, 4 November
Parallel trading in the Consolidated Shares (in the form of New Share Certificates and Existing Share Certificates) commences	9:00 a.m. on Wednesday, 4 November
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Wednesday, 4 November
Temporary counter for trading in board lots of 400 Consolidated Shares (in the form of Existing Share Certificates) closes	4:10 p.m. on Tuesday, 24 November
Parallel trading in the Consolidated Shares (in the form of New Share Certificates and Existing Share Certificates) ends	4:10 p.m. on Tuesday, 24 November
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:10 p.m. on Tuesday, 24 November
Last date and time for free exchange of Existing Share Certificates for New Share Certificates	4:00 p.m. on Thursday, 26 November

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this announcement are indicative only and may be extended or varied. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

II. SUBSCRIPTION OF NEW SHARES BY CONNECTED PERSON UNDER SPECIFIC MANDATE

On 2 September 2020 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for the Subscription Shares at the Subscription Price.

Date: 2 September 2020

Parties: (1) the Company; and
(2) the Subscriber

As at the date of this announcement, Mr. Liu, who is the 15% shareholder of the Subsidiary, is the sole director and shareholder of the Subscriber. Therefore, the Subscriber is a connected person of the Company at the subsidiary level according to Rule 14A.07(1) of the Listing Rules. Accordingly, the Subscription constitutes a connected transaction of the Company under Chapter 14A.07(1) of the Listing Rules. As advised by the Subscriber, the Subscriber is newly incorporated and has not yet commenced business operations.

Subscription Shares

Subject to the terms and conditions of the Subscription Agreement, the Company conditionally agrees to issue, and the Subscriber agrees to, subject to fulfilment of the Conditions, subscribe, the Subscription Shares at the Subscription Price each.

As at the date of this announcement, the Subscription Shares consist of 720,000,000 new Existing Shares. In the event that the Share Consolidation becomes effective prior to the Subscription Completion, the Subscription Shares to be issued by the Company to the Subscriber pursuant to the Subscription Agreement will be 72,000,000 new Consolidated Shares.

Assuming that, save and except for the Share Consolidation, there will be no change in the issued share capital of the Company between the date of this announcement and the date of Subscription Completion, the Subscription Shares represent approximately (i) 39.46% of the issued share capital of the Company as at the date of this announcement; and (ii) 28.29% of the issued share capital of the Company as enlarged by the Subscription Shares. The Subscription Shares will be allotted and issued pursuant to the Specific Mandate.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Subscription Shares.

The Subscription Shares, when issued and fully paid, will rank, upon issue, pari passu in all respects with the Shares then in issue on the date of allotment and issue of the Subscription Shares.

Subscription Price

The Subscription Price of HK\$0.10 per Subscription Share, in the form of the new Existing Shares represents:

- (i) a premium of approximately 47.1% to the closing price of HK\$0.068 per Existing Share as quoted on Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 38.1% to the average closing price of HK\$0.0724 per Existing Share as quoted on Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 73.6% to the audited net asset value per Existing Share of HK\$0.38 per Existing Share (based on the consolidated net asset value of the Company as at 31 December 2019).

In the event that the Share Consolidation becomes effective prior to the Subscription Completion, the Subscription Price will become of HK\$1 per Subscription Share, in the form of the new Consolidated Shares.

The Subscription Price was negotiated on an arm's length basis between the Company and the Subscriber and was determined with reference to the prevailing market price of the Shares. The Board noted that the Subscription Price represents a discount of approximately 73.6% to the audited net asset value of approximately HK\$0.38 per Share of the Company as at 31 December 2019. The Board further noted that during the period from 27 May 2020 (about three months prior to the Last Trading Day) up to the Last Trading Day, the closing price of the Existing Shares as quoted on the Stock Exchange have been consistently at a substantial discount to the net asset value per Share, ranging from approximately 76.8% to 85.5%. Further, the Subscription Price is comparatively higher than the prevailing market prices of the Shares as shown above. Accordingly, the Board considers that it would be more appropriate to determine the Subscription Price with reference to the prevailing market prices of the Shares, which reflect the fair market value of the Shares traded on the Stock Exchange, instead of making reference to the net asset value per Share.

Conditions to the Subscription

The Subscription is conditional upon the following Conditions being fulfilled on or before the Subscription Long Stop Date or such later date as the Parties hereto may agree in writing:

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- (b) the duly passing by the Shareholders of the resolutions for approving at the EGM,
 - (i) the Subscription Agreement and the transactions contemplated thereunder; and
 - (ii) the grant of Specific Mandate for issuing and allotting the Subscription Shares to the Subscriber.

For the avoidance of doubt, none of the above Conditions are waivable.

If the Conditions as set out above are not fulfilled on or before the Subscription Long Stop Date or the Subscriber fails to pay the Deposit as described below, the Subscription Agreement shall lapse and neither party shall be bound to proceed with the Subscription and from such date have no effect and no party shall have any liability under them (without prejudice to the rights of any of the parties in respect of claim arising out of any antecedent breach of the Subscription Agreement).

Payment of the Subscription Price

Within seven (7) days prior to the date of the EGM, the Subscriber shall pay a sum not less than HK\$10,000,000 to the Company as deposit (the “**Deposit**”) either in Hong Kong dollars, Renminbi, or by both currency in the manner as requested by the Company, which shall contribute as partial payment of the Subscription Price for all of the Subscription Shares upon Completion. In the event that the Subscription does not proceed, the Deposit will be refundable to the Subscriber within fourteen (14) days without interests. Upon the Deposit being fully refunded to the Subscriber, no party shall have any liability under the Subscription Agreement thereafter.

At least one (1) Business Day prior to the Completion, the Subscriber shall pay the total Subscription Price less the Deposit (the “**Remaining Subscription Price**”) for all of the Subscription Shares to the Company either in Hong Kong dollars, Renminbi, or by both currency in the manner as requested by the Company.

For avoidance of doubt, if the Deposit and/or the Remaining Subscription Price will be paid fully or partially to the Company by Renminbi, the relevant exchange rate shall be the then prevailing daily exchange rate (central parity rate) published by the People’s Bank of China on the date of payment.

Reasons for the Subscription and the Use of Proceeds

The Company is an investment holding company. The principal activities of the Group are engaged in (i) property development and investment; and (ii) trading of raw sugar.

The net proceeds from the issue of the Subscription Shares, after the deduction of the relevant expenses, will be approximately HK\$71,400,000, representing a net issue price of approximately HK\$0.10 per Subscription Share or HK\$1 in the event that the Share Consolidation becomes effective prior to the Subscription Completion. The Group intends to apply the net proceeds from the issue of the Subscription Shares as follows:

Payment of property project development and construction fee*	HK\$54,400,000 approximately
General working capitals	HK\$17,000,000 <u>approximately</u>
Total	HK\$71,400,000 <u><u>approximately</u></u>

* *Payment are for the development and construction fee for property project in related to the newly acquired a land use rights in Maoming, the PRC. Further details are stated in the circular of the Company dated 24 January 2020 and the announcements dated 28 November 2019, 20 January 2020, 23 January 2020 and 14 May 2020.*

The Directors (including the independent non-executive Directors) consider that the issue of Subscription Shares can provide the Company with access to additional funds to enhance its working capital and strengthen its capital base and financial position for the future development. The terms of the Subscription Agreements (including the Subscription Price) were arrived at after arm's length negotiations between the Company and the Subscriber, taking into account the market price of the Existing Shares. The Directors (including the independent non-executive Directors) are of the view that the Subscription Agreements (including the Subscription Price) are entered into upon normal commercial terms and, based on the prevailing market conditions, that the Subscription Agreements (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Effects on Shareholding Structure of The Company

As at the date of this announcement, the Company has 1,824,690,520 Existing Shares in issue. Set out below are the shareholding structures of the Company (i) as at the date of this announcement; (ii) immediately after the Share Consolidation becoming effective and prior to the allotment and issue of the Subscription Shares; (iii) immediately after the allotment and issue of the Subscription Shares, assuming Share Consolidation is effective; and (iv) immediately after the allotment and issue of the Subscription Shares, assuming Share Consolidation is not effective:

	As at the date of this announcement		Immediately after Share Consolidation becoming effective but prior to the allotment and issue of the Subscription Shares		Immediately after the allotment and issue of the Subscription Shares, assuming Share Consolidation is effective		Immediately after the allotment and issue of the Subscription Shares, assuming Share Consolidation is not effective	
	<i>No. of Existing Shares</i>		<i>No. of Consolidated Shares</i>		<i>No. of Consolidated Shares</i>		<i>No. of Existing Shares</i>	
		%		%		%		%
China Sugar Holdings Limited <i>(Note 1)</i>	242,105,262	13.27	24,210,526	13.27	24,210,526	9.51	242,105,262	9.51
Chen Qiang	149,500,000	8.19	14,950,000	8.19	14,950,000	5.88	149,500,000	5.88
Subscriber	–	–	–	–	720,000,000	28.29	72,000,000	28.29
Other public Shareholders	1,433,085,258	78.54	143,308,526	78.54	143,308,526	56.32	1,433,085,258	56.32
Total:	1,824,690,520	100	182,469,052	100	254,469,052	100	2,544,690,520	100

Note:

- These shares of the Company are held by China Sugar Holdings Limited which is 100% owned by Mr. Liu Zhongxiang, an Executive Director of the Company. By virtue of the SFO, Mr. Liu Zhongxiang is deemed to be interested in the shares of the Company held by China Sugar Holdings Limited.

Equity fund raising activities in the past twelve months

The Company has not conducted any equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

Listing Rules Implications

The Share Consolidation is conditional upon, among other things, the approval of Shareholders at the EGM.

The Subscription Shares will be issued under the Specific Mandate, which is subject to the Shareholders' approval at the EGM.

As Mr. Liu, who is the 15% shareholder of the Subsidiary, is the sole director and shareholder of the Subscriber, the Subscriber is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As such, the Subscription constitutes a connected transaction of the Company under the Listing Rules.

The EGM will be convened to obtain, amongst other things, the Shareholders' approval for (i) the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate to the Directors for the allotment and issue of the Subscription Shares to the Subscriber; and (ii) the Share Consolidation.

The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, no Shareholder has a material interest in the Subscription and/or the Share Consolidation. As such, no Shareholder will abstain from voting on the resolution(s) to be proposed at the EGM.

The Independent Board Committee, which comprises all independent non-executive Directors, has been established to advise the Shareholders (i) as to whether the terms of the Subscription (including the Specific Mandate and the transactions contemplated thereunder) are fair and reasonable; (ii) how to vote on the resolutions at the EGM in relation to the Subscription (including the Specific Mandate and the transactions contemplated thereunder); and (iii) whether the Subscription (including the Specific Mandate and the transactions contemplated thereunder) are in the interests of the Company and the Shareholders as a whole, after taking into account the recommendations of the Independent Financial Adviser.

An Independent Financial Adviser will be appointed by the Company after approval by the Independent Board Committee to advise the Independent Board Committee and the Shareholders in respect of the Subscription (including the Specific Mandate).

GENERAL

A circular including, among other things, (i) further information on the Share Consolidation; (ii) the Subscription; and (iii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Wednesday, 23 September 2020.

As Subscription Completion is subject to the satisfaction of the Conditions, the Subscription may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, a Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or extreme condition is announced in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“Circular”	the circular to be despatched to the Shareholders containing, among other things, details of the Share Consolidation, the Subscription and the notice of the EGM
“Company”	China Uptown Group Company Limited (中國上城集團有限公司), 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 (Stock Code: 2330)
“Conditions”	the conditions precedent of the Subscription Agreement as set out in the section headed “Conditions to the Subscription” in this announcement
“Consolidated Share(s)”	ordinary share(s) of HK\$1 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Share Consolidation and the Subscription (including the Specific Mandate)
“Existing Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company prior to the Share Consolidation having become effective, or in the event that the Share Consolidation does not become effective
“Existing Share Certificate”	existing share certificate(s) in the colour of red for the Existing Share(s)

“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee established by the Board comprising all the independent non-executive Directors, for the purpose of making recommendation to the Independent Shareholders regarding the terms of the Subscription (including the Specific Mandate)
“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Board Committee and the Shareholders regarding the terms of the Subscription (including the Specific Mandate)
“Last Trading Day”	1 September 2020, being the last trading day for the Shares on the Stock Exchange immediately prior to the date of this announcement
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Liu”	Mr. Liu Dong (劉東) a businessman and resident of the PRC
“New Share Certificate(s)”	new share certificate(s) in the colour of blue of the Consolidated Shares
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan

“Registrar”	the Company’s branch share registrar in Hong Kong, Union Registrars Limited, Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	Existing Share(s) or Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every ten (10) Existing Shares of HK\$0.10 each in the issued and unissued share capital of the Company into one (1) Consolidated Share of HK\$1 in the issued and unissued share capital of the Company
“Share Options”	share options to subscribe Shares granted by the Company under the Share Option Schemes
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option Schemes”	share option schemes adopted by the Company on 29 May 2019
“Specific Mandate”	the specific mandate to allot, issue and deal with the Subscription Shares to be proposed for approval as an ordinary resolution of the Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Ming Hung Fung Company Limited (銘鴻豐有限公司), a company incorporated in Hong Kong with limited liability

“Subscription”	the proposed subscription of the Subscription Shares under the Specific Mandate pursuant to the terms and subject to the conditions of the Subscription Agreement
“Subscription Agreement”	the Subscription agreement dated 2 September 2020 entered into between the Company and the Subscriber regarding the Subscription of the Subscription Shares by the Subscriber
“Subscription Completion”	the completion of the Subscription, which shall be taken place on any Business Day within five (5) Business Days after the day on which the last of the Conditions in respect of the Subscription Agreement is satisfied or such other date as agreed by the Company and the Subscriber in writing
“Subscription Long Stop Date”	the long stop date for the fulfilment of the Conditions which shall be on or before 31 December 2020 or such later time or date as may be agreed between the Subscriber and the Company in writing
“Subscription Price”	(i) in the event that the Share Consolidation does not become effective, the subscription price of HK\$0.10 per Existing Share; or (ii) in the event that the Share Consolidation becomes effective prior to the Subscription Completion, the subscription price of HK\$1 per Consolidated Share
“Subscription Share(s)”	(i) in the event that the Share Consolidation does not become effective, 720,000,000 Existing Shares to be issued by the Company to the Subscriber pursuant to the Subscription Agreement at the Subscription Price each; or (ii) in the event that the Share Consolidation becomes effective, 72,000,000 Consolidated Shares to be issued by the Company to the Subscriber pursuant to the Subscription Agreement at the Subscription Price each

“Subsidiary”	Maoming Shang Cheng Real Estate Company Limited* (茂名上誠置業有限公司), a subsidiary of the Company
“%”	per cent.
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

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

Hong Kong, 2 September 2020

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 Mr. Chen Weijiang.

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

For illustrative purpose only, RMB is converted into HK\$ at an exchange rate of HK\$1 = RMB0.9 in this announcement.

* *In this announcement, translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names and their English translation, the Chinese names shall prevail.*