
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Uptown Group Company Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser, the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



MAJOR TRANSACTION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening an extraordinary general meeting of the Company (the “EGM”) to be held at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Tuesday, 16 December 2014 at 11:00 a.m. is set out on pages 28 to 29 of this circular. A form of proxy for use at the EGM is enclosed herewith.

Whether or not you are able to attend the EGM in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company’s head office and principal place of business in Hong Kong at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you wish and in such event, the form of proxy shall be deemed to be revoked.

1 December 2014

CONTENTS

| | <i>Page</i> |
|--|-------------|
| DEFINITIONS | 1 |
| LETTER FROM THE BOARD | 5 |
| APPENDIX I - FINANCIAL INFORMATION ON THE REMAINING GROUP | 15 |
| APPENDIX II - PROPERTY VALUATION REPORT | 17 |
| APPENDIX III - GENERAL INFORMATION | 21 |
| NOTICE OF EGM | 28 |

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

| | |
|-------------------|--|
| “Agreement” | the conditional agreement dated 10 November 2014 and entered into between the Company as the vendor and the Purchaser as the purchaser in relation to the Disposal |
| “associate(s)” | has the meanings as ascribed thereto under the Listing Rules |
| “Best Contact” | Best Contact Holdings Limited, a company incorporated in the British Virgin Islands with limited liability. As at the Latest Practicable Date, Best Contact is directly wholly-owned by Mr. Xu Deliang, who also holds 21,980,000 Shares and the entire equity interest in the Purchaser |
| “Board” | the board of Directors |
| “Business Day” | a day (other than a Saturday or a Sunday or a public holiday) on which licensed banks in the PRC and Hong Kong are open for general banking business |
| “China Sugar” | China Sugar Holdings Limited, a company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, China Sugar is directly wholly-owned by Mr. Liu Zhongxiang, the son of Mr. Liu Feng, who is the chairman and the executive Director of the Company |
| “Company” | China Uptown Group Company Limited, a company incorporated in the Cayman Islands, the issued Shares are listed on the Main Board of the Stock Exchange |
| “Completion” | the completion of the Disposal pursuant to the terms and conditions of the Agreement |
| “Completion Date” | the date on which Completion will take place in accordance with the Agreement, being the third Business Day immediately following the date that the Conditions has been fulfilled or waived (as the case may be) or such later day as the Purchaser and the Company may agree in writing |

DEFINITIONS

| | |
|--|--|
| “Conditions” | the conditions precedent of the Completion, details of which are set out in the section headed “The Agreement – Conditions” of the letter from the Board contained in this circular |
| “Conditions Fulfillment Date” | three months after the date of the Agreement or such later day as the Purchaser and the Company may agree in writing |
| “Consideration” | the aggregate consideration of RMB200,000,000 (equivalent to approximately HK\$254,000,000) for the Sale Shares and the Shareholder’s Loan |
| “Convertible Redeemable Preference A Share(s)” | transferrable non-voting convertible redeemable preference A share(s) of the Company, holder(s) of which is/are entitled to a fixed cumulative preferential dividend at the rate of 3.5% per annum |
| “Convertible Redeemable Preference Share(s)” | transferrable non-voting convertible redeemable preference share(s) of the Company, holder(s) of which is/are entitled to a fixed cumulative preferential dividend at the rate of 3.5% per annum |
| “Director(s)” | the director(s) of the Company |
| “Disposal” | the proposed disposal of the Sale Shares and the Shareholder’s Loan by the Company to the Purchaser in accordance with the terms and conditions of the Agreement |
| “Disposal Group” | Usualink and its subsidiary, namely Techwayson Industrial |
| “EGM” | the extraordinary general meeting of the Company to be held at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Tuesday, 16 December 2014 at 11:00 a.m. to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder |
| “Group” | the Company and its subsidiaries from time to time |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administration Region of the PRC |

DEFINITIONS

| | |
|--------------------------------|--|
| “Independent Third Party(ies)” | any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquires is/are third party(ies) independent of and not connected with the Company, its subsidiaries and its connected persons in accordance with the Listing Rules |
| “Latest Practicable Date” | 27 November 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan |
| “Preference Shares” | the Convertible Redeemable Preference Shares and the Convertible Redeemable Preference A Shares |
| “Preference Shares Dividend” | the proposed preferential dividend in an aggregate amount of HK\$42,620,411 (equivalent to approximately RMB33,559,379) |
| “Preference Shares Holders” | the holders of the Preference Shares |
| “Purchaser” | Mega Trend Investment Limited, a company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, the Purchaser is indirectly wholly-owned by Mr. Xu Deliang, who also holds 21,980,000 Shares and the entire equity interest in Best Contact |
| “Remaining Group” | the Group excluding the Disposal Group |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Sale Shares” | 1,250 shares of US\$1.00 each in the issued share capital of Usualink, representing the entire issued share capital of Usualink as at the date of the Agreement |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |

DEFINITIONS

| | |
|-------------------------|--|
| “Share(s)” | ordinary share(s) of the Company of HK\$0.10 each in the share capital of the Company |
| “Shareholder(s)” | shareholder(s) of the Company |
| “Shareholder’s Loan” | all obligations, liabilities and debts owing by or due from Usualink to the Company as at the date of the Agreement amounting to approximately HK\$148,471,000 (equivalent to approximately RMB116,906,000) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Techwayson Building” | a seven storey building located at Hi-tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the PRC, with a site area of approximately 8,159 square meters and a total gross floor area of approximately 15,349 square meters, as an investment property held by Techwayson Industrial |
| “Techwayson Industrial” | 德維森實業(深圳)有限公司 (Techwayson Industrial Limited*), a company established in the PRC with limited liability. As at the Latest Practicable Date, Techwayson Industrial is directly wholly-owned by Usualink and is the sole legal and beneficial owner of Techwayson Building |
| “Usualink” | Usualink Development Limited, a company incorporated in the British Virgin Islands with limited liability. As at the Latest Practicable Date, Usualink is a directly wholly-owned subsidiary of the Company |
| “US\$” | US dollars, the lawful currency of the United States of America |
| “%” | per cent. |

In this circular, unless otherwise stated, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.27 for illustration purpose only. Such conversion should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.

Certain English translation of Chinese names or words in this circular are included for information purpose only and should not be regarded as the official English translation of such Chinese names or words.

* For identification purpose only

LETTER FROM THE BOARD



Executive Directors:

Mr. Liu Feng (*Chairman*)
Mr. Chen Xian (*Vice Chairman*)
Mr. Lau Sai Chung (*Chief Executive Officer*)
Ms. Xia Dan

Independent non-executive Directors:

Mr. Poon Lai Yin, Michael
Mr. Ng Kwok Chu, Winfield
Mr. Chan Chun Fai

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Suite 1501, 15th Floor
Tower 1, Silvercord
30 Canton Road
Tsimshatsui
Kowloon
Hong Kong

1 December 2014

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

INTRODUCTION

The Disposal

Reference is made to the announcement of the Company dated 10 November 2014 in relation to the Disposal. On 10 November 2014 (after trading hours of the Stock Exchange), the Company as the vendor, and the Purchaser entered into the Agreement, pursuant to which the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares and the Shareholder's Loan as a whole at the Consideration of RMB200,000,000 (equivalent to approximately HK\$254,000,000).

Upon Completion, the Company will cease to have any interest in the Disposal Group and the companies within the Disposal Group will cease to be subsidiaries of the Company.

LETTER FROM THE BOARD

As two of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceed 25% but less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to the announcement, circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) further details of the Agreement and the Disposal, (ii) the property valuation report on Techwayson Building, and (iii) the notice of EGM.

THE AGREEMENT

Set out below are the principal terms of the Agreement:

Date

10 November 2014

Parties

Purchaser: Mega Trend Investment Limited

Vendor: the Company

As advised by the Purchaser, the Purchaser's sole ultimate beneficial owner, Mr. Xu Deliang, directly holds 21,980,000 Shares and through Best Contact holds 25,000,000 Convertible Redeemable Preference A Shares (which are convertible into 26,315,791 Shares), representing approximately 2.33% and 2.80% of the issued share capital of the Company respectively as at the Latest Practicable Date. To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the Purchaser and its ultimate beneficial owner, Mr. Xu Deliang, are Independent Third Parties.

Assets to be disposed of

The Sale Shares represent the entire issued share capital of Usualink. Usualink is an investment holding company incorporated under the laws of the British Virgin Islands with limited liability. As at the Latest Practicable Date, Usualink is a directly wholly-owned subsidiary of the Company and directly holds 100% equity interest in Techwayson Industrial which is the sole legal and beneficial owner of Techwayson Building.

The Shareholder's Loan of approximately HK\$148,471,000 (equivalent to approximately RMB116,906,000) represents the amount due by Usualink to the Company as at the date of the Agreement.

The completion of the sale and purchase of the Sale Shares and the Shareholder's Loan shall take place simultaneously. Upon Completion, the Company will cease to have any interest in the Disposal Group and hence the companies within the Disposal Group will cease to be subsidiaries of the Company.

LETTER FROM THE BOARD

Consideration

The Consideration of RMB200,000,000 (equivalent to approximately HK\$254,000,000) shall be payable by the Purchaser to the Company. The parties had agreed that the exchange rate for Hong Kong dollars against Renminbi shall be the bid price of Hong Kong dollars quoted by The Hong Kong and Shanghai Banking Corporation Limited on the date of payment. The Consideration will be paid in the following manner:

- (i) the deposit in the sum of RMB5,000,000 or Hong Kong dollars equivalent (equivalent to approximately HK\$6,350,000) (the “**Deposit**”) by way of cashier’s order or bank transfer or other means agreed between the parties within fifteen Business Days from the date of the Agreement; and
- (ii) the balance of Consideration in the sum of RMB195,000,000 or Hong Kong dollars equivalent (equivalent to approximately HK\$247,650,000) by way of cashier’s order or bank transfer or other means agreed between the parties on the Completion Date.

The Consideration was determined after arm’s length negotiations between the Purchaser and the Company after taking into account, inter alia, the reference valuation of Techwayson Building of RMB213,400,000 (equivalent to approximately HK\$271,018,000) as at 31 August 2014 based on the preliminary valuation report of Vigers Appraisal and Consulting Limited (“**Vigers**”), a registered and qualified independent valuer in Hong Kong, adopting the direct comparison approach. According to the above mentioned preliminary valuation report, on account of the statements stated on the real estate ownership certificate that Techwayson Building is a non-commodity housing and is not permitted to be transferred, Vigers has ascribed no commercial value to the property. The above reference valuation is for reference purpose only by assuming Techwayson Building is entitled to be freely transferred in the open market. As a result, the Group agreed to dispose and the Purchaser agreed to acquire Techwayson Building through the disposal and acquisition of the Group’s interests in the Disposal Group at a slight discount of approximately 6% to the reference valuation.

According to the legal opinion provided by the Company’s PRC legal adviser, Guangdong Zhong Cheng Law Firm, there is no restriction on the transfer of equity interest in Usualink, who indirectly owns Techwayson Building, under the relevant PRC laws and regulations.

As at the Latest Practicable Date, the Company has received the Deposit in the sum of HK\$6,384,000 (equivalent to RMB5,000,000) of the Consideration from the Purchaser.

Conditions

Completion of the Disposal is subject to the fulfillment or waiver (as the case may be) of the following Conditions:

- (a) the approval by the Shareholders at the EGM (pursuant to the Listing Rules) with respect to the Agreement and the transactions contemplated thereunder; and

LETTER FROM THE BOARD

- (b) none of the warranties or terms under the Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied) or none of the warranties is misleading or untrue in any material respect.

Except for Condition (a), the other Condition can be waived by the Purchaser. If the Conditions have not been fulfilled or waived (as the case may be) on or before the Conditions Fulfillment Date or such later day as the parties may agree, the Purchaser is entitled to terminate the Agreement in writing, without prejudice to its right of any party to claim against the other for antecedent breach of the Agreement, and the Company shall refund the Deposit, if any has been received by the Company, to the Purchaser without interest.

The parties further agreed that in the event that the Purchaser fails to perform its obligations or bear its responsibilities under the Agreement, the Company is entitled to (i) forfeit the Deposit forthwith; (ii) reserve its right to claim against the Purchaser for any loss; and (iii) retain and/or resell the Sale Shares and Shareholder's Loan.

As at the Latest Practicable Date, none of the Conditions has been fulfilled.

As Completion is subject to the fulfillment of the Conditions, the Disposal may or may not proceed.

Completion

Completion shall take place on the third Business Day immediately following the date that the Conditions have been satisfied but not later than the Conditions Fulfillment Date or such later day as the parties may agree in writing.

INFORMATION ON THE PURCHASER

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

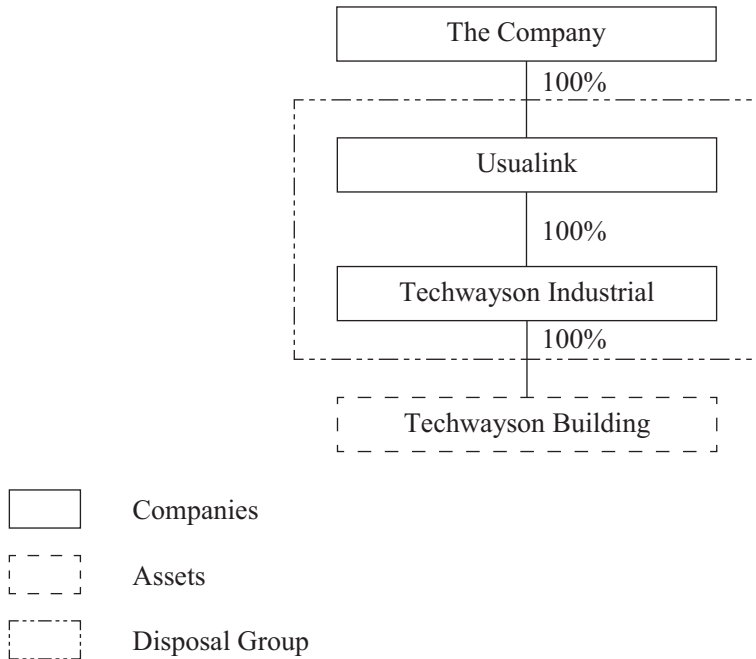
As advised by the Purchaser, the Purchaser's sole ultimate beneficial owner, Mr. Xu Deliang, directly holds 21,980,000 Shares and through Best Contact holds 25,000,000 Convertible Redeemable Preference A Shares (which are convertible into 26,315,791 Shares), representing approximately 2.33% and 2.80% of the issued share capital of the Company respectively as at the Latest Practicable Date. To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, the Purchaser and its ultimate beneficial owner, Mr. Xu Deliang, are Independent Third Parties.

LETTER FROM THE BOARD

INFORMATION ON THE DISPOSAL GROUP

Shareholding structure

The following chart illustrates the shareholding structure of the Disposal Group as at the Latest Practicable Date:



Usualink and Techwayson Industrial

Usualink is an investment holding company. As at the Latest Practicable Date, Usualink is a directly wholly-owned subsidiary of the Company.

As at the Latest Practicable Date, Usualink directly holds 100% equity interest in Techwayson Industrial, which is the sole legal and beneficial owner of Techwayson Building. Techwayson Industrial is principally engaged in property investments in the PRC. Save and except for the property investment in Techwayson Building, Techwayson Industrial does not have any material assets or principal activities that generate material revenue.

Upon Completion, the Company will cease to have any interest in Disposal Group and the companies within the Disposal Group will cease to be subsidiaries of the Company.

Techwayson Building

Techwayson Building, a seven storey building located at Hi-tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the PRC, with a site area of approximately 8,159 square meters and a total gross floor area of approximately 15,349 square meters, is an investment property held by Techwayson Industrial.

LETTER FROM THE BOARD

FINANCIAL INFORMATION ON THE DISPOSAL GROUP

Set out below is a summary of the unaudited consolidated financial information of the Disposal Group for the years ended 31 December 2012 and 2013 and the six months ended 30 June 2014 respectively prepared in accordance with the Hong Kong Financial Reporting Standards:

Components of statement of comprehensive income

| | For the year ended 31 December | | For the six months ended 30 June |
|----------------------------|-----------------------------------|--------------------|--|
| | 2012 | 2013 | 2014 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Revenue | 7,842 | 7,144 | 2,556 |
| Net profit before taxation | 23,846 | 870 | 1,716 |
| Net profit after taxation | 23,199 | 1,381 | 1,609 |

Components of statement of financial position

| | As at 31 December | | As at 30 June |
|-------------------|--------------------|--------------------|--------------------|
| | 2012 | 2013 | 2014 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Total assets | 203,214 | 369,338 | 366,012 |
| Total liabilities | 126,840 | 283,402 | 281,842 |
| Net assets | 76,374 | 85,936 | 84,170 |

FINANCIAL IMPACT OF THE DISPOSAL

Immediately upon Completion, the companies within the Disposal Group will cease to be subsidiaries of the Company and hence the assets, liabilities and results of Usualink and Techwayson Industrial will no longer be consolidated into the financial statements of the Group.

Earnings

As a result of the Disposal, it is anticipated that upon Completion, the Group would realize a net loss of approximately RMB1,076,000 (equivalent to approximately HK\$1,367,000), which represents the difference between the Consideration and the carrying amount of the unaudited consolidated net asset value of the Disposal Group as at 30 June 2014 with adjustment for the Shareholder's Loan.

LETTER FROM THE BOARD

Shareholders should note that the above figures are for illustrative purpose only. The actual gain or loss on the Disposal may be different from the above and is subject to the audited carrying value of the net assets of the Disposal Group as at the Completion Date, the transaction costs and taxes involved, and the audit by the Group's auditor upon finalization of the consolidated financial statements of the Group.

Assets and liabilities

Based on the unaudited financial position of the Disposal Group as at 30 June 2014 and taking into account the possible movement of the net asset value of the Disposal Group prior to Completion of the Disposal, it is anticipated that upon Completion, the consolidated total assets of the Group would be decreased by approximately RMB3,429,000 (equivalent to approximately HK\$4,355,000) and the consolidated total liabilities of the Group would be decreased by approximately RMB2,353,000 (equivalent to approximately HK\$2,988,000).

USE OF PROCEEDS

The net proceeds from the Disposal is expected to be approximately RMB198,815,000 (equivalent to approximately HK\$252,495,050) after deducting all relevant expenses payable by the Company in respect of the Disposal. The Directors intend to apply (i) as to HK\$42,620,411 (equivalent to approximately RMB33,559,379) as Preference Shares Dividend for the Preference Shares, details of which is set out in the section headed "Reasons for and benefits of the Disposal – Preference Shares Dividend" in this letter from the Board below; and (ii) the remaining net proceeds of approximately RMB165,000,000 (equivalent to approximately HK\$209,550,000) for further development of the new property project in Maoming, Guangdong Province, the PRC, which was acquired by the Group in September 2014 (details of such acquisition was set out in the circular of the Company dated 19 May 2014) and/or other suitable property investment opportunities.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in property development and investment in the PRC and is currently indirectly holds Techwayson Building as an investment property via Usualink, which in turn via Techwayson Industrial, and only generates rental income of approximately RMB7,000,000 (equivalent to approximately HK\$9,000,000) per annum. The Directors consider that, subject to Completion, the Disposal offers an opportunity for the Group to shorten the investment return period and to realize its investments in Techwayson Building concurrently with certainty notwithstanding the market conditions. In addition, upon Completion and full payment of the Consideration, the Group will be able to use part of the net proceeds on the payment of the Preference Shares Dividend for Preference Shares and to further finance the new property project in Maoming, Guangdong Province, the PRC and/or any suitable property development project, to promote a sustainable growth of the Company in future.

LETTER FROM THE BOARD

Preference Shares Dividend

Upon Completion, part of the net proceeds from the Disposal is intended to apply as Preference Shares Dividend. Pursuant to the terms of the Preference Shares, Preference Shares Holders shall be entitled to be paid, out of the profits of the Company available for distribution, a fixed cumulative preferential dividend, in priority to any payment to the Shareholders, at the rate of 3.5% per annum on the amount paid up or credited as paid up thereon. Such dividend rate was determined and approved by the then Shareholders when the Preference Shares were subscribed in June 2006, December 2006 and June 2007 respectively. The proposed Preference Shares Dividend of HK\$42,620,411 (equivalent to approximately RMB33,559,379) represents the accumulated amount of preferential dividends to the Preference Shares Holders from the respective issue dates of the Preference Shares to 31 October 2014 for the Convertible Redeemable Preference Shares and to 30 September 2014 for the Convertible Redeemable Preference A Shares at the dividend rate of 3.5% per annum.

It is the intention of the Board to distribute the Preference Shares Dividend, when declared, out of the profit of the Company providing that it will be complied with the applicable Cayman Islands law and the articles of association of the Company.

As at the Latest Practicable Date, the Company has 375,000,000 outstanding Preference Shares, which consists of 275,000,000 Convertible Redeemable Preference Shares and 100,000,000 Convertible Redeemable Preference A Shares. The Preference Shares Holders and their respective holdings in the Preference Shares are tabulated as below:

| Preference Shares Holders | Number of Convertible Redeemable Preference Shares | Number of Convertible Redeemable Preference A Shares | Total |
|-------------------------------------|---|---|---------------------------|
| China Sugar (<i>Note 1</i>) | 225,000,000 | 5,000,000 | 230,000,000 |
| Best Contact (<i>Note 2</i>) | – | 25,000,000 | 25,000,000 |
| Other individuals (<i>Note 3</i>) | 50,000,000 | 70,000,000 | 120,000,000 |
| Total | <u>275,000,000</u> | <u>100,000,000</u> | <u>375,000,000</u> |

Notes:

1. China Sugar is directly wholly-owned by Mr. Liu Zhongxiang, the son aged over 18 of Mr. Liu Feng, who is the chairman and the executive Director of the Company. Save for the Preference Shares, China Sugar does not have any Shares or other securities of the Company as at the Latest Practicable Date.
2. Best Contact is legally and beneficially owned by Mr. Xu Deliang. As advised by Mr. Xu Deliang, Mr. Xu Deliang also holds 21,980,000 Shares, which represents approximately 2.33% of the issued share capital of the Company as at the Latest Practicable Date.
3. To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, all of these other individuals are Independent Third Parties.

LETTER FROM THE BOARD

The Board considers that the Company will have sufficient profit and cash flow to pay the Preference Shares Dividend and the payment of the Preference Shares Dividend will not have any material adverse effect on the financial position of the Group.

As part of the net proceeds from the Disposal is intended to apply as Preference Shares Dividend, Mr. Liu Feng, who is the chairman and the executive Director of the Company, has abstained from voting on the board resolution passed to approve the Agreement and the transactions contemplated thereunder. Save for the above disclosed, no other Director is regarded having a material interest in the Disposal and required to abstain from voting on the board resolution to approve the Agreement and the transactions contemplated thereunder.

Mr. Liu Feng will also abstain from voting on the board resolution to approve the declaration and payment of the Preference Shares Dividend.

Given the foregoing, the Board is of the view that the Disposal is in the interests of the Company and the Shareholders as a whole and the terms of the transactions contemplated under the Agreement, including the Consideration, are on normal commercial terms and are fair and reasonable.

LISTING RULES IMPLICATIONS

As two of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceed 25% but less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to the announcement, circular and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

EGM

The EGM will be held at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Tuesday, 16 December 2014, at 11:00 am to consider and, if thought fit, approve, among other things, the ordinary resolution(s) in respect of the Agreement and the transactions contemplated thereunder by way of poll.

As advised by the Purchaser, its ultimate beneficial owner, Mr. Xu Deliang, directly holds 21,980,000 Shares and through Best Contact holds 25,000,000 Convertible Redeemable Preference A Shares (which are convertible into 26,315,791 Shares), representing approximately 2.33% and 2.80% of the issued share capital of the Company respectively as at the Latest Practicable Date, Mr. Xu Deliang and his associates will abstain from voting on the ordinary resolution(s) to approve the Agreement and the transactions contemplated thereunder at the EGM.

As part of the net proceeds from the Disposal is intended to apply as Preference Shares Dividend; and China Sugar, which is directly wholly-owned by Mr. Liu Zhongxiang, the son of Mr. Liu Feng, who is the chairman and the executive Director of the Company, holds 225,000,000 Convertible Redeemable Preference Shares and 5,000,000 Convertible Redeemable Preference A Shares (which are convertible into an aggregate amount of 242,105,263 Shares), representing approximately 25.72% of the issued share capital of the Company as at the Latest Practicable Date, China Sugar and Mr. Liu Zhongxiang and their

LETTER FROM THE BOARD

respective associates, including Mr. Liu Feng, will abstain from voting on the ordinary resolution(s) to approve the Agreement and the transactions contemplated thereunder at the EGM if they hold any Shares. It is confirmed that none of them hold any Shares as at the Latest Practicable Date.

The Preference Shares do not carry any voting rights. Accordingly, both Best Contact and China Sugar, as Preference Shares Holders, are not entitled to any voting rights at the EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, except for the above interests of the Purchaser, Mr. Xu Deliang, Best Contact, China Sugar, Mr. Liu Zhongxiang, Mr. Liu Feng and their respective associates, no other Shareholder has a material interest in the Disposal or the Preference Shares Dividend and hence no other Shareholder is required to abstain from voting at the EGM.

A notice convening the EGM is set out on pages 28 to 29 of this circular and a form of proxy for use at the EGM is enclosed herewith. Whether or not you are able to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's head office and principal place of business in Hong Kong at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

RECOMMENDATION

The Directors are of the opinion that the Agreement and the transactions contemplated under the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions in relation to the Agreement and the transactions contemplated under the Agreement to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

As the Completion is subject to the satisfaction and/or waiver where applicable, of the Conditions, the Disposal may or may not proceed to Completion. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any securities of the Company.

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

1. INDEBTEDNESS STATEMENT

As at the close of business on 31 October 2014, being the latest practicable date for the purpose of the statement of this indebtedness statement prior to the printing of this circular, the Remaining Group had outstanding secured bank loans and revolving loans of approximately RMB772,419,000.

Security and guarantees

As at the close of business on 31 October 2014, the secured bank loans and revolving loans of the Remaining Group were (a) guaranteed by corporate guarantee executed by the Company; and (b) secured by the Remaining Group's property, plant and equipment with a total carrying values of approximately RMB16,430,000 and properties under development with a total carrying values of approximately RMB625,083,000.

For the purpose of the above indebtedness statement, foreign currency amounts have been translated into Renminbi at the rate of exchange prevailing the close of business on 31 October 2014.

Save as aforesaid and as otherwise disclosed in the paragraph headed "Litigations" in Appendix III to this circular, and apart from intra-group liabilities and normal trade payables at the close of business on 31 October 2014, the Remaining Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees, or other material contingent liabilities.

2. WORKING CAPITAL STATEMENT

As at the Latest Practicable Date, the Directors are of the opinion that, after due and careful enquiry and taking into account its internal resources and the existing available credit facilities of the Remaining Group and upon the completion of the Disposal, the Remaining Group has sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this circular.

3. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

The Group is principally engaged in property development and property investment in the PRC.

The management expected that although the property market in the PRC will remain challenging for short-term, the property market measures imposed in the PRC by the PRC government will gradually be relaxed. In view of the deepening of urbanization and different demand in each city in the PRC in 2014, the Directors are of the view that it will provide the growth opportunities in the property market in a longer-term.

Upon Completion of the Disposal, the Company will invest part of the net proceeds from the Disposal to further develop the new property project in Maoming, Guangdong Province, the PRC acquired by the Group in September 2014 (details of such acquisition was set out in the circular of the Company dated 19 May 2014). Such property project comprises development of residential buildings, serviced apartments and commercial properties which are expected to be completed during 2016 to 2017. The Board is optimistic in the development of property market in Maoming. Currently, the price-level of the properties in Maoming is relatively low compared to other first or second tier cities in Guangdong Province (including Shenzhen, Guangzhou and Zhuhai). The management believes that the potential growth of property market is higher and the risk of property price going downward is smaller in Maoming and the western region of Guangdong Province. Furthermore, the Western Guangdong Express Rail Link* (廣東西部沿海高速鐵路) will directly connect Maoming with Shenzhen, Guangzhou and Zhanjiang which is expected to be completed in 2017; and in accordance with the Twelfth Five Year Plan of the Development of the Integrated Transportation System in Guangdong Province* (廣東省綜合運輸體系發展“十二五”規劃) published by the PRC government, construction of the Western Guangdong Province Airport* (粵西國際機場) will be commenced in the current year and expected to be completed by 2017. Upon completion of the said railway and the new airport, the economy in the western region of Guangdong Province will be further boosted.

Looking forward, the Remaining Group will keep exploring suitable property development and investment opportunities in the PRC actively to provide sustainable growth of the Company while closely monitor future market trends and respond to market changes in a prudent and proactive manner to mitigate the investments risk in particular those caused by the measures towards property markets of the PRC government.

* *For identification purpose only*

The following is the text of a letter, a summary of valuation and valuation certificates prepared for the purpose of incorporation in this circular received from Vigers Appraisal & Consulting Limited, a qualified and registered independent valuer, in connection with its valuation as at 30 September 2014 of the market value of Techwayson Building.

Vigers Appraisal & Consulting Limited
International Assets Appraisal Consultants

10th Floor, The Grande Building
398 Kwun Tong Road
Kowloon
Hong Kong



1 December 2014

The Directors
China Uptown Group Company Limited
Suite 1501, Tower 1,
Silvercord,
No. 30 Canton Road,
Tsim Sha Tsui,
Kowloon,
Hong Kong

Dear Sirs,

In accordance with the instructions of China Uptown Group Company Limited (the “Company”) for us to value the property interest held by 德維森實業(深圳)有限公司 (Techwayson Industrial Limited) (“Techwayson Industrial”) in the People’s Republic of China (“the PRC”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of such property interest as at 30 September 2014 (“valuation date”) for the purpose of incorporation in the circular.

Our valuation is our opinion of the market value of the property interest which we would define market value as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

In valuing the property interest which is held by Techwayson Industrial for owner-occupation and investment in the PRC, we have valued the property by the direct comparison approach assuming sale of the property in its existing state and by making reference to comparable sales transactions as available in the relevant market.

Our valuation has been made on the assumption that the owner sells the property interest on the open market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of the property interest. In addition, no forced sale situation in any manner is assumed in our valuation.

We have not caused title searches to be made for the property interest at the relevant government bureau in the PRC. We have been provided with certain extracts of title documents relating to the property interest in the PRC. However, we have not inspected the original documents to verify the ownership, encumbrances or the existence of any subsequent amendments which may not appear on the copies handed to us. In undertaking our valuation for the property interest in the PRC, we have relied on the legal opinion (the “PRC legal opinion”) provided by the Company’s PRC legal adviser, Guangdong Zhong Cheng Law Firm.

We have relied to a considerable extent on information provided by the Company and have accepted advice given to us by the Company on such matters as planning approvals or statutory notices, easements, tenure, occupation, lettings, site and floor areas and in the identification of the property and other relevant matter. We have also been advised by the Company that no material facts had been concealed or omitted in the information provided to us. All documents have been used for reference only.

All dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Company and are approximations only. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out a structural survey nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the property is free from defect. No tests were carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interest nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interest is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Our valuation is prepared in accordance with the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors (HKIS) and the requirements set out in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

Unless otherwise stated, all money amounts stated are in Renminbi (RMB) and Hong Kong Dollars (HK\$). The exchange rate used in valuing the property interest in the PRC as at 30 September 2014 was HK\$1=RMB0.79. There has been no significant fluctuation in the exchange rate for Renminbi against Hong Kong Dollars between that date and the date of this letter.

We enclose herewith the valuation certificate.

Yours faithfully,
For and on behalf of
Vigers Appraisal & Consulting Limited
Raymond Ho Kai Kwong
Registered Professional Surveyor (GP)
MRICS MHKIS MSc(e-com)
China Real Estate Appraiser
Managing Director

Note: Mr. Raymond Ho Kai Kwong, Chartered Surveyor, MRICS MHKIS MSc(e-com), has over twenty seven years' experiences in undertaking valuations of properties in Hong Kong and has over twenty years' experiences in valuations of properties in the PRC.

VALUATION CERTIFICATE

Property interest held by Techwayson Industrial for owner-occupation and investment in the PRC

| Property | Description and Tenure | Particulars of occupancy | Market Value in existing state as at 30 September 2014 |
|--|---|--|---|
| Techwayson Building located at the junction of Keyuan South Road and Gaoxin South 7th Road, Hi-tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, the PRC | <p>The property comprises a 7-storey building with a basement, named Techwayson Building, of a total gross floor area of approximately 17,677.47 sq.m. (Levels 1 to 7: 15,349.46 sq.m. and basement: 2,328.01 sq.m.) completed in 2007, erected on a parcel of land (Lot No. T205-0035) with a site area of approximately 8,159 sq.m.</p> <p>The land use rights of the property have been granted for a term of 50 years from 31 January 2002 to 30 January 2052 for hi-tech industrial park land use.</p> | <p>Portion of Level 7 of the property is currently occupied by the Group for office use.</p> <p>The remaining portion of the property is either leased to various tenants for the latest term expiring on 31 May 2018 at a total monthly rent of RMB385,575 or vacant.</p> | <p>No commercial value</p> <p style="text-align: right;">Interest attributable to the Group</p> <p style="text-align: right;">100%</p> <p style="text-align: right;">Market Value in existing state attributable to the Group as at 30 September 2014</p> <p style="text-align: right;">Nil</p> |

Notes:

1. According to a Real Estate Ownership Certificate (Document No.: Shen Fang Di Zi No. 4000534467), the land use rights of the property of a site area of approximately 8,159 sq.m. and the building of the property of a total above ground gross floor area of approximately 15,349.46 sq.m. are vested in Techwayson Industrial Limited for a term of 50 years from 31 January 2002 to 30 January 2052 for hi-tech industrial park land use.
2. On account of the statements stated on the Real Estate Ownership Certificate that the property is a non-commodity housing and is not permitted to be transferred, we have ascribed no commercial value to the property. However, for reference purpose, the market value of the property as at the valuation date was RMB213,400,000 (equivalent to approximately HK\$270,100,000) assuming the property is entitled to be transferred in the open market. (Levels 1-6 and car parking spaces on basement: RMB179,800,000 (equivalent to approximately HK\$227,600,000); and Level 7: RMB33,600,000 (equivalent to approximately HK\$42,500,000))
3. Techwayson Industrial Limited is an indirect wholly-owned subsidiary of the Company.
4. The PRC legal opinion states, inter alia, the following:
 - (i) Techwayson Industrial Ltd. has obtained the land use rights and the building ownership rights of the property.
 - (ii) The land premium has been duly paid and settled.
 - (iii) The property is a non-commodity housing.
5. The property was inspected by Mr. Lai Kar Yin, a valuer, on 30 October 2014.
6. The property is located at the junction of Keyuan South Road and Gaoxin South 7th Road in the Hi-tech Industrial Park of Nanshan District in Shenzhen. Nanshan District is situated in the southwestern region of the town centre of Shenzhen, with a population of about 1 million. The Hi-tech Industrial Park is a well developed composite office and industrial area where many office and industrial buildings are located. In the third quarter, the transaction volume of composite office and industrial units in Nanshan District had dropped slightly while the price level was stabilizing. The general price and monthly rental level of composite office and industrial units in the region was about RMB12,000 – RMB18,000/sq.m. and RMB45 – RMB70/sq.m. respectively.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company nor their associates had any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) which (1) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (2) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (3) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange.

| Directors | Number of Shares held | | | Number of options held | Total | Approximate percentage of shareholding |
|------------------------------|-----------------------|--------------------|--|------------------------|------------|--|
| | Personal interest | Corporate interest | | | | |
| Ms. Xia Dan (<i>Note</i>) | – | 79,500,000 | | 4,000,000 | 83,500,000 | 8.87% |
| Mr. Chen Xian | – | – | | 8,000,000 | 8,000,000 | 0.85% |
| Mr. Lau Sai Chung | 148,000 | – | | 4,000,000 | 4,148,000 | 0.44% |
| Mr. Poon Lai Yin, Michael | – | – | | 500,000 | 500,000 | 0.05% |
| Mr. Chan Chun Fai | – | – | | 500,000 | 500,000 | 0.05% |
| Mr. Ng Kwok Chu, Winfield | – | – | | 500,000 | 500,000 | 0.05% |

Note: Ms. Xia Dan (“**Ms. Xia**”) is taken to be interested in 79,500,000 shares held by Mega Edge International Limited which is 100% owned by Ms. Xia. By virtue of the SFO, Ms. Xia is deemed to have interest of the Shares held by Mega Edge International Limited.

3. SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at the Latest Practicable Date, so far as was known to the Directors, no other person (other than the Directors or the chief executive of the Company) had any interests or short positions in the Shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of substantial shareholder required to be kept by the Company under Section 336 of the SFO, or who is expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or in any options in respect of such capital.

(i) Long positions in the Shares

| Substantial Shareholders | Capacity and nature of interest | Number of Shares held | Approximate percentage of shareholding |
|---|---------------------------------|-----------------------|--|
| Mr. Ho Man Hung | Registered Shareholder | 185,600,000 | 19.71% |
| Mega Edge International Limited (<i>Note</i>) | Registered Shareholder | 79,500,000 | 8.44% |

Note: Mega Edge International Limited is 100% owned by Ms. Xia. By virtue of the SFO, Ms. Xia is deemed to have interest of the Shares held by Mega Edge International Limited.

(ii) Long positions in underlying shares

| Name | Capacity and nature of interest | Number of underlying shares held | Approximate percentage of shareholding |
|---|--------------------------------------|----------------------------------|--|
| China Sugar (<i>Note 1</i>) | Beneficial owner | 242,105,263 | 25.72% |
| Mr. Liu Zhongxiang (<i>Note 2</i>) | Interest of a controlled corporation | 242,105,263 | 25.72% |
| Best Contact (<i>Notes 1 & 3</i>) | Beneficial owner | 26,315,791 | 2.80% |
| Mr. Xu Deliang (<i>Note 3</i>) | Interest of a controlled corporation | 26,315,791 | 2.80% |

Notes:

1. The Company entered into a subscription and option agreement on 26 May 2006 with Weina (BVI) Limited (“**Weina**”) and through such agreement and the exercise of option by the Company, Weina is interested in 350,000,000 Convertible Redeemable Preference Shares of the Company and has the right to convert the aforesaid shares in 350,000,000 Shares (based on its initial conversion price). On 2 June 2009, the Company and Weina entered into a first supplemental agreement to extend the conversion period for the aforesaid shares for a further 12 months from the expiry date of the conversion period under the subscription and option agreement. By a second supplemental agreement dated 23 October 2009, the conversion period shall be extended automatically for a period of 12 months with effect from each expiry date of the said conversion period unless (i) Weina serves a written notice on the Company notifying its intention of not extending the said conversion period for a further 12 months not later than 7 days prior to the expiry date of the said conversion period, and (ii) the Company agrees not to extend the said conversion period for a further 12 months upon receiving such notice. It is also agreed that the Convertible Redeemable Preference Shares shall become transferable. On 25 May 2010, Weina transferred 225,000,000 Convertible Redeemable Preference Shares to Best Contact. On 31 August 2010, Weina further transferred 50,000,000 Convertible Redeemable Preference Shares to certain individuals. On 17 March 2011, Weina further transferred 75,000,000 Convertible Redeemable Preference Shares to Best Contact. On 4 July 2014, Best Contact transferred 225,000,000 Convertible Redeemable Preference Shares to China Sugar (Note 2).

Moreover, the Company entered into a sale and purchase agreement on 17 November 2006 with Weina Holdings Limited and through such agreement, Weina (as designated by Weina Holdings Limited) is interested in 110,000,000 Convertible Redeemable Preference A Shares of the Company and has the right to convert the Convertible Redeemable Preference A Shares into 110,000,000 Shares. By a supplemental agreement dated 23 October 2009, the conversion period for the Convertible Redeemable Preference A Shares is extended for a further 12 months from the expiry date of the conversion period; the said conversion period shall be extended automatically for a period of 12 months with effect from each expiry date of the said conversion period unless (i) Weina serves a written notice on the Company notifying its intention of not extending the said conversion period for a further 12 months not later than 7 days prior to the expiry date of the said conversion period, and (ii) the Company agrees not to extend the said conversion period for a further 12 months upon receiving such notice. It is also agreed that the Convertible Redeemable Preference A Shares shall become transferable. On 25 May 2010, Weina transferred 5,000,000 Convertible Redeemable Preference A Shares to Best Contact. On 31 August 2010, Weina further transferred 70,000,000 Convertible Redeemable Preference A Shares to certain individuals. On 17 March 2011, Weina further transferred 35,000,000 Convertible Redeemable Preference A Shares to Best Contact. On 4 July 2014, Best Contact transferred 5,000,000 Convertible Redeemable Preference A Shares to China Sugar.

In accordance with the terms and conditions of the Preference Shares, the conversion price of the Preference Shares will be adjusted as a result of the issue of the convertible bonds of the Company to HK\$0.38.

2. China Sugar is directly wholly-owned by Mr. Liu Zhongxiang, the son aged over 18 of Mr. Liu Feng, who is the chairman and the executive director of the Company. By virtue of the SFO, Mr. Liu Zhongxiang is deemed to have interest in the Preference Shares held by China Sugar.
3. Best Contact is directly wholly-owned by Mr. Xu Deliang (“**Mr. Xu**”). By virtue of the SFO, Mr. Xu is deemed to have interest of the Convertible Redeemable Preference A Shares held by Best Contact. In addition, Mr. Xu also directly holds 21,980,000 Shares, which represented approximately 2.33% of the issued share capital of the Company. Together with the Preference Shares held by Best Contact, Mr. Xu is deemed to have approximately 5.13% of the issued share capital of the Company.

4. DIRECTORS’ INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which, since 31 December 2013, being the date to which the latest published audited financial statements of the Group were made up, had been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

There was no contract or arrangement subsisting at the Latest Practicable Date in which any Director was materially interested and which was significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or was proposing to enter into a service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation, other than statutory compensation.

6. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors nor their respective associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business in which the Group is engaged in.

7. LITIGATIONS

As at the Latest Practicable Date, the Group has the following litigation:

On 31 January 2013, Techwayson Industrial received a writ of summons (the "**Litigation**") from Guangdong Sun Law Firm* (廣東國暉律師事務所) ("**SLF**") in relation to the full payment of legal fee of RMB18,000,000 for the professional services rendered for investigation of an investment in a trust company. On 14 October 2014, the Group's PRC legal advisers has received the civil judgment (民事判決書) (the "**Judgment**") issued by 廣東省深圳市南山區人民法院 (the People's Court of Guangdong Shenzhen Nanshan District*). Pursuant to the Judgment, the People's Court of Guangdong Shenzhen Nanshan District has ordered that:

- (i) All of the claims made by SLF are dismissed; and
- (ii) RMB129,800, being the court fee of the Litigation, is borne by SLF.

As at the Latest Practicable Date, to the best knowledge of the Board, Techwayson Industrial has not been served a notice of appeal from SLF against the Judgment. The Directors expect that the Litigation will not be any material adverse financial effect on the earnings, net assets and liabilities of the Group.

Save as disclosed above, as at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or claim of material importance was known to the Directors to be pending or threatened by or against any members of the Group.

8. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding the date of this circular and are material:

- (i) a third supplemental agreement dated 20 February 2013 entered into between Mr. Ho Man Hung, a substantial Shareholder, and Boom Lotus Holdings Limited (“**Boom Lotus**”), the then indirectly wholly-owned subsidiary of the Company immediately prior to the Company’s disposal of its entire interest in Boom Lotus in June 2013, in relation to the further deferral of payment of the remaining sum of HK\$63,593,000 under the sale and purchase agreement entered into between Mr. Ho Man Hung and Boom Lotus dated 11 August 2009 to 20 November 2013;
- (ii) a non-legally binding letter of intent dated 5 December 2012 (as amended and supplemented by a supplemental letter of intent dated 15 April 2013) entered into between Boom Lotus and an Independent Third Party in relation to the potential acquisition of 70% equity interest in a company established in the PRC which is principally engaged in property development. The non-legally binding letter of intent expired on 15 August 2013;
- (iii) an agreement dated 15 May 2013 entered into between Ace Goal Holdings Limited, an Independent Third Party, and Lead Prospect Investment Holdings Limited, a directly wholly-owned subsidiary of the Company, in relation to the disposal of the Company’s entire interest in Boom Lotus;
- (iv) a non-legally binding letter of intent dated 27 August 2013 (as supplemented by a supplemental non-legally binding letter of intent dated 30 December 2013) entered into among, inter alia, the Company, Mr. Huang Shibao* (黃石保) and Zhanjiang Huada Trading Co., Limited* (湛江市華大貿易有限公司), both of them are Independent Third Parties in relation to the possible acquisition of Shenzhen Longshenghang Supply Chain Limited* (深圳市隆盛行供應鏈有限公司), a limited liability company established in the PRC (the “**Acquisition**”);
- (v) the conditional sale and purchase agreement dated 25 February 2014, including its amendments or replacement, entered into among Uni-Business Limited, a directly wholly-owned subsidiary of the Company, as purchaser, Mr. Huang Shibao* (黃石保) as vendor and Zhanjiang Huada Trading Co., Limited* (湛江市華大貿易有限公司) as guarantor in relation to the Acquisition; and
- (vi) the Agreement.

9. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following is the qualifications of the experts who have been named in this circular or have given opinions, letters or advice contained in this circular:

| Name | Qualifications |
|---------------------------------------|------------------------------------|
| Vigers Appraisal & Consulting Limited | Professional surveyors and valuers |
| Guangdong Zhong Cheng Law Firm | PRC legal adviser |

As at the Latest Practicable Date, each of Vigers Appraisal & Consulting Limited and Guangdong Zhong Cheng Law Firm has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its opinions, advice and/or letter in the form and context in which it appears herein.

As at the Latest Practicable Date, none of the experts aforementioned were beneficially interested in any share capital of any member of the Group, directly or indirectly or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the experts aforementioned has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2013, being the date to which the latest published audited consolidated accounts of the Group were made up.

10. GENERAL

- (i) The registered address of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (ii) The head office and principal place of business of the Company in Hong Kong is situated at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong.
- (iii) The principal share registrar and transfer office of the Company is at Royal Bank of Canada Trust Company (Cayman) Limited, 4th Floor, Royal Bank House, 24 Shedden Road, George Town, Grand Cayman KY 1-1110, Cayman Islands.
- (iv) The Hong Kong branch share registrar and transfer office of the Company is at Union Registrars Limited, 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.

- (v) The company secretary of the Company is Mr. Fu Lui. Mr. Fu was appointed as the financial controller and company secretary of the Company with effect from 2 July 2010. Mr. Fu is a member of Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He holds a master degree in business administration from The Chinese University of Hong Kong and a bachelor degree in accountancy from The Hong Kong Polytechnic University. He has extensive professional experience in accounting.
- (vi) The English version of this circular shall prevail over the Chinese version in case of any inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong during normal business hours from the date of this circular up to and including the date of the EGM:

- (i) the memorandum and articles of association of the Company;
- (ii) the property valuation report on Techwayson Building prepared by Vigers Appraisal & Consulting Limited, the text of which is set out in Appendix II to this circular;
- (iii) the material contracts referred to in the paragraph headed “Material contracts” in this appendix;
- (iv) the written consents referred to in the paragraph headed “Qualifications and consents of experts” in this appendix;
- (v) the annual reports of the Company for the two financial years ended 31 December 2012 and 2013;
- (vi) the interim report of the Company for the six months ended 30 June 2014;
- (vii) the circular of the Company dated 19 May 2014 in relation to the Acquisition referred in the paragraph headed “Material contracts” in this appendix; and
- (viii) this circular.

* *For identification purpose only*

NOTICE OF EGM



NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**EGM**”) of China Uptown Group Company Limited (the “**Company**” and its subsidiaries, collectively the “**Group**”) will be held at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Tuesday, 16 December 2014 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

- (a) “**THAT** the sale and purchase agreement dated 10 November 2014 (the “**Agreement**”) entered into between Mega Trend Investment Limited (“**Mega Trend**”), as the purchaser and the Company, as the vendor, pursuant to which the Company has conditionally agreed to sell and Mega Trend has conditionally agreed to purchase the entire issued share capital of Usualink Development Limited (“**Usualink**”) and the shareholder’s loan which amounted to approximately HK\$148 million as at the date of the Agreement due by Usualink to the Company for total consideration of RMB200 million and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and
- (b) “**THAT** any one director of the Company be and is/are hereby authorised for and on behalf of the Company to execute the Agreement, all such other documents, instruments and agreements and to do all such acts or things deemed by him/her/them to be incidental to, ancillary to or in connection with matters contemplated in or relating to the Agreement and to agree to such variation, amendment or waiver as are, in the opinion of such director, in the interests of the Company, as he/she/they may consider necessary, desirable or expedient.”

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

1 December 2014

NOTICE OF EGM

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Suite 1501, 15th Floor
Tower 1, Silvercord
30 Canton Road
Tsimshatsui, Kowloon
Hong Kong

Notes:

1. A member entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of associations of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's head office and principle place of Business in Hong Kong at Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the EGM or any adjournment thereof, should he so wish.
3. In the case of joint holders of shares of the Company, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
4. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you wish, and in such event, the form of proxy shall be deemed to be revoked.
5. As at the date of this notice, the executive Directors are Mr. Liu Feng, Mr. Chen Xian, Mr. Lau Sai Chung and Ms. Xia Dan and the independent non-executive Directors are Mr. Poon Lai Yin, Michael, Mr. Chan Chun Fai and Mr. Ng Kwok Chu, Winfield.