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## **U BANQUET GROUP HOLDING LIMITED**

**饗宴集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1483)**

### **(1) LAPSE OF THE ACQUISITION AGREEMENT IN RELATION TO THE ACQUISITION OF REAL ESTATE PROPERTY IN PRC AND (2) CHANGE IN USE OF PROCEEDS FROM PLACING**

References are made to (i) the announcement of U Banquet Group Holding Limited (the “**Company**”) dated 7 December 2016 (the “**Acquisition Announcement**”) in relation to the Acquisition; (ii) the announcements of the Company dated 4 January 2017 and 23 January 2017 (the “**Placing Announcements**”) in relation to the placing (the “**Placing**”). Capitalised terms used herein shall have the same meanings as those defined in the Acquisition Announcement unless defined otherwise herein.

#### **LAPSE OF THE ACQUISITION AGREEMENT**

Pursuant to the Acquisition Agreement, if any conditions precedent to the Completion has not been fulfilled by the Long-Stop Date or such other date as the Vendor and the Purchaser may agree in writing, then the Purchaser shall not be bound to proceed with the Acquisition, and save as to the Deposit which shall be returned to the Purchaser (without interest), all rights and liabilities of the Vendor and the Purchaser shall cease and neither the Vendor nor the Purchaser shall have any claim against the other.

As the conditions precedent to the Acquisition Agreement have not been fulfilled by the Long-Stop Date and no extension of time was agreed by the Vendor and the Purchaser, the Acquisition Agreement has lapsed in accordance with the terms thereof. The Deposit will be returned to the Purchaser (without interest).

The Board considers that the lapse of the Acquisition Agreement will not have any material adverse impact on the business operation and financial position of the Group as a whole.

## CHANGE IN USE OF PROCEEDS FROM PLACING

Following completion of the Placing on 23 January 2017, net proceeds of approximately HK\$146.74 million (the “**Net Proceeds**”) has been raised. As disclosed in the Placing Announcements, the Company intended to allocate the Net Proceeds as to: (a) approximately HK\$107.38 million for payment of second installment of the proposed property acquisition as referred to in the Acquisition Announcement (the “**Proceeds for Proposed Property Acquisition**”); and (b) the balance of approximately HK\$39.36 million for the repayment of part of shareholder’s loan and the general working capital of the Group.

Upon the lapse of the Acquisition Agreement, the Company intends to allocate the Proceeds for Proposed Property Acquisition in the amount of approximately HK\$107.38 million towards acquisition of other potential properties in Hong Kong and/or China which is expected to generate a stable and constant stream of rental income to the Group. In addition, the Company will also continue to explore potential business opportunities in other sectors including but not limited to high and new technology sector which may bring higher return and additional source of revenue to the Group (together, the “**Change in Use of Proceeds**”). The Company shall issue further announcement(s) to update the Shareholders on the application of the Change in Use of Proceeds as soon as the aforementioned targets are identified as and when appropriate.

Save for the Change in Use of Proceeds as disclosed above, the Company intends to allocate the remaining Net Proceeds as originally intended.

The Board considers that the Change in Use of Proceeds will allow the Company to deploy its financial resources more effectively to enhance operational and financial efficiency of the Group and is in line with the Company’s business strategy in exploring opportunities for potential investments with a view to generating revenue and achieving better return for its shareholders. Accordingly, the Directors consider that the Change in Use of Proceeds is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

By Order of the Board  
**U Banquet Group Holding Limited**  
**Cui Peng**  
*Executive Director*

Hong Kong, 28 February 2017

*As at the date of this Announcement, the executive Directors are Mr. Sang Kangqiao, Mr. Cui Peng and Mr. Xu Wenze; the independent non-executive Directors are Mr. Lam Ka Tak, Mr. Xu Zhihao and Ms. Liu Yan.*