



UPBEST GROUP LIMITED

(Incorporated in Cayman Islands with limited liability)
(Stock code: 335)

DISCLOSEABLE TRANSACTION

Financial Advisor to Upbest Group Limited



Upbest Securities Company Limited

On 25 January 2005, the Group entered into Agreement with Ms. Lam In Heng relating to the acquisition of Property located in Macau for a consideration of HK\$127.5 million payable in cash.

Ms. Lam In Heng is not a connected person of the Company as defined in the Listing Rules. The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular in connection with the Acquisition will be dispatched to the shareholders of the Company as soon as practicable.

At the request of the Company, the shares of the Company have been suspended from trading on the Stock Exchange at 9:30am on 26 January 2005 pending the release of this announcement. Application has been made for resumption of trading in the shares of the Company on the Stock Exchange from 9:30 a.m. on 28 January 2005.

(1) THE ACQUISITION

The Board hereby announces that Mei Wo Real Estate Company Limited, a wholly owned subsidiary of the Company, have entered into a sales and purchase agreement with Ms. Lam In Heng, dated 25 January 2005 (the "Agreement") to acquire 51 various carparking spaces and the whole of the ground floor and 1st floor of Chino Plaza, located in Baia Sul Do Bairro Fai Chi Kei, Lote PS2, Macau (the "Acquisition").

Agreement

Date:

25 January 2005

Parties:

Ms. Lam In Heng as the vendor (the "Vendor").

Ms. Lam In Heng is not a connected person of the Company as defined in the Listing Rules. To the best of the Company's knowledge, Ms Lam In Heng does not have any connection with any of the vendors of the two properties in Macau which the Group acquired on 3 January 2005.

Mei Wo Real Estate Company Limited, a wholly owned subsidiary of the Company, incorporated in Macau on 25 January 2005 with limited liability, as the purchaser (the "Purchaser").

Subject matter of the sale and purchase:

51 various carparking spaces and the whole of the ground floor and 1st floor of Chino Plaza, located in Baia Sul Do Bairro Fai Chi Kei, Lote PS2, Macau (the "Property").

Consideration and payment:

The consideration payable by the Purchaser to the Vendor under the Agreement is HK\$127,500,000. The consideration payable by Purchaser was determined and agreed between Purchaser and Vendor on normal commercial terms after arm's length negotiations and represents a discount of approximately 25% to the estimated market value of Property of HK\$170 million which appraised by the Valuer, an independent professional valuer retained for preparing the valuation, as at 25 January 2005.

The Board considers that the terms of Agreement are fair and reasonable to the Shareholders as a whole, are on normal commercial terms and are beneficial to and in the best interests of the Group and the Shareholders.

Completion:

The consideration will be payable in cash to the Vendor in the following manner:

- (1) HK\$12 million upon signing of Agreement;
- (2) HK\$37.5 million within 14 days from the date of Agreement; and
- (3) The balance of HK\$78 million within 45 days from the date of Agreement.

The total consideration will be sourced from internal generated funding from the placement and top-up subscription (please refer to the Company's announcement dated 18 January 2005) or by banking facilities.

Information relating to the Property

The Property comprises of 51 various carparking spaces and the whole of the ground floor and 1st floor of Chino Plaza, located in Baia Sul Do Bairro Fai Chi Kei, Lote PS2, Macau. Its gross floor area is approximately 105,000 sq.ft. To maximize investment returns, the Company intends to enhance the Property's value through minor beautification works, which will attract a higher rental return and capital appreciation.

This Property does not have any connection with the two properties which the Group acquired on 3 January 2005.

Implication under the Listing Rules:

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular in connection with the Acquisition will be dispatched to the Shareholders as soon as practicable.

(2) REASONS FOR ENTERING INTO THE ACQUISITIONS

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in securities broking, futures broking, securities margin financing, money lending, corporate finance advisory and asset management.

The Board believes that the Acquisition presents an excellent opportunity for the Group to diversify its existing business into property investment and development in Macau. The Group expects high growth in the future development of the Macau property market.

The Board considers that the Acquisition is on normal commercial terms and that such terms are fair and reasonable to the Company and Shareholders as a whole.

The Group will still continue all its existing principal activities of securities broking, futures broking, securities margin financing, money lending, corporate finance advisory and asset management.

(3) APPLICATION FOR THE SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, the shares of the Company have been suspended from trading on the Stock Exchange at 9:30am on 26 January 2005 pending the release of this announcement. Application has been made for resumption of trading in the shares of the Company on the Stock Exchange from 9:30 a.m. on 28 January 2005.

As at the date of this announcement, the Board of the Company consists of Dr. Wong King Keung, Peter as the non-executive director and chairman, Mr. Wong Ching Hung, Thomas, Mr. Cheng Kai Ming, Charles and Mr. Li Kwok Cheung, George as executive directors and Mr. Wong Wai Kwong, David, Mr. Pang Cheung Hing, Alex and Mr. Fuk Ho Kai as independent non-executive directors.

DEFINITIONS

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| “Board” | the board of directors of the Company |
| “Company” | Upbest Group Limited (stock code: 335), a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange |
| “Group” | the Company and its subsidiaries |
| “HK\$” | legal currency of Hong Kong |
| “Hong Kong” | The Hong Kong Special Administrative Region of the PRC |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Macau” | The Macau Special Administrative Region of the RPC |
| “Shareholders” | shareholders of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Valuer” | LCH (Asia-Pacific) Surveyors Limited |

By order of the Board
LI Kwok Cheung, George
Executive Director

Hong Kong, 27 January 2005

Please also refer to the published version of this announcement in China Daily.