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INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

The board (the “Board”) of directors (the “Directors”) of China Uptown Group Company Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim financial results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2016.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2016

		Six months ended 30 June	
		2016	2015
	Notes	RMB'000	RMB'000
		(unaudited)	(unaudited and restated)
Continuing operations			
Turnover	3	–	7,704
Cost of sales		–	(7,497)
Gross profit		–	207
Other operating income		3,140	419
Selling and distribution costs		(4,575)	(5,971)
Administrative expenses		(14,191)	(11,147)
Finance costs		(126)	(119)
Loss before tax		(15,752)	(16,611)
Income tax expense	4	(2)	(1)
Loss for the period from continuing operations		(15,754)	(16,612)

		Six months ended 30 June	
		2016	2015
	<i>Notes</i>	RMB'000	<i>RMB'000</i>
		(unaudited)	(unaudited and restated)
Discontinued operation			
Profit (loss) for the period from discontinued operation	5	<u>2,805</u>	<u>(92)</u>
Loss for the period	6	<u>(12,949)</u>	<u>(16,704)</u>
(Loss) profit for the period attributable to owners of the Company:			
– from continuing operations		<u>(14,812)</u>	(15,638)
– from discontinued operation		<u>1,057</u>	<u>(47)</u>
		<u>(13,755)</u>	<u>(15,685)</u>
(Loss) profit for the period attributable to non-controlling interests:			
– from continuing operations		<u>(942)</u>	(974)
– from discontinued operation		<u>1,748</u>	<u>(45)</u>
		<u>806</u>	<u>(1,019)</u>
		<u>(12,949)</u>	<u>(16,704)</u>
Loss per share	8		
From continuing and discontinued operations			
Basic		<u>RMB(0.90) cents</u>	<u>RMB(1.67) cents</u>
Diluted		<u>RMB(0.90) cents</u>	<u>RMB(1.67) cents</u>
From continuing operations			
Basic		<u>RMB(0.97) cents</u>	<u>RMB(1.66) cents</u>
Diluted		<u>RMB(0.97) cents</u>	<u>RMB(1.66) cents</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2016

	Six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Loss for the period	<u>(12,949)</u>	<u>(16,704)</u>
Other comprehensive expense:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of financial statements of foreign operations	(3,837)	(3,935)
Reclassification of cumulative translation reserve upon disposal of a subsidiary to profit or loss	<u>557</u>	<u>–</u>
Other comprehensive expense for the period	<u>(3,280)</u>	<u>(3,935)</u>
Total comprehensive expense for the period	<u>(16,229)</u>	<u>(20,639)</u>
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company	(17,035)	(19,620)
Non-controlling interests	<u>806</u>	<u>(1,019)</u>
	<u>(16,229)</u>	<u>(20,639)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

		30 June 2016 <i>RMB'000</i> (unaudited)	31 December 2015 <i>RMB'000</i> (audited)
Non-current assets			
Property, plant and equipment		19,104	19,144
Available-for-sale investments		—	—
		19,104	19,144
Current assets			
Inventories		—	—
Properties under development		1,550,881	1,441,992
Trade and other receivables	9	82,379	56,944
Held-for-trading investments		36	42
Income tax recoverable		44,649	32,980
Restricted bank deposit		8,224	7,651
Bank balances and cash		125,891	86,754
		1,812,060	1,626,363
Assets classified as held for sale		—	11,303
		1,812,060	1,637,666
Current liabilities			
Trade and other payables	10	976,623	659,511
Consideration payable		16,942	19,042
Secured bank borrowings		191,868	245,079
		1,185,433	923,632
Liabilities associated with assets classified as held for sale		—	13,654
		1,185,433	937,286
Net current assets		626,627	700,380
Total assets less current liabilities		645,731	719,524

	30 June 2016 <i>RMB'000</i> (unaudited)	31 December 2015 <i>RMB'000</i> (audited)
Capital and reserves		
Ordinary share capital	136,015	136,015
Reserves	347,137	364,172
	<hr/>	<hr/>
Equity attributable to owners of the Company	483,152	500,187
Non-controlling interests	25,501	22,176
	<hr/>	<hr/>
Total equity	508,653	522,363
	<hr/>	<hr/>
Non-current liabilities		
Secured bank borrowings	60,000	120,000
Deferred taxation	77,078	77,161
	<hr/>	<hr/>
	137,078	197,161
	<hr/>	<hr/>
	645,731	719,524
	<hr/> <hr/>	<hr/> <hr/>

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 June 2016 have been prepared in accordance with the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2015.

In the current period, the Group has applied, for the first time, the following new standards, amendments and interpretation (“new HKFRSs”) issued by HKICPA which are effective for the Group’s financial year beginning 1 January 2016.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

The application of the new and revised HKFRSs in the current period has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. TURNOVER AND SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers less sales related taxes.

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Trading of electronic products segment was classified as held for sale during the year ended 31 December 2015 and was regarded as discontinued operation. This segment was discontinued during this period. The segment information reported below does not include any amounts for this discontinued operation, which is described in more details in note 5.

Accordingly, the Group's reportable and operating segments under HKFRS 8 are as follows:

- Property development – Development of properties in the PRC.
- Trading of raw sugar – Trading of raw sugar.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segments for the six months ended 30 June:

Continuing operations

	Property development		Trading of raw sugar		Consolidated	
	2016	2015	2016	2015	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited and restated)
Turnover	–	–	–	7,704	–	7,704
Segment (loss) profit	<u>(10,342)</u>	<u>(10,259)</u>	<u>(22)</u>	<u>171</u>	<u>(10,364)</u>	<u>(10,088)</u>
Change in fair value of held-for-trading investments					(7)	34
Bank interest income					844	385
Unallocated corporate income					2,296	–
Unallocated corporate expenses					(8,395)	(6,823)
Finance costs					<u>(126)</u>	<u>(119)</u>
Loss before tax from continuing operations					<u>(15,752)</u>	<u>(16,611)</u>

Segment loss/profit represents the loss/profit of each segment without allocation of change in fair value of held-for-trading investments, bank interest income, unallocated corporate income (i.e. exchange gain), unallocated corporate expenses (i.e. central administration costs and directors' emoluments) and finance costs. This is the measure reported to the chief operating decision makers (i.e. board of directors) of the Group for the purposes of resource allocation and performance assessment.

4. INCOME TAX EXPENSE

	Six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Continuing operations		
Current tax:		
PRC Enterprise Income Tax		
Under-provision in prior year	1	1
Deferred taxation	1	–
	<u>2</u>	<u>1</u>

Notes:

- (a) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 June 2016 and 2015.

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2016 and 2015 as the Group did not have any assessable profit subject to Hong Kong Profits Tax.

- (b) Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries of the Company was 25% for both periods.
- (c) The provision of land appreciation tax ("LAT") is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at progressive rates ranging from 30% to 60% on the appreciation value, with certain allowable deductions including land costs and the relevant property development expenditures. According to the State Administration of Taxation's official circulars, LAT shall be payable provisionally upon sales of the properties, followed by final ascertainment of the gain at the completion of the properties development.

5. DISCONTINUED OPERATION

Disposal of trading of electronic products operation

On 31 December 2015, the Group entered into a sale agreement to dispose of (i) its 51% equity interest in Fame Electronics Limited ("Fame"), which carried out all of the Group's trading of electronic products operation, and (ii) non-interest bearing shareholder's loan to an independent third party at a consideration of HK\$100,000 (equivalent to approximately RMB84,000).

As at 31 December 2015, the assets and liabilities attributable to the business, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position. The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

The disposal was completed on 30 March 2016, on which control of Fame passed to the acquirer.

The profit (loss) for the period from discontinued trading of electronic products operation is set out below:

	From 1 January 2016 to 30 March 2016 <i>RMB'000</i> (Unaudited)	Six months ended 30 June 2015 <i>RMB'000</i> (Unaudited)
Profit (loss) of trading of electronic product operation for the period	3,568	(92)
Loss on disposal of trading of electronic products operation (Note 11)	(763)	–
	<u>2,805</u>	<u>(92)</u>

The results of the trading of electronic products operation for the period were as follows:

	From 1 January 2016 to 30 March 2016 <i>RMB'000</i> (Unaudited)	Six months ended 30 June 2015 <i>RMB'000</i> (Unaudited)
Turnover	–	–
Cost of sales	–	–
Gross profit	–	–
Other operating income	3,569	–
Administrative expenses	(1)	(92)
Profit (loss) before tax	3,568	(92)
Income tax expense	–	–
Profit (loss) for the period	<u>3,568</u>	<u>(92)</u>

Profit (loss) for the period from discontinued operation has been arrived at after charging (crediting):

	From	
	1 January 2016	Six months
	to	ended 30 June
	30 March 2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Auditor's remuneration	–	80
Reversal of impairment loss recognised in respect of amount due from a fellow subsidiary	<u><u>(3,569)</u></u>	<u><u>–</u></u>

The comparative figures in the condensed consolidated statement of profit or loss have been restated to represent the trading of electronic products operation as a discontinued operation.

During the period from 1 January 2016 to 30 March 2016, the trading of electronic products operation paid approximately RMB859,000 (Six months ended 30 June 2015: RMB646,000) to the Group's net operating cash flows and contributed approximately RMB301,000 (Six months ended 30 June 2015: contributed RMB160,000) to the Group's financing activities.

The major classes of assets and liabilities of the trading of electronic products operation as at 31 December 2015, which have been presented separately in the consolidated statement of financial position, are as follows:

	31 December 2015 <i>RMB'000</i>
Trade receivables, net	9,971
Other receivables	606
Bank balances and cash	<u>726</u>
Total assets classified as held for sale	<u><u>11,303</u></u>
Trade and other payables and total liabilities associated with assets classified as held for sale	<u><u>13,654</u></u>

The carrying amounts of assets and liabilities of Fame as at the date of disposal are disclosed in note 11.

6. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Continuing operations		
Loss for the period from continuing operations has been arrived at after charging (crediting):		
Change in fair value of held-for-trading investments (included in administrative expenses/other operating income)	7	(34)
Depreciation of property, plant and equipment	392	294
Exchange (gain) loss, net	(2,296)	10
Bank interest income	(844)	(385)
	<u> </u>	<u> </u>

7. DIVIDEND

During the six months ended 30 June 2016, preference shares dividend amounted to nil (2015: HK\$42,620,000 (equivalent to approximately RMB34,222,000)) was paid.

No dividend was declared or proposed during the interim period. The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2016 (2015: nil).

8. LOSS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Loss		
Loss for the purpose of basic and diluted loss per share for the period attributable to the owners of the Company	<u>(13,755)</u>	<u>(15,685)</u>
	Six months ended 30 June	
	2016	2015
	'000	'000
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	1,524,479	941,454
Effect of dilutive potential ordinary shares:		
Conversion of convertible redeemable preference shares	<u>—</u>	<u>394,737</u>
Weighted average number of ordinary shares for the purpose of diluted loss per share	<u>1,524,479</u>	<u>1,336,191</u>

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to owners of the Company is based on the following data:

Loss figures are calculated as follows:

	Six months ended 30 June	
	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited and restated)
Loss		
Loss for the period attributable to owners of the Company	(13,755)	(15,685)
Less: profit (loss) for the period from discontinued operation	<u>(1,057)</u>	<u>47</u>
Loss for the purpose of basic and diluted loss per share for the period attributable to owners of the Company	<u>(14,812)</u>	<u>(15,638)</u>

From continuing and discontinued operations

The denominators used are the same as those detailed above for both basic and diluted loss per share.

Diluted loss per share was the same as the basic loss per share for the six months ended 30 June 2015, as the effect of the Company's outstanding convertible redeemable preference shares would result in a decrease in loss per share for the six months ended 30 June 2015.

From discontinued operation

Basic earnings (2015: loss) per share from discontinued operation for the six months ended 30 June 2016 was RMB0.07 cents per share (2015: 0.005 cents) and diluted earnings (2015: loss) per share from discontinued operation for the six months ended 30 June 2016 was RMB0.07 cents per share (2015: 0.004 cents), based on the profit for the period from discontinued operation of approximately RMB1,057,000 (2015: loss of RMB47,000) and the denominators detailed above for both basic and diluted earnings (loss) per share.

9. TRADE AND OTHER RECEIVABLES

	30 June 2016 RMB'000 (unaudited)	31 December 2015 RMB'000 (audited)
Trade receivables	3,163	3,123
Less: impairment loss recognised	(3,163)	(3,123)
	<u>—</u>	<u>—</u>
Prepayments, deposits and other receivables (<i>Note</i>)	82,799	57,359
Less: impairment loss recognised	(420)	(415)
	<u>82,379</u>	<u>56,944</u>
	<u>82,379</u>	<u>56,944</u>

Customers from the trading segment are normally required to settle the debts within one to two months upon issue of invoices, except for certain well established customers where the terms are extended to two to three months.

Note:

Included in the amount mainly represented fund advances to constructors, prepaid other taxes and prepaid construction costs.

The Group does not hold any collateral over these balances.

10. TRADE AND OTHER PAYABLES

	30 June 2016 RMB'000 (unaudited)	31 December 2015 RMB'000 (audited)
Trade payables	52,839	21,751
Receipts in advance (<i>Note iii</i>)	909,523	631,266
Accrued expenses and other payables	<u>14,261</u>	<u>6,494</u>
	<u>976,623</u>	<u>659,511</u>

Notes:

- (i) The Group normally receives credit period from suppliers ranging from 0 to 90 days.
- (ii) An ageing analysis of the trade payables at the end of the reporting period based on invoice dates is as follows:

	30 June 2016 RMB'000 (unaudited)	31 December 2015 RMB'000 (audited)
Within 90 days	52,630	12,814
91 to 365 days	<u>209</u>	<u>8,937</u>
	<u>52,839</u>	<u>21,751</u>

- (iii) Receipts in advance represented sales proceeds received from buyers in connection with the Group's pre-sale of properties as at the end of the reporting period.

11. DISPOSAL OF A SUBSIDIARY

On 31 December 2015, the Group entered into a sale agreement to dispose of (i) its 51% equity interest in Fame, which carried out all of the Group's trading of electronic products operation, and (ii) non-interest bearing shareholder's loan, to an independent third party at a consideration of HK\$100,000 (equivalent to approximately RMB84,000). Details were set out in note 5. On 30 March 2016, the disposal of Fame was completed as the control of Fame was passed to the acquirer.

Upon the completion, the Company ceased to hold any interest in Fame. The net liabilities of Fame at the date of disposal were as follows:

Analysis of assets and liabilities over which control was lost

	As at 30 March 2016 RMB'000
Non-current assets	
Plant and equipment	–
Current assets	
Inventories	–
Trade and other receivables	477
Bank balances and cash	157
Current liabilities	
Trade and other payables	(2,646)
Amount due to the Group excluding Fame	<u>(3,930)</u>
Net liabilities disposed of	<u><u>(5,942)</u></u>
Gain on disposal of a subsidiary	RMB'000
Cash consideration	84
Net liabilities disposed of	5,942
Shareholder's loan assigned	(3,713)
Non-controlling interest	(2,519)
Cumulative exchange difference in respect of the net liabilities of a subsidiary reclassified from equity to profit or loss	<u>(557)</u>
Loss on disposal of Fame (<i>Note 5</i>)	<u><u>(763)</u></u>
The loss on disposal of Fame included in the profit for the year from discontinued operation (note 5).	
Net cash outflow on disposal of a subsidiary	RMB'000
Consideration received in cash and cash equivalents	84
Less: bank balances and cash disposed of	<u>(157)</u>
	<u><u>(73)</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

Property Development

The Group owned a property development project located in Maoming City (the “Project”), Guangdong Province, the People’s Republic of China (the “PRC”). The Project will be developed into a composite of residential and commercial properties in three phases.

During the period under review, the project is still in construction and pre-sale stage, no revenue attributed to the property development segment was recorded (2015: nil). The construction of Phase 1 and 2 of the Project are scheduled to be completed in 2017 with total gross floor area of approximately 237,000 square metre with residential and commercial properties of saleable floor area of approximately 173,000 square metre. Phase 1 and 2 consist of ten residential buildings of 28 to 32 floors each and two office buildings. The pre-sale has begun since November 2014. As at 30 June 2016, residential and commercial properties of approximately 136,000 square metre were contracted for sales which represented 79% the gross floor area of residential and commercial properties to be developed into Phase 1 and 2 of the Project.

The construction of Phase 3 of the Project is commenced in March 2016 and will be completed in late 2018. The total gross floor area of Phase 3 of the Project is approximately 188,000 square metre with residential and commercial properties of saleable floor area of approximately 127,000 square metre which mainly being residential properties consist of nine buildings of 32 floors each.

Trading

Raw Sugar

The Group has started its business in trading of raw sugar since late 2014. Amid the recovery of global demand of raw sugar, during the period under review, the raw sugar price has steadily increased. While no turnover was recorded, the management is optimistic on the trading of raw sugar business in later half of 2016 and will actively explore market opportunities, including global and the PRC markets.

Electronic Components

Trading of electronic component includes the distribution of electronic related components, mobile phone modules and imported automation products. Amid the weak non-brand mobile phone market in the PRC, the Group has ceased to engage in the business.

MARKET OUTLOOK AND PROSPECTS

In the first half of 2016, the global economy remained complicated and the growth remained slow, especially after the United Kingdom's referendum results on European Union matters. The decline in the global economic growth momentum affects both developed countries and developing countries. Despite various policies in stabilising the growth of China economy, industrial and consumption, the GDP growth in China remained at a comparatively low-level of 6.7%.

As stated in various government reports to lower the inventory of residential properties has become a key mission in the year. Despite the recent strong demand in the PRC properties market, the management believes the properties market demand and pricing will remain stable in the year.

While cautious investment policies will be imposed in view of the complicated economic conditions in the PRC, the continuous urbanization in the PRC and infrastructure development in western Guangdong province in the next few years, the management is optimistic on the performance of the Project. With the successful and strong pre-sales of Phase 1 and Phase 2 of the Project, the management is in confidence with the performance of Phase 3 which the construction is commenced in March 2016.

In 2016, the Group has planned to further diversify its business by both expanding its trading business of raw sugar and exploring other property investment opportunity. Amid the recovery of global raw sugar demand in 2016, the management is optimistic the Group's growth in the business in the months to come.

FINANCIAL REVIEW

For the six months ended 30 June 2016, the Group has no turnover recorded (2015: turnover of RMB7,704,000). The loss attributable to owners of the Company was approximately RMB13,755,000 (2015: RMB15,685,000). The expenses are mainly selling and distribution costs of pre-sales of the property development project in Maoming city and general corporate expenses.

For the first half of 2016, the Group's operating activities generated a net cash inflow of approximately RMB169,460,000 (2015: RMB59,939,000). At 30 June 2016, bank balances and cash was approximately RMB125,891,000 (31 December 2015: RMB86,754,000).

At 30 June 2016, the total assets of the Group was approximately RMB1,831,164,000 (31 December 2015: RMB1,656,810,000). At 30 June 2016, the gearing ratio, expressed as a percentage of total borrowings over net assets was 50% (31 December 2015: 70%). The current ratio was 1.5 (31 December 2015: 1.7).

CAPITAL STRUCTURE

The issued ordinary share capital of the Company at 30 June 2016 and 31 December 2015 was approximately HK\$152,448,000 divided into 1,524,478,520 shares of HK\$0.10 each.

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

At 30 June 2016, certain of the Group's leasehold land and buildings and properties under development with an aggregate net carrying values of approximately RMB1,567,944,000 (31 December 2015: RMB1,459,055,000) were pledged to banks for securing trade and general banking facilities granted to the Group. At 30 June 2016, banking facilities of approximately RMB612,057,000 (31 December 2015: RMB607,638,000) were utilised, approximately RMB360,189,000 (31 December 2015: RMB242,559,000) were repaid and approximately RMB11,195,000 (31 December 2015: RMB9,353,000) were unutilised and available for the Group's future financing.

SEGMENT INFORMATION

The details of segment information are set out in Note 3 of this announcement.

CAPITAL AND OTHER COMMITMENTS

At 30 June 2016, the Group had commitments for properties under development contracted for but not provided in the condensed consolidated financial statements of approximately RMB513,595,000 (31 December 2015: RMB178,767,000).

EMPLOYEE AND REMUNERATION POLICIES

At 30 June 2016, the Group employed 64 full time employees (31 December 2015: 66) in Hong Kong and the PRC. 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 the assessment of individuals' performance.

DIVIDEND

No dividend was declared or proposed during the interim period. The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions ("Code Provisions") set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 of the Listing Rules.

Throughout the period under review, the Company has complied with all of the Code Provisions of the CG Code except A.6.7 and E.1.2.

Under the Code Provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting and he should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In addition, under the code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. During the period ended 30 June 2016, on the annual general meeting held on 27 May 2016, the whole Board have attended the meeting to answer questions of the shareholders of the Company except that Mr. Poon Lai Yin, Michael (chairman of audit committee) and Ms. Li Jiansheng (chairlady of remuneration committee) did not attend the meeting due to other business engagement but they have appointed the other attended Directors as their representative at the meeting to answer questions of the shareholders of the Company. In the future, the Company will try its best to encourage and ensure all the Directors attend the general meetings.

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 under review.

PURCHASES, 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 six months ended 30 June 2016.

AUDIT COMMITTEE

The Company established an audit committee (“Audit Committee”) with written terms of reference in compliance with the CG Code. The principal duties of the Audit Committee include the review and supervision of the Group’s internal control procedures and review of the Group’s financial information. The existing Audit Committee comprises of three members, namely Mr. Poon Lai Yin, Michael (Chairman), Mr. Char Shik Ngor, Stephen and Ms. Li Jiansheng, all are independent non-executive Directors. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2016 and is of the opinion that the preparation of such statements complied with the applicable accounting standards and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is available for viewing at the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and at the website of the Company at www.chinauptown.com.hk. The interim report will be despatched 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 2016

As at the date of this announcement, the Board comprises Executive Directors, Mr. Liu Feng, Mr. Chen Xian, Mr. Lau Sai Chung, Ms. Xia Dan and Mr. Liu Zhongxiang and Independent Non-executive Directors, Mr. Poon Lai Yin, Michael, Mr. Char Shik Ngor, Stephen and Ms. Li Jiansheng.