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PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



VC BROKERAGE LIMITED

滙盈證券有限公司

VC Brokerage Limited

On 22 April 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed, as the placing agent of the Company, to procure on a best effort basis to not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 61,064,000 Placing Shares at the Placing Price of HK\$0.105 per Placing Share.

The maximum Placing Shares of up to 61,064,000 Shares represent approximately 19.3% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.2% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The Placing Price of HK\$0.105 per Placing Share represents (i) a discount of approximately 16.0% to the closing price of HK\$0.125 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a premium of approximately 2.9% to the average of the closing prices per Share of HK\$0.102 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Shares will be issued under the General Mandate granted to the Directors at the AGM, subject to the limit up to 61,071,410 Shares (representing approximately 20% of the aggregate number of issued Shares on that date).

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$6.4 million and the net proceeds will be approximately HK\$6.2 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$0.102 per Placing Share. The Directors intend to use the net proceeds for and general working capital of the Group, which shall be applied on staff cost, professional fees, rental payments and general administrative and operating expenses of the Group.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

On 22 April 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed, as the placing agent of the Company, to procure on a best effort basis to not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 61,064,000 Placing Shares at the Placing Price of HK\$0.105 per Placing Share. Details of the Placing Agreement are set out below:

THE PLACING AGREEMENT

Date: 22 April 2025

Issuer: the Company

Placing Agent: VC Brokerage Limited

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

The Placing Agent will charge the Company a placing commission of 2.0% of the gross proceeds from the Placing. The placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing commission rate charged by other placing agents, the size of the Placing and the price performance of the Shares.

The Directors consider that the terms of the Placing, including the placing commission, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Placees

The Placing Shares will be placed to not less than six (6) Placees which will be individual, institutional or professional investor independent of and not connected with the Company, the connected persons of the Company and their respective associates, and who and whose ultimate beneficial owners are Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after Completion, further announcement will be made by the Company.

Number of Placing Shares

The maximum Placing Shares of up to 61,064,000 Shares represent approximately 19.3% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.2% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares. The aggregate nominal value of the maximum of 61,064,000 Placing Shares is HK\$610,640.

Placing Price

The Placing Price of HK\$0.105 per Placing Share represents (i) a discount of approximately 16.0% to the closing price of HK\$0.125 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a premium of approximately 2.9% to the average of the closing prices per Share of HK\$0.102 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market price of the Shares and the recent trading performance of the Shares. The Directors consider that the Placing Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares shall rank *pari passu* in all respects among themselves and with the existing issued Shares as at the date of this announcement.

Conditions of the Placing

The Placing is conditional upon:

- (a) the Company having complied with, and procured for the compliance with, all Law as well as all conditions (if any) imposed by the Stock Exchange or by any other competent authority for issuance and allotment of the Placing Shares as well as the listing of and permission to deal in the Placing Shares and ensure the continued compliance thereof;
- (b) the Listing Committee having granted approval for the listing of, and permission to deal in, the Placing Shares, and such approval not having been revoked, suspended, withdrawn or cancelled, or threatened with any revocation, suspension, withdrawal or cancellation at any time prior to the Closing Date; and
- (c) the Company's representations and warranties made pursuant to the Placing Agreement being true and accurate and not misleading up to Completion.

If any one or more of the conditions above shall not have been satisfied or fulfilled by the Closing Date or any of the *force majeure event* set out in the Placing Agreement shall have occurred, subject to the Placing Agreement, all obligations and responsibilities of the Placing Agent and those of the Company thereunder shall cease and determine forthwith and no party shall have any claim whatsoever against the other party in relation thereto save for any antecedent breach of the Placing Agreement and without prejudice to the accrued rights and liabilities of each party.

Completion

Completion of the Placing shall take place within five (5) Business Days after the fulfilment of the conditions set out above (or such later date as may be agreed by the parties thereto in writing).

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

General Mandate to issue the Placing Shares

The issue of the Placing Shares is not subject to Shareholders' approval.

The Placing Shares will be issued under the General Mandate granted to the Directors at the AGM, subject to the limit up to 61,071,410 Shares (representing approximately 20% of the aggregate number of issued Shares on that date). The 61,064,000 Placing Shares to be allotted and issued will almost fully utilise the General Mandate. As at the date of this announcement, the Company has not utilised the General Mandate.

Termination

If at any time between the execution of the Placing Agreement and at 5:00 p.m. on the Business Day immediately prior to the Completion Date, there occurs:

- (a) the introduction of any new Law or regulation or any change in existing Laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company; or
- (b) the occurrence of any local, national or international event or change occurring after the date of the Placing Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which materially and adversely affects the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or
- (d) the Company commits any material breach of or omits or fails to observe any of its obligations or undertakings under the Placing Agreement; or
- (e) any of the representations or warranties contained in the Placing Agreement was, when given or deemed to be repeated under the Placing Agreement, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing,

then the Placing Agent may upon giving notice to the Company terminate the Placing Agreement with immediate effect. If the Placing Agreement shall be terminated, the obligations of the Placing Agent shall cease and determine, and the Company shall not be liable to pay any commission under the provisions of the Placing Agreement and all other provisions necessary for the interpretation or enforcement of such provisions and without prejudice to the accrued rights and liabilities of the parties, shall forthwith cease and determine and no party shall, save as provided above, have any claim against the other party for compensation, costs, damages or otherwise.

REASONS FOR THE PLACING 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 consumer products and commodities.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$6.4 million and the net proceeds will be approximately HK\$6.2 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$0.102 per Placing Share. The Directors intend to use the net proceeds for general working capital of the Group, which shall be applied on staff cost, professional fees, rental payments and general administrative and operating expenses of the Group.

The Directors are of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the Group's financial position for future development of the Group. Accordingly, they consider that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On 8 April 2024, a rights issue on the basis of two rights shares for every one share of the Company held by the qualifying shareholders on the record date (i.e. 20 June 2024) at a subscription price of HK\$0.15 each on a non-underwritten basis (the “**Rights Issue**”) was announced by the Company. On the same date, a placing agreement was entered into between the Company and China Demeter Securities Limited (the “**CDS**”), pursuant to which CDS has conditionally agreed to procure placee(s), on a best efforts basis, to subscribe for the unsubscribed rights shares under the specific mandate (the “**SM Placing**”).

The Rights Issue and the SM Placing were completed on 22 July 2024 and 5 August 2024 respectively. An aggregate of 8,347,605 rights shares were allotted and issued under valid acceptances of the provisional allotment letters and 2,602,800 rights shares were allotted and issued under valid application of the excess application forms at a subscription price of HK\$0.15, representing in aggregate approximately 1.8% of the total number of 610,714,104 rights shares available for subscription under the Rights Issue, and no unsubscribed rights shares were allotted and issued under the SM Placing.

The gross proceeds from the Rights Issue and the SM Placing are approximately HK\$1.6 million and the net proceeds from the Rights Issue and the SM Placing, after deducting the relevant expenses, are approximately HK\$0.56 million. The Company has applied the net proceeds of the Rights Issue and the SM Placing in full for payment of professional fee and general working capital of the Company.

For details of the Rights Issue and the SM Placing, please refer to the circular of the Company dated 22 May 2024, the prospectus of the Company dated 21 June 2024 and the announcements of the Company dated 10 July 2024 and 5 August 2024.

Save for disclosed, the Company has not conducted any fund raising activities involving the issue of its equity securities in the past twelve months immediately preceding the date of this announcement.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The changes of the shareholding structure of the Company as a result of the Placing (assuming that there are no other changes in the issued share capital of the Company from the date of this announcement up to and immediately after completion of the Placing) are as follows:

Shareholders	As at the date of this announcement		Immediately after the completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Ming Hung Fung Company Limited (<i>Note</i>)	72,000,000	22.8	72,000,000	19.1
Zhang Wenlan	54,616,000	17.2	54,616,000	14.5
Placees	–	–	61,064,000	16.2
Public Shareholders	<u>189,691,457</u>	<u>60.0</u>	<u>189,691,457</u>	<u>50.2</u>
Total	<u>316,307,457</u>	<u>100.0</u>	<u>377,371,457</u>	<u>100.0</u>

Note:

These Shares are held by Ming Hung Fung Company Limited which is 100% owned by Mr. Liu Dong. By virtue of the SFO, Mr. Liu Dong is deemed to be interested in the Shares held by Ming Hung Fung Company Limited.

GENERAL

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 20 June 2024
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the Extreme Conditions 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
“Closing Date”	any Business Day not later than 9 May 2025, being the date on which all the conditions have been satisfied or fulfilled, and the parties may agree in writing to have the Closing Date postponed to any subsequent date which shall be a Business Day
“Company”	China Uptown Group Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement

“Completion Date”	the date of Completion, which shall be any Business Day falling within five (5) Business Days after the Closing Date
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the AGM
“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)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates

“Law(s)”	any and all national, central, federal, provincial, state, regional, municipal, local, domestic or foreign laws (including, without limitation, any common law or case law), statutes, ordinances, legal codes, regulations or rules (including, without limitation, any and all regulations, rules, orders, judgments, decrees, rulings, opinions, guidelines, measures, notices or circulars (in each case, whether formally published or not and to the extent mandatory or, if not complied with, the basis for legal, administrative, regulatory or judicial consequences) of any authority), and for avoidance of any doubt, Law shall include the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and the Listing Rules
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual, institutional or professional investor independent of and not connected with the Company, the connected persons of the Company and their respective associates procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 61,064,000 Shares pursuant to the terms of the Placing Agreement

“Placing Agent”	VC Brokerage Limited, a corporation which is licensed by the Securities and Futures Commission to carry out and conduct regulated activities Type 1 (dealing in securities) and Type 4 (advising on securities)
“Placing Agreement”	the conditional placing agreement dated 22 April 2025 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.105 per Placing Share
“Placing Shares”	up to 61,064,000 Shares to be placed under the Placing
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value of HK\$0.01 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
China Uptown Group Company Limited
Lau Chi Yan, Pierre
Executive Director

Hong Kong, 22 April 2025

As at the date of this announcement, the executive Directors are Mr. Liu Jian Hui, Mr. Lau Chi Yan, Pierre and Mr. Zhang Xiao Jun; and the independent non-executive Directors are Mr. Yau Sze Yeung, Mr. Su Zhi Jie, Mr. Lee Chun Tung and Ms. Aika Ouji.