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**DISCLOSEABLE TRANSACTION
IN RELATION TO THE PAYMENT OF DEPOSITS; AND
MAJOR TRANSACTION
IN RELATION TO THE PROPOSED DISPOSAL OF PROPERTY**

INTRODUCTION

The Board is pleased to announce that on 26 September 2024 (after trading hours), the Provisional Agreement was entered into between the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Property at a consideration of HK\$32,500,000.

THE PROVISIONAL AGREEMENT

Date:

26 September 2024

Parties:

Vendor : Weina Land Limited

Purchaser : Polish Green Holdings Limited (寶樹集團有限公司)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an Independent Third Party as at the date of this announcement.

The sale and purchase of the Property is arranged by a Hong Kong property agent, an Independent Third Party.

The Disposal

The Property to be disposed by the Vendor to the Purchaser is the office located at Suite 1501, 15/F, Tower 1, Silvercord, 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Property is sold to the Purchaser on an "as is" basis.

A valuation report of the Property performed by an independent professional valuer appointed by the Company will be included in the circular to be despatched to the Shareholders.

Pursuant to the terms of the Provisional Agreement, the Vendor and the Purchaser will enter into the Formal Agreement for the disposal of the Property on or before 4 October 2024.

Consideration

Subject to the terms and conditions of the Provisional Agreement, the consideration of HK\$32,500,000 shall be payable as follows:

- an initial deposit of HK\$2,000,000 has been paid by the Purchaser upon signing of the Provisional Agreement;
- a further deposit of HK\$2,875,000 shall be payable by the Purchaser on or before 27 September 2024; and
- the remaining balance of HK\$27,625,000 shall be payable by the Purchaser upon the Completion.

Basis for the consideration

The consideration for the Disposal was determined after arm's length negotiations between the Vendor and the Purchaser by reference to the prevailing market conditions, the location of the Property and the market price of comparable properties in the same area.

The Directors (including the independent non-executive Directors) are of the view that the consideration of HK\$32,500,000 is fair and reasonable.

Condition precedent

Completion shall be conditional upon the approval by the Shareholders at the EGM of the Provisional Agreement, the Formal Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules on or before 17 December 2024, and the Vendor shall give notice to the Purchaser in writing on or before 17 December 2024 as to whether such approval has been obtained.

The Vendor shall also be solely responsible and liable for any agency commission payable by both parties under the Provisional Agreement. The ad valorem stamp duty shall be paid by the Purchaser and special stamp duty (if any) shall be paid by the Vendor.

Completion

Subject to fulfillment of the condition precedent, the Completion shall take place on or before 31 December 2024.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in property investment.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

INFORMATION ON THE GROUP AND THE VENDOR

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in property development and investment and trading business.

The Vendor is a company incorporated in Hong Kong with limited liability and is principally engaged in property holding.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Property is the principal office of the Group in Hong Kong and is pledged as a mortgage to a finance company. The Directors consider that the prospect of Hong Kong office market is deteriorating. The Group intends to sell the Property and repay the outstanding mortgage loan. Upon Completion, the Group would no longer use the Property as principal office in Hong Kong and will rent for another office location in Hong Kong. The Directors consider that the Disposal will (i) lower the risk of capital depreciation of the Property to the Group; (ii) repay the amount of outstanding mortgage and reduce the interest burden of the Group; and (iii) reallocate the remaining part of the net proceeds from the Disposal for general working capital of the Group.

On the above basis, the Directors consider that the terms of the Provisional Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

The Property was classified as property, plant and equipment in the accounts of the Group as at 30 June 2024 with an unaudited carrying value of approximately HK\$15.8 million. Based on, inter alia, the consideration under the Provisional Agreement, the unaudited carrying value of the Property as at 30 June 2024 and the related expenses for the Disposal, the Group currently expects to record an unaudited gain on disposal of approximately HK\$14.2 million upon Completion.

The financial effect of the Disposal as set out in the foregoing paragraph is presented for illustrative purpose only and is subject to change upon Completion, review and final audit by the auditor of the Company.

The net proceeds from the Disposal are expected to be approximately HK\$30 million. The Group intends to apply the net proceeds from the Disposal as to:

- approximately HK\$24 million for the repayment of the mortgage loan; and
- approximately HK\$6 million for general working capital of the Group.

LISTING RULES IMPLICATIONS

As one of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the payment of the deposits totalling HK\$4,875,000 under the Provisional Agreement is more than 5% but less than 25%, the payment of the deposits under the Provisional Agreement constitutes a discloseable transaction for the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

As one of the relevant applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal. The aforesaid approval shall be obtained by way of poll. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Disposal; therefore, no Shareholder is required to abstain from voting for the resolution to approve the Disposal at the EGM.

DESPATCH OF CIRCULAR

A circular containing, among other things, further details in respect of the Disposal, together with a notice convening the EGM and a form of proxy will be despatched to the Shareholders on or before 8 November 2024, which is more than 15 business days after the publication of this announcement, as additional time is required for the Company to prepare relevant information for inclusion in the circular.

Shareholders and potential investors of the Company should be aware that the Disposal is conditional upon, among other things, the Shareholders' approval at the EGM and consequently, the transactions contemplated under the Disposal may or may not proceed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when they deal in the Shares or other securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	China Uptown Group Company Limited (stock code: 2330), a company incorporated in Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal pursuant to the Provisional Agreement and the Formal Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Property by the Vendor to the Purchaser pursuant to the Provisional Agreement and the Formal Agreement

“EGM”	an extraordinary general meeting of the Shareholders scheduled to be held for the purpose of considering, and if thought fit, approving, among other things, the Disposal
“Formal Agreement”	the formal sale and purchase agreement in relation to the Disposal to be entered into between the Vendor and the Purchaser
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) or company(ies) who/which is(are) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Suite 1501, 15/F, Tower 1, Silvercord, 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong
“Provisional Agreement”	the provisional sale and purchase agreement entered into between the Vendor and the Purchaser dated 26 September 2024 in respect of the Disposal
“Purchaser”	Polish Green Holdings Limited (寶樹集團有限公司), a company incorporated in Hong Kong with limited liability
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor”	Weina Land Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
China Uptown Group Company Limited
Pang Chung Fai Benny
Chairman

Hong Kong, 26 September 2024

As at the date of this announcement, the Board consists of four executive Directors, namely Mr. Pang Chung Fai Benny (Chairman), Mr. Fu Yongyuan, Mr. Zhang Xiao Jun and Mr. Liang Zhichao, and three independent non-executive Directors, namely Mr. Yau Sze Yeung, Mr. Chen Weijiang and Mr. Lee Chun Tung.