China Uptown Group Company Limited

中國上城集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2330)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The board (the "Board") of directors (the "Directors") of China Uptown Group Company Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2021 (the "Period").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2021

		Six months ended 30 June	
		2021	2020
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*3*	**53,023**	108,681
Cost of sales		**(40,810)**	(82,763)
Gross profit		**12,213**	25,918
Other income and gain	*5*	**79**	435
Impairment losses under expected credit loss model on other receivables		**(44)**	–
Fair value change on investment properties		**500**	(4,318)
Fair value change on financial assets at fair value through profit or loss		**(422)**	2,331
Selling and marketing expenses		**(1,496)**	(1,729)
Administrative expenses		**(13,404)**	(13,925)
Finance costs	*6*	**(405)**	(411)
(Loss) profit before taxation		**(2,979)**	8,301
Income tax expense	*7*	**(3,387)**	(6,252)
(Loss) profit for the period	*8*	**(6,366)**	2,049

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2021

		Six months ended 30 June	
		2021	2020
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
(Loss) profit for the period attributable to:			
Owners of the Company		**(6,224)**	1,624
Non-controlling interests		**(142)**	425
		(6,366)	2,049
			(Restated)
(Loss) earnings per share			
(in Renminbi ("RMB") cents)	*10*		
– Basic		**(2.45)**	0.89
– Diluted		**(2.45)**	0.89

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(Loss) profit for the period	**(6,366)**	2,049
Other comprehensive income (expense):		
Item that will not be reclassified to profit or loss:		
Exchange differences arising on translation of functional currency to presentation currency	**2,241**	377
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of financial statements of foreign operations	**(2,839)**	(1,472)
	(598)	(1,095)
Total comprehensive (expense) income for the period	**(6,964)**	954
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company	**(6,822)**	529
Non-controlling interests	**(142)**	425
	(6,964)	954

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2021

	NOTES	At 30 June 2021 RMB'000 (unaudited)	At 31 December 2020 RMB'000 (audited)
Non-current Assets			
Investment properties		**74,900**	74,400
Property, plant and equipment		**16,141**	16,643
Right-of-use assets		**1,722**	337
		92,763	91,380
Current Assets			
Properties under development		**307,062**	253,395
Properties held for sale		**561,904**	602,714
Deposits, other receivables and prepayments	*11*	**28,025**	26,604
Financial assets at fair value through profit or loss		**4,500**	6,402
Tax recoverable		**24,841**	26,620
Restricted bank deposit		**–**	22
Pledged bank deposits		**6,695**	11,486
Bank balances and cash		**38,779**	77,848
		971,806	1,005,091
Current Liabilities			
Trade and other payables	*12*	**58,338**	59,088
Contract liabilities		**41,877**	74,154
Loan payables		**8,316**	8,420
Lease liabilities – current portion		**931**	340
Amounts due to non-controlling interests		**91,000**	85,000
Amounts due to directors		**6,694**	6,624
Tax payable		**74,505**	72,228
Bank overdrafts		**5,192**	4,039
Secured bank borrowings		**8,609**	9,150
		295,462	319,043
Net Current Assets		**676,344**	686,048
Total Assets Less Current Liabilities		**769,107**	777,428

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AT 30 JUNE 2021

	At 30 June 2021 *RMB'000* (unaudited)	At 31 December 2020 *RMB'000* (audited)
Total Assets Less Current Liabilities	**769,107**	777,428
Non-current Liabilities		
Lease liabilities – non-current portion	**800**	21
Deferred tax liabilities	**32,088**	34,224
	32,888	34,245
Net Assets	**736,219**	743,183
Capital and Reserves		
Share capital	**222,157**	222,157
Reserves	**456,489**	463,311
Equity attributable to owners of the Company	**678,646**	685,468
Non-controlling interests	**57,573**	57,715
Total Equity	**736,219**	743,183

NOTES:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020.

Applications of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

Except as described below, the application of the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2.1 Impacts and accounting policies on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 "Interest Rate Benchmark Reform – Phase 2"

2.1.1 Accounting policies

Financial instruments

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and

- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (ie the basis immediately preceding the change).

For other changes made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first applies the practical expedient to the changes required by interest rate benchmark reform by updating the effective interest rate. The Group then applies the applicable requirements in HKFRS 9 Financial Instrument on modification of a financial asset or a financial liability to the additional changes to which the practical expedient does not apply.

2.1.2 Transition and summary of effects

As at 1 January 2021, the Group has several financial liabilities, the interest of which are indexed to benchmark rates that will or may be subject to interest rate benchmark reform.

The following table shows the total amounts of outstanding contracts. The amounts of financial liabilities are shown at their carrying amounts and derivatives are shown at their notional amounts.

	HKD Hong Kong Interbank Offered Rate ("HIBOR")
	RMB'000
Financial liabilities	
Bank borrowings	9,150
Bank overdrafts	4,039

The Group intends to apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for bank loans and bank overdrafts measured at amortised cost. The amendments have had no impact on the condensed consolidated financial statements as none of the above contracts has been transitioned to the relevant replacement rates during the interim period. The impacts on application of the amendments, if any, including additional disclosures, will be reflected in the Group's consolidated financial statements for the year ending 31 December 2021.

2.2 Potential impact on application of the IFRS Interpretations Committee's (the "Committee) agenda decision – Costs necessary to sell inventories (IAS 2 Inventories)

In June 2021, the Committee, through its agenda decision, clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories. In particular, whether such costs should be limited to those that are incremental to the sale. The Committee concluded that the estimated costs necessary to make the sale should not be limited to those that are incremental but should also include costs that an entity must incur to sell its inventories including those that are not incremental to a particular sale.

The Group's existing accounting policy is to determine net realisable value taking into consideration incremental costs only. As at 30 June 2021, the Group is still in process of assessing the potential impact and has yet to implement the change in accounting policy based on the Committee's agenda decision. The impacts on such change, if any, will be disclosed in the Group's future consolidated financial statements.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Arising from the People's Republic of China (the "PRC")		
Sales of properties	**51,982**	80,135
Rental income	**1,041**	582
Arising from Hong Kong		
Trading of raw cane sugar	**–**	27,964
	53,023	108,681

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) in order to allocate resources to the segment and to assess its 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 cane sugar: this segment trades raw cane sugar on a worldwide basis.

Property development and investment and trading of raw cane sugar also represent the Group's reportable segments.

(a) Segment revenue and results

The following is the analysis of the Group's revenue and results by operating segment.

Six months ended 30 June 2021 (unaudited)

	Property development and investment *RMB'000*	**Trading of raw cane sugar** *RMB'000*	**Total** *RMB'000*
Revenue	**53,023**	**–**	**53,023**
Segment profit	**7,242**	**–**	**7,242**
Other income and gain			**79**
Fair value change on financial assets at fair value through profit or loss ("FVTPL")			**(422)**
Finance costs			**(405)**
Unallocated expenses			**(9,473)**
Loss before taxation			**(2,979)**

Six months ended 30 June 2020 (unaudited)

	Property development and investment *RMB'000*	Trading of raw cane sugar *RMB'000*	Total *RMB'000*
Revenue	80,717	27,964	108,681
Segment profit	10,992	4,022	15,014
Other income and gain			435
Fair value change on financial assets at FVTPL			2,331
Finance costs			(372)
Unallocated expenses			(9,107)
Profit before taxation			8,301

5. OTHER INCOME AND GAIN

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Bank interest income	**35**	34
Sundry income	**44**	264
Government grant	**–**	106
Gain on disposal of subsidiary	**–**	31
	79	435

6. FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest expenses on		
– bank borrowings	**90**	100
– loan payables	**250**	272
– lease liabilities	**8**	39
– bank overdrafts	**57**	–
Total borrowing costs	**405**	411

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax		
PRC Enterprise Income Tax ("EIT")	**3,744**	5,537
PRC Land Appreciation Tax ("LAT")	**1,779**	2,379
	5,523	7,916
Deferred taxation		
Current period	**(2,136)**	(1,664)
Income tax expense	**3,387**	6,252

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 periods.

The provision of PRC LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. PRC 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 condensed 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.

8. (LOSS) PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(Loss) profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	**391**	439
Depreciation of right-of-use assets	**474**	631

9. DIVIDEND

No dividends were declared and proposed by the Company during the six months ended 30 June 2021 and 2020.

10. (LOSS) EARNINGS PER SHARE

The calculations of the basic and diluted (loss) earnings per share attributable to the owners of the Company are based on the following data:

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(Loss) earnings		
(Loss) earnings attributable to the owners of the Company for the purposes of calculation of basic and diluted (loss) earnings per share	**(6,224)**	1,624
Number of shares	***'000***	*'000*
		(Restated)
Weighted average number of ordinary shares for the purposes of calculation of basic and diluted (loss) earnings per share	**254,469**	182,469

The weighted average number of ordinary shares for the purposes of basic and diluted (loss) earnings per share for prior period presented has been adjusted and restated for the share consolidation effected on 20 October 2020.

The computation of diluted (loss) earnings per share for the six months ended 30 June 2020 and 2021 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 corresponding period.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 30 June 2021 RMB'000 (unaudited)	At 31 December 2020 RMB'000 (audited)
Other receivables (Note)	**26,241**	24,914
Less: impairment loss recognised	**(1,686)**	(1,647)
	24,555	23,267
Prepaid construction costs	**2,981**	2,703
Deposits and prepayments	**489**	634
	28,025	26,604

Deposits and prepayments mainly represented prepaid other taxes.

Note: It includes loan receivables of RMB7,743,000 (31 December 2020: RMB10,675,000) extended to the buyers of properties. The amounts are interest-free, unsecured and repayable within twelve months.

12. TRADE AND OTHER PAYABLES

	At 30 June 2021 *RMB'000* (unaudited)	At 31 December 2020 *RMB'000* (audited)
Trade payables	**17**	388
Value-added tax payable	**40,065**	41,910
Other tax payables	**3,015**	3,241
Construction payables	**1,810**	–
Other payables and accrued charges	**13,431**	13,549
	58,338	59,088

Credit periods granted to the Group by suppliers range from 0 to 180 days.

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

	At 30 June 2021 *RMB'000* (unaudited)	At 31 December 2020 *RMB'000* (audited)
Within 90 days	**–**	388
91 – 365 days	**–**	–
Over 365 days	**17**	–
	17	388

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

Property Development and Investment

During the Period, the revenue attributed to the property development and investment business amounted to approximately RMB53,023,000 (2020: RMB80,717,000) representing sales of properties of approximately RMB51,982,000 (2020: RMB80,135,000) and rental income of approximately RMB1,041,000 (2020: RMB582,000). The Group operates two property development projects located in Maoming City, Guangdong Province, the People's Republic of China (the "PRC"). The first Maoming Project has developed into a composite of residential and commercial properties in three phases (the "First Maoming Project"). Majority of residential properties of Phase 1 and 2 of the First Maoming Project were delivered and recognised as the revenue of the Group in previous years. Commercial properties and carparks were sold during the Period. Approximately 4,000 square meters of commercial properties was leased and classified as investment properties of the Group.

Amid the outbreak of COVID-19, customers were being more cautious in buying properties especially for commercial properties. During the Period, the total area of residential and commercial properties recognised as sales were approximately 4,290 square meters and 371 square meters respectively (2020: 6,760 square meters and 484 square meters respectively). 73 units and 55 units (2020: 117 units and 42 units respectively) of car parking spaces for private cars and motorbikes respectively were recognised as sales during the Period. As at 30 June 2021, residential and commercial properties contracted for pre-sale are as follows:

	Percentage *(Note)*
Phase 1 & 2 of the First Maoming Project	36%
Phase 3 of the First Maoming Project	62%

Note: Refer to the percentage of area of residential and commercial properties contracted for pre-sales over the total unsold area of residential and commercial properties.

On 27 November 2019, a non-wholly owned subsidiary of the Group successfully won the bid of land use rights of a parcel of land situated at Maoming Jixiang District*（茂名市吉祥小區）(the "Second Maoming Project") for a consideration of approximately RMB241,512,000 while the transaction was completed in May 2020.

The Second Maoming Project will be developed into a composite of residential and commercial properties of seven blocks with the following approximate preliminary planned areas:

	(Note)
Land site area	29,000m^2
Gross saleable area	84,000m^2
Residential areas	59,000m^2
Commercial areas	25,000m^2
Carpark spaces	1,000 units

Note: The above planned preliminary data of the Second Maoming Project may be subjected to further changes and modifications.

The Second Maoming Project are scheduled to be developed as follows:

Pre-Sales of residential properties (three blocks)	Fourth quarter of 2021
Pre-Sales of residential properties (remaining four blocks)	First quarter of 2022
Pre-Sales of commercial properties	First quarter of 2022
Pre-Sales of car parks	Second quarter of 2022
Completion and ready for delivery	Mid-2023

The management believes the pre-sales in late 2021 and 2022 could strengthen the financial position of the Group so that the Group could explore other new properties development project.

Trading of raw cane sugar

For the Period, there is no revenue from trading of raw cane sugar as the global market of raw cane sugar remaining volatile due to the COVID-19 outbreak. The management of the Group will continue to take extra precautions to mitigate relevant business risks.

* *For identification purpose only*

MARKET OUTLOOK AND PROSPECTS

Global COVID-19 pandemic continues to impede world economy in 2021. Amid the effective public health measures in the PRC, the domestic economy including the property market are comparatively stable during the Period. China continues to undergo certain changes in property market policies to ensure the stable and healthy development of the property sector, but policies fluctuation may affect the overall cashflow and liquidity management to a certain extent. Management is confident in the Group's property market business since such adjustments will affect the industry in a positive way in long-term and the low-gearing ratio of the Group improved the Group's resilience to short term liquidity fluctuation of the property sector. The management is cautiously optimistic about Maoming property market because of: i) Stable monetary and fiscal policies in long-term after recent positive adjustments; ii) Continuing urbanisation in Maoming and strong local demands; and iii) Local city transformation and infrastructure development continuing in western Guangdong province. The Group will also reinforce its financial resources and human resources to the Second Maoming Project. The pre-sales of Second Maoming Project are scheduled to be started in the fourth quarter of 2021, while management will cautiously review the market to further fine tune the development schedule.

Regarding the trading of raw cane sugar business, due to the outbreak of COVID-19, extra precautions will be taken. The management will further explore trading business of sugar particularly in the domestic market of China as the economy is relatively stable due to effective control against COVID-19 outbreak.

FINANCIAL REVIEW

For the Period, the Group's revenue amounted to approximately RMB53,023,000 (2020: RMB108,681,000). The loss attributable to owners of the Company was approximately RMB6,224,000 (2020: profit of RMB1,624,000). The decline of the revenue and profit were mainly due to the decreased delivery and sales recognition of properties of the First Maoming Project. As the majority of the properties are delivered to the customers in previous years, the sales during the Period decreased significantly.

As at 30 June 2021, bank balances and cash were approximately RMB38,779,000 (31.12.2020: RMB77,848,000) and pledged bank deposits were approximately RMB6,695,000 (31.12.2020: pledged bank deposits of RMB11,486,000 and restricted bank deposit of RMB22,000). As at 30 June 2021, the total assets of the Group was approximately RMB1,064,569,000 (31.12.2020: RMB1,096,471,000), representing a decrease of approximately 3%.

As at 30 June 2021, the Group's total secured bank borrowings, bank overdrafts and loan payables amounted to approximately RMB22,117,000 (31.12.2020: RMB21,609,000). As at 30 June 2021, the gearing ratio, expressed as a percentage of total secured bank borrowings, loan payables and bank overdrafts over net assets was approximately 3% (31.12.2020: 3%) and the current ratio was approximately 3.3 (31.12.2020: 3.2).

CAPITAL STRUCTURE

The issued ordinary share capital of the Company as at 30 June 2021 was approximately HK$254,469,052 divided into 254,469,052 shares of HK$1.00 each.

FUND RAISING ACTIVITY

Reference is made to the announcement of the Company dated 2 September 2020 and the circular of the Company dated 23 September 2020 in respect of, amongst other things, the subscription of new shares by a connected person under specific mandate. On 2 September 2020, the Company and a connected person entered into a subscription agreement (the "Subscription Agreement"), pursuant to which the Company has conditionally agreed to allot and issue, and the subscriber has conditionally agreed to subscribe for, of 72,000,000 ordinary shares of the Company (the "Subscription Shares") at HK$1.0 per share (on the basis that the share consolidation was completed).

The aggregate gross proceeds and the net proceeds (after deduction of the relevant expenses) were approximately HK$72 million and HK$71.4 million respectively, (i) of which approximately HK$17 million as general working capital of the Company and (ii) of which approximately HK$54.4 million as payment of property project development and construction fee. The 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 Agreement 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 are of the view that the Subscription Agreement is entered into upon normal commercial terms and, based on the prevailing market conditions, that the Subscription Agreement is fair and reasonable and in the interests of the Company and the shareholders as a whole.

As at 30 June 2021, all fund were used as intended that HK$17 million was used as general working capital of the Company and HK$54.4 million was used as payment of project development project and construction fee of Second Maoming Project.

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 30 June 2021, certain of the Group's leasehold land and buildings with an aggregate carrying values of approximately RMB14,372,000 (31.12.2020: RMB14,765,000) were pledged to banks for securing general banking facilities granted to certain subsidiaries of the Company.

As at 30 June 2021, pledged bank deposits of RMB6,695,000 (31.12.2020: pledged bank deposits of RMB11,486,000 and restricted bank deposit of RMB22,000) of the Group were pledged to obtain the mortgage facilities provided to certain purchasers of the Group's properties for which guarantees were provided by the Group to the banks.

As at 30 June 2021, banking facilities of approximately RMB13,801,000 (31.12.2020: RMB13,189,000) were utilised and approximately RMB19,127,000 (31.12.2020: RMB20,744,000) were unutilised and available for the Group's future financing.

SEGMENT INFORMATION

The details of segment information are set out in note 4 of notes to the condensed consolidated financial statements of this announcement.

CAPITAL AND OTHER COMMITMENTS

As at 30 June 2021, the Group had commitments for development of properties amounted to RMB364,648,000 (31.12.2020: RMB369,138,000).

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2021, the Group employed 53 (31.12.2020: 41) full time employees in Hong Kong and the PRC. Total remuneration of the Group for the Period was approximately RMB7,761,000 (2020: RMB7,429,000). 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 30 June 2021, the Group's maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to approximately RMB126,521,000 (31.12.2020: RMB163,165,000).

DIVIDEND

No dividend was declared or proposed during the Period. The Board does not recommend the payment of any dividend for the Period (2020: Nil).

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

There were no significant investments held as at 30 June 2021 nor material acquisitions and disposals of subsidiaries during the Period and there is no plan for material investments or capital assets as at the date of this announcement.

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 Period, the Company has complied with all the Code Provisions of the CG Code.

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. 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 Period.

PURCHASE, 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 Period.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the CG Code. On 1 January 2019, the Board adopted a set of the revised terms of reference of the Audit Committee, which has brought it in line with the new requirement of the Listing Rules. The revised terms of reference setting out the Audit Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange. The existing Audit Committee has the following three members:

Independent Non-executive Directors

Mr. POON Lai Yin Michael *(Chairman)*
Mr. CHAR Shik Ngor Stephen
Mr. CHEN Weijiang

The principal responsibilities of the Audit Committee include making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the interim and annual reports and accounts of the Group; and supervising the financial reporting process and effectiveness of the risk management and internal control systems of the Group.

The Audit Committee reviewed and made recommendations to the Board for approval of the unaudited condensed consolidated financial statements of the Group for the Period, discussed the accounting policies and practices which may affect the Group with the management and auditor of the Company, reviewed the fees charged by the external auditor and reviewed the effectiveness of risk management and internal control systems of the Group.

REVIEW OF THIS INTERIM RESULTS ANNOUNCEMENT

The unaudited condensed consolidated financial statements for the six months ended 30 June 2021 were prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the HKICPA, and have been reviewed by Deloitte Touche Tohmatsu, the independent auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is available for viewing at the website of the Stock Exchange at www.hkexnews.hk and at the website of the Company at www.chinauptown.com.hk. The interim report 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, 30 August 2021

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.