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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)*

**MEMORANDUM IN RELATION TO
DISPOSAL OF PROPERTY INTEREST**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

**MEMORANDUM OF UNDERSTANDING IN RELATION TO A POTENTIAL
DISPOSAL OF PROPERTY INTEREST**

On 20 April 2011, the Vendor and the Purchaser entered into the MOU in relation to the potential disposal by the Company the entire issued share capital of the Target Company and the shareholder's loans due by the Target Company at a consideration of approximately HK\$84.58 million (the "**Proposed Disposal**"). The Proposed Disposal, if materializes, may constitute a notifiable transaction on the part of the Company under the Listing Rules. Further announcements will be made by the Company regarding the Proposed Disposal under the Listing Rules.

As the Proposed Disposal may or may not be proceeded, potential investors and Shareholders are advised to exercise caution when dealing in the Shares. Further announcement in respect of the Proposed Disposal will be made by the Company should any formal agreement be entered into as and when appropriate in accordance with the Listing Rules.

MOU IN RELATION TO THE PROPOSED DISPOSAL

On 20 April 2011, the Vendor and the Purchaser entered into the MOU in relation to the potential disposal by the Company the entire issued share capital of the Target Company and the shareholder's loans due by the Target Company at a consideration of approximately HK\$84.58 million. The Proposed Disposal, if materializes, may constitute a notifiable transaction on the part of the Company under the Listing Rules. Further announcements will be made by the Company regarding the Proposed Disposal under the Listing Rules.

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquires, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

The Purchaser will conduct a preliminary due diligence review in relation to the Proposed Disposal and the Company will comply with the relevant disclosure requirements under the Listing Rules regarding the Proposed Disposal.

Under the MOU, the Vendor has agreed that, inter alia, it or its directors, employees, representatives or agents shall not, for a period of 30 days (the “**Exclusivity Period**”) commencing on the date upon signing of the MOU, solicit, initiate or encourage any enquiry or invitation in relation to the Proposed Disposal as contemplated under the MOU, provide information to any parties who initiated or engaged negotiation with the Company or to enter into any agreement, letter of intent or memorandum of understanding in relation to the Proposed Disposal. The Vendor agreed that if it receives any enquiry or invitation as aforesaid, it shall immediately inform the Purchaser.

Upon signing of the MOU, the Purchaser has paid to the Vendor a sum of HK\$8,400,000 as earnest money. In the event that a legally binding sale and purchase agreement is entered into by the Vendor and the Purchaser, the earnest money shall be applied towards in satisfying part of the consideration for the Proposed Disposal. In the event that the Vendor and the Purchaser fail to reach a legally binding sale and purchase agreement within 30 days from the date of the MOU, the Vendor shall return to the Purchaser the earnest money within 3 Business Days after expiry of the 30-day period without interest.

The Board wishes to emphasize that the Proposed Disposal is subject to, among other things, (i) the completion of an internal group corporate reorganization involving, inter alia, the Target Company and the Macau Company such that the Target Company shall acquire the Group’s entire interest in the Macau Company; and (ii) the signing of a formal agreement for the sale and purchase of the entire issued share capital in the Target Company and the shareholder’s loans due by the Target Company, the terms and conditions of which are yet to be agreed.

The MOU is not legally binding on the parties in respect of the consummation of the Proposed Disposal and/or the entering into of the formal agreement. Save for this, the MOU is legally binding on the parties in respect of exclusivity, confidentiality, expenses, and governing law and jurisdiction.

As the Proposed Disposal may or may not be proceeded, potential investors and Shareholders are advised to exercise caution when dealing in the Shares. Further announcement in respect of the Proposed Disposal will be made by the Company should any formal agreement be entered into as and when appropriate in accordance with the Listing Rules.

Information on the Target Company, the Macau Company and the Properties

The Target Company is a company incorporated in the British Virgin Island for investment holding purpose and is a wholly-owned subsidiary of the Company.

The Macau Company is a non-wholly owned indirect subsidiary of the Company. The Company, through two other wholly-owned subsidiaries, is interested in 60% of the entire equity interest of the Macau Company. The Company will procure the Target Company and the Macau Company to undergo a corporate reorganization pursuant to which the Target Company shall acquire the Group’s entire 60% interest in the Macau Company and become the immediate shareholder of the same.

The principal asset of the Macau Company is the Property. The Property is a piece of land situate at Avenida Do Almirante Lacerda, Sto. Antonio Macau with a site area of approximately 499 square meter and designated for residential / commercial use.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and a public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Upbest Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Directors”	directors (including the independent non-executive directors) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third party/ies and their ultimate beneficial owner(s) which is/are independent of the Company and its Connected Persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau Company”	Companhia De Fomento Predial E Investimento San San, Limitada, a company incorporated in Macau and a non wholly-owned subsidiary of the Company
“MOU”	the memorandum of understanding dated 20 April 2011 entered into by the Vendor and the Purchaser in relation to the proposed disposal by the Company of the entire issued share capital of the Target Company and the shareholder’s loans due by the Target Company
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Property”	piece of land situate at Avenida Do Almirante Lacerda, Sto. Antonio Macau with a site area of approximately 499 square meter and designated for residential / commercial use

“Purchaser”	Choy Wang Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Angel Profits Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Vendor”	Upbest Macau Land Company Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent.

By order of the Board
IP Man Tin, David
Chairman

Hong Kong, 20 April 2011

As at the date of this announcement, the Board of the Company consists of IP Man Tin, David as chairman and non-executive director, Mr. WONG Ching Hung, Thomas and Dr. SZE Ping Fat as non-executive directors, Mr. SUEN Man Tak, Stephen, Ms. CHENG Wai Ling, Annie and Mr. CHENG Wai Lun, Andrew as executive directors and Mr. PANG Cheung Hing, Alex, Mr. CHAN Chung Yee, Alan and Mr. FUK Ho Kai as independent non-executive directors.

** For identification purpose only*