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SUPPLEMENTAL ANNOUNCEMENT ON THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

Reference is made to the announcement of China Uptown Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 31 March 2022 relating to, among others, the unaudited annual results of the Group for the year ended 31 December 2021 (the “**Unaudited Annual Results Announcement**”) and the announcement of the Company dated 17 March 2023 relating to, among others, the annual results of the Group for the year ended 31 December 2021 (the “**Audited Annual Results Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Unaudited Annual Results Announcement and the Audited Annual Results Announcement.

The Company wishes to provide below further information in relation to the differences between the Unaudited Annual Results Announcement and the Audited Annual Results Announcement.

EXPLANATION OF THE DIFFERENCES BETWEEN THE UNAUDITED ANNUAL RESULTS AND THE AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Company hereby sets forth the details and reasons for the differences in such financial information in accordance with Rule 13.49(3)(ii)(b) of the Listing Rules.

Since the financial information contained in the Unaudited Annual Results Announcement has not been audited and has not been agreed with the then Company’s auditors as at the date of its publication and subsequent adjustments have been made to such information, shareholders and potential investors of the Company are advised to pay attention to certain differences between the financial information of the unaudited and audited annual results of the Group for the year ended 31 December 2021. Set forth below are the principal details and reasons for the material differences in such financial information.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	Disclosure in the Audited Annual Results Announcement RMB'000	Disclosure in the Unaudited Annual Results Announcement RMB'000	Difference RMB'000	Notes
Revenue	173,974	130,386	43,588	1
Cost of sales	(154,900)	(197,481)	42,581	2
Gross profit/(loss)	19,074	(67,095)	86,169	
Other income	1,962	1,959	3	
Other gains and losses	(35,701)	(36,929)	1,228	3
Impairment loss reversed under expected credit loss ("ECL") model on other receivables	729	852	(123)	4
Impairment loss recognised on properties held for sale	(302,818)	(91,590)	(211,228)	5
Impairment loss recognised on properties under development	(71,026)	–	(71,026)	6
Selling and marketing expenses	(10,041)	(10,041)	–	
Administrative expenses	(29,384)	(28,449)	(935)	7
Finance costs	(804)	(855)	51	
Loss before taxation	(428,009)	(232,148)	(195,861)	
Income tax (credit) expense	(37,259)	31,470	(68,729)	8
Loss for the year	(465,268)	(200,678)	(264,590)	
Loss for the year attributable to:				
Owners of the Company	(400,926)	(192,826)	(208,100)	
Non-controlling interests	(64,342)	(7,852)	(56,490)	
	(465,268)	(200,678)	(264,590)	
Loss per share (<i>in RMB cents</i>)				
– Basic	(157.55)	(75.78)	(81.77)	
– Diluted	(157.55)	(75.78)	(81.77)	

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Disclosure in the Audited Annual Results Announcement <i>RMB'000</i>	Disclosure in the Unaudited Annual Results Announcement <i>RMB'000</i>	Difference <i>RMB'000</i>	<i>Notes</i>
Loss for the year	<u>(465,268)</u>	<u>(200,678)</u>	<u>(264,590)</u>	
Other comprehensive (expense) income				
Item that will not be reclassified to profit or loss:				
Exchange differences arising on translation of functional currency to presentation currency	(17,836)	(21,552)	3,716	
Item that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of financial statements of foreign operations	<u>17,998</u>	<u>11,743</u>	<u>6,255</u>	
	<u>162</u>	<u>(9,809)</u>	<u>9,971</u>	
Total comprehensive expense for the year	<u><u>(465,106)</u></u>	<u><u>(210,487)</u></u>	<u><u>(254,619)</u></u>	
Total comprehensive expense for the year attributable to:				
Owners of the Company	(401,361)	(202,635)	(198,726)	
Non-controlling interests	<u>(63,745)</u>	<u>(7,852)</u>	<u>(55,893)</u>	
	<u><u>(465,106)</u></u>	<u><u>(210,487)</u></u>	<u><u>(254,619)</u></u>	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	Disclosure in the Audited Annual Results Announcement <i>RMB'000</i>	Disclosure in the Unaudited Annual Results Announcement <i>RMB'000</i>	Difference <i>RMB'000</i>	<i>Notes</i>
Non-current Assets				
Investment properties	4,400	4,400	–	
Property, plant and equipment	15,543	15,515	28	
Right-of-use assets	1,229	1,993	(764)	9
	21,172	21,908	(736)	
Current Assets				
Properties under development	364,000	364,624	(624)	10
Properties held for sale	233,744	402,300	(168,556)	11
Investment properties held for sale	10,057	12,585	(2,528)	12
Deposits, other receivables and prepayments	44,300	31,881	12,419	13
Financial assets at fair value through profit or loss	4,313	4,313	–	
Tax recoverable	–	51,507	(51,507)	14
Restricted bank deposit	–	1,988	(1,988)	15
Pledged bank deposits	4,482	2,232	2,250	16
Bank balances and cash	40,142	40,405	(263)	
	701,038	911,835	(210,797)	

	Disclosure in the Audited Annual Results Announcement	Disclosure in the Unaudited Annual Results Announcement	Difference	<i>Notes</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
Current Liabilities				
Trade and other payables	146,203	61,428	84,775	17
Contract liabilities	56,718	107,694	(50,976)	18
Other borrowing	8,150	8,150	–	
Lease liabilities – current portion	921	1,604	(683)	
Amounts due to non-controlling interests	98,250	98,250	–	
Amount due to directors	2,325	12,325	(10,000)	19
Amount due to a former director	14,589	14,589	–	
Tax payable	95,016	82,130	12,886	20
Bank overdrafts	1,959	1,959	–	
Secured bank borrowing	8,020	8,020	–	
	<u>432,151</u>	<u>396,149</u>	<u>36,002</u>	
Net Current Assets	<u>268,887</u>	<u>515,686</u>	<u>(246,799)</u>	
Total Assets Less Current Liabilities	<u>290,059</u>	<u>537,594</u>	<u>(247,535)</u>	
Non-current Liabilities				
Lease liabilities – non-current portion	321	439	(118)	
Deferred tax liabilities	11,661	4,459	7,202	21
	<u>11,982</u>	<u>4,898</u>	<u>7,084</u>	
Net Assets	<u><u>278,077</u></u>	<u><u>532,696</u></u>	<u><u>(254,619)</u></u>	
Capital and Reserve				
Share capital	222,157	222,157	–	
Reserves	61,950	260,676	(198,726)	
Equity attributable to owners of the Company	<u>284,107</u>	<u>482,833</u>	<u>(198,726)</u>	
Non-controlling interests	<u>(6,030)</u>	<u>49,863</u>	<u>(55,893)</u>	
Total Equity	<u><u>278,077</u></u>	<u><u>532,696</u></u>	<u><u>(254,619)</u></u>	

The adjustments above have been reflected in the annual report of the Group for the year ended 31 December 2021.

Notes:

- 1 Differences are due to the adjustment on revenue of approximately RMB43,588,000 in accordance with HKFRS.
- 2 Differences are due to the adjustment on the corresponding cost and re-classification on the provision for allowance of properties held for sales of approximately RMB42,581,000 in accordance with HKFRS.
- 3 Differences are due to the adjustment on the disposal of the investment property of approximately RMB1,228,000.
- 4 Differences are due to adjustment on the other receivables and so as to adjustment on the allowance of the expected credit loss on other receivables of approximately RMB123,000 after taking into account the finalised valuation from the independent valuer.
- 5 Differences are mainly due to re-classification and adjustment on the change in net realisable value of the property held for sales of approximately RMB211,228,000 upon finalisation of valuation from the independent valuer.
- 6 Differences are mainly due to the adjustment on the change in net realisable value of the property under development of approximately RMB71,026,000 upon finalisation of valuation from the independent valuer.
- 7 Differences are due to the reclassification of administrative expenses of approximately RMB935,000.
- 8 Differences are due to the updated information and development for the PRC land appreciation tax and adjustment on PRC income tax expense and deferred tax of approximately RMB68,729,000.
- 9 Differences are due to the reclassification of right-of-use assets of approximately RMB764,000.
- 10 Differences are mainly due to the adjustment on provision for allowance recognised on the properties under development of approximately RMB624,000.
- 11 Differences are mainly due to the adjustment on provision for allowance recognised on the properties held for sales of approximately RMB168,556,000.
- 12 Differences are due to the adjustment on the disposal of the investment properties held for sales of approximately RMB2,528,000.

- 13 Differences are due to the reclassification and adjustment on the deposits, other receivables and prepayments of approximately RMB12,419,000.
- 14 Differences are due to the updated information and development for the PRC land appreciation tax and adjustment on the PRC tax recoverable of approximately RMB51,507,000.
- 15 Differences are due to the reclassification of restricted bank deposit of approximately RMB1,988,000.
- 16 Differences are due to the reclassification of pledged bank deposits of approximately RMB2,250,000.
- 17 Differences are due to the reclassification and adjustment on the trade and other payables of approximately RMB84,775,000.
- 18 Differences are due to the reclassification and adjustment on the contract liabilities of approximately RMB50,976,000.
- 19 Differences are due to the re-title of director and reclassification of amount due to a former director of approximately RMB10,000,000.
- 20 Differences are due to the adjustment on the PRC tax recoverable of approximately RMB12,886,000.
- 21 Differences are due to the adjustment on deferred tax liabilities of approximately RMB7,202,000.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 27 May 2022 and will remain suspended until further notice.

By order of the Board
China Uptown Group Company Limited
Pan Shimin
Chairman

Hong Kong, 14 April 2023

As at the date of this announcement, the executive Directors are Mr. Pan Shimin, Mr. Chen Xian, Mr. Cheng Chi Kin and Mr. To Kwan; and the independent non-executive Directors are Mr. Yau Sze Yeung, Mr. Chen Weijiang and Mr. Lee Chun Tung.