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UPBEST GROUP LIMITED

美建集團有限公司*

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 335)

DISCLOSEABLE TRANSACTION:

DISPOSAL OF ENTIRE INTERESTS IN A SUBSIDIARY

On 17 July 2007, the Vendor, a wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Share and Sale Loan for an aggregate consideration of HK\$12 million. The Disposal was subject to the satisfaction of the conditions as set out in the paragraph headed "Conditions" below which had been satisfied. Completion of the Disposal took place on 17 July 2007.

The Disposal constitutes a discloseable transaction on the part of the Company under Rules 14.06 of the Listing Rules.

A circular containing, among other matters, further details of the Disposal, will be despatched to the Shareholders within 21 days after the publication of this announcement.

SALE AND PURCHASE AGREEMENT

Date: 17 July 2007

Parties: (1) Vendor: Upbest Macau Land Company Limited as the vendor
(2) Purchaser: Mr. Song Jeong Kong as the purchaser

The Purchaser is a merchant.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party and has no prior transactions with the Group which required aggregating pursuant to Rule 14.22 of the Listing Rules.

Asset to be disposed of:

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to dispose of and the Purchaser has agreed to acquire:

The Sale Share

One share of US\$1.00 in the share capital of FB, representing 100% of the entire issued share capital of FB.

The Sale Loan

All obligations, liabilities and debts owed or incurred by FB to the Vendor on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion, which amounted to HK\$13,822.20.

Consideration:

The aggregate consideration for the Disposal is HK\$12 million and shall be payable or satisfied by the Purchaser within three months from the date of Completion in cash.

The consideration for the Disposal was arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement after taking into consideration of various factors, in particular, the net liabilities of FB as at 17 July 2007, the investments comprising HK\$78 equity interests and a shareholder loan of HK\$127,999,922 which have been made by FB to the Joint Venture Company as at 17 July 2007. FB has not prepared any audited financial statements since its incorporation. According to the unaudited financial statements of FB for the period commencing from its date of incorporation to 17 July 2007, FB made a net loss of HK\$13,830.00 and the net liabilities of FB amounted to HK\$13,822.20 as at 17 July 2007.

Conditions

The Disposal is conditional upon the satisfaction of the following:

- (1) all necessary consents and approvals required to be obtained on the part of the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained;
- (2) all necessary consents and approvals required to be obtained on the part of the Vendor in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained;
- (3) the warranties given by the Vendor under the Sale and Purchase Agreement remaining true and correct in all material respects; and
- (4) the warranties given by the Purchaser under the Sale and Purchase Agreement remaining true and correct in all material respects.

Each party shall use its best endeavours to satisfy and fulfill the conditions. The Vendor may waive the whole or part of the conditions (1) and (4) above. The Purchaser may waive the whole or part of the conditions (2) and (3) above. If the conditions set out above have not been satisfied (or waived) on or before the end of the date of the Sale and Purchase Agreement, or such other date as the Vendor and the Purchaser may agree, the Sale and Purchase Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof.

Completion

Since the conditions have been fulfilled, Completion took place on 17 July 2007.

Upon Completion, the Company has disposed of all its interest in FB, and FB will cease to be an indirect wholly owned subsidiary of the Company and all the existing directors of FB and Joint Venture Company nominated by the Company have resigned upon Completion.

INFORMATION ON FB

FB is a company incorporated in the British Virgin Islands with limited liability which is engaged principally in investment holdings and its sole asset is the 10% equity interests in the Joint Venture Company. Such equity interests were acquired for a sum of HK\$128 million which was fully financed by borrowing by FB. The Joint Venture Company is principally engaged in the Joint Venture, being the acquisition, holding and development of a site located at Nam Van Lakes Zone, Macau with a site area of approximately 4,669 square metres. It is intended that the site will be developed into a commercial/residential complex for sale.

FB has not prepared any audited financial statements since its incorporation. According to the unaudited financial statements of FB, the net loss for the period commencing from its date of incorporation to 17 July 2007 was approximately HK\$13,830.00. The unaudited total assets of FB as at 17 July 2007 was approximately HK\$128,000,000.00 and the unaudited net liabilities of FB was approximately HK\$13,822.20. The financial results of FB has been consolidated into the Company's latest financial results before the Disposal.

Based on the unaudited financial statements of FB for the period commencing from its date of incorporation to 17 July 2007, it is estimated that upon Completion, it is expected the Group will record a gain of approximately HK\$12,013,822.20 on the Disposal for the year ending 31 March 2008 which represents the difference between the consideration of HK\$12 million less the cost of investment of HK\$7.80 in FB and the accumulated loss of HK\$13,830.00 as at the date of Completion.

The Company will utilize the proceeds from the Disposal as general working capital.

REASONS FOR THE DISPOSAL

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, asset management, precious metal trading and property investment.

The Board was advised that the original plan for the Joint Venture was still under revision and not carried out yet. The revision of the plan is being considered and such revision would require additional approval process. Such approval has not been obtained and would cause a significant delay to the completion of the Joint Venture.

In view of the uncertainties and the risks inherent to the revisions of the plan for the Joint Venture, and the fact that the Company has only 10% equity interest in the Joint Venture Company, the Board has considered that it would be in the best interest of the Company and its Shareholders as a whole to exit from the Joint Venture to minimize any uncertainties and risks.

The Directors, including the independent non-executive Directors, consider the terms and conditions of the Sale and Purchase Agreement to be fair and reasonable and on normal commercial terms and are in the best interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

The Disposal constitutes a discloseable transaction on the part of the Company under Rule 14.06 of the Listing Rules.

A circular containing, among other things, details of the Shareholders' Agreement will be despatched to the Shareholders within 21 days after the publication of this announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Board”	the board of Directors
“Company”	Upbest Group Limited, a company incorporated in Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Disposal
“Directors”	directors of the Company
“Disposal”	the sale of the Sale Share and the Sale Loan pursuant to the Sale and Purchase Agreement
“FB”	Full Benefit Investments Limited, a company incorporated in the British Virgin Islands with limited liability and was an indirect wholly owned subsidiary of the Company before Completion
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party”	a third party independent of the Company and the connected persons (as defined under the Listing Rules) of the Company, and not a connected person (as defined under the Listing Rules) of the Company
“Joint Venture”	the acquisition, holding and development of a site located at Nam Van Lakes Zone, Macau with a site area of approximately 4,669 square metres intended to be developed into a commercial/residential complex for sale
“Joint Venture Company”	Summer Sound Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau and Taiwan
“Purchaser”	Mr. Song Jeong Kong
“Sale Loan”	all obligations, liabilities and debts owed or incurred by FB to the Vendor on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion, which amounted to HK\$13,822.20
“Sale Share”	one share of US\$1.00 in the share capital of FB, representing 100% of the entire issued share capital of FB
“Sale and Purchase Agreement”	the sale and purchase agreement dated 17 July 2007 and entered into between the Vendor and the Purchaser in relation to the Disposal
“Shareholder(s)”	holder(s) of the share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Upbest Macau Land Company Limited, a wholly owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America

“%”

per cent.

For the purpose of this announcement, unless otherwise indicated, conversion of US\$ into HK\$ is calculated at the approximate exchange rate of HK\$7.8 to US\$1. This exchange rate is for purpose of illustration only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate at all.

By Order of the Board
UPBEST GROUP LIMITED
Dr. Wong King Keung, Peter
Chairman

Hong Kong, 19 July 2007

** For identification purpose only*

As at the date of this announcement, the Board of the Company consists of Dr. Wong King Keung, Peter as chairman and non-executive Director, Mr. Wong Ching Hung, Thomas, Mr. Cheng Kai Ming, Charles, Mr. Suen Man Tak, Stephen, Mr. Li Kwok Cheung, George, Ms. Cheng Wai Ling, Annie and Mr. Cheng Wai Lun, Andrew as executive Directors and Mr. Wong Wai Kwong, David, Mr. Pang Cheung Hing, Alex, Mr. Fuk Ho Kai and Mr. Ng Yick Man, Andy as independent non-executive Directors.