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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 PROPERTY INTEREST**

The Company announces that after arm's length negotiations, on 19 May 2011, the Vendor entered into the Sale and Purchase Agreement with the Purchaser pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Share and the Sale Loan for an aggregate cash consideration of HK\$84,576,561.

Since the relevant percentage ratios exceed 5% but below 25%, the Proposed Disposal as contemplated under the Sale and Purchase Agreement constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 20 April 2011 in relation to, among others, the entering into of the MOU between the Vendor and the Purchaser in respect of the Proposed Disposal.

The Company announces that after arm's length negotiations, on 19 May 2011, the Vendor entered into the Sale and Purchase Agreement with the Purchaser pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Share and the Sale Loan for an aggregate cash consideration of HK\$84,576,561.

### **SALE AND PURCHASE AGREEMENT**

**Date:** 19 May 2011

**Parties:** (1) Vendor : Upbest Macau Land Company Limited

(2) Purchaser : Choy Wang Kong

The Purchaser is a Macau citizen and a merchant. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an Independent Third Party.

To the best of the Director's knowledge, information and belief, having made all reasonable enquires, the Group has not had any prior transactions with the Purchaser and/or his respective associates during the previous 12 months which are required to be aggregated with the Proposed Disposal under Rule 14.22 of the Listing Rules.

## **ASSET TO BE DISPOSED**

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to dispose and the Purchaser has agreed to acquire the Sale Share, which represent the entire issued share capital of the Target Company, and the Sale Loan, which represents the shareholder's loans due by the Target Company to the Vendor.

## **CONSIDERATION**

The aggregate consideration for the Proposed Disposal will be HK\$84,576,561, of which shall be satisfied by the Purchaser in cash in the following manners:

- (a) as to HK\$8,400,000 has been paid by the Purchaser or its nominee as at the time of signing of the MOU as earnest (the "Earnest");
- (b) as to HK\$25,200,000 will be paid by the Purchaser or its nominee as at the time of entering into of the Sale and Purchase Agreement (the "Part Consideration"); and
- (c) the remaining balance of HK\$50,976,561 will be paid by the Purchaser or its nominee upon Completion.

The consideration for the Proposed 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 value of the Property.

After taking into consideration of various factors, the Directors consider the consideration for the Proposed Disposal to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

## **CONDITIONS**

The Proposed Disposal is conditional upon the satisfaction of the following:

- (1) if necessary, the passing by the Shareholders at the SGM to be convened and held of the necessary resolution to approve the Sale and Purchase Agreement and the transactions contemplated thereunder; and
- (2) all necessary consents and approvals required to be obtained in respect of the sale and purchase of the Sale Share and the Sale Loan having been obtained.

Each party shall use its best endeavours to satisfy and fulfill the conditions. If the conditions set out above have not been satisfied on or before 4:00 p.m. on 18 July 2011, or such other date as the Vendor and the Purchaser may agree, the Sale and Purchase Agreement shall cease and terminate and thereafter neither party shall have any obligations and liabilities towards each other, save for any antecedent breaches of the terms of the Sale and Purchase Agreement.

In the event that the aforesaid conditions cannot be fulfilled on or before 4:00 p.m. on 18 July 2011 (or such other date as the Vendor and the Purchase may agree) as a result of the default of the Vendor, the Vendor shall refund the Earnest and the Part Consideration (without interest) to the Purchaser.

In the event that the aforesaid conditions cannot be fulfilled on or before 4:00 p.m. on 18 July 2011 (or such other date as the Vendor and the Purchase may agree) not as a result of the default of the Vendor, the Vendor shall refund the Part Consideration (without interest) to the Purchaser but not need to refund the Earnest to the Purchaser.

## **COMPLETION**

Completion is expected to take place on the second Business Day after the fulfillment (or waiver) of the aforesaid conditions and on or before 4:00 p.m. on 18 July 2011 (or such later date as the parties may agree).

Upon Completion, the Target Company will cease to be a wholly owned subsidiary of the Company and the Company will cease to have any interests in the Target Company.

## **INFORMATION ON THE TARGET COMPANY, THE MACAU COMPANY AND THE PROPERTY**

The Target Company is a company incorporated in the British Virgin Island and has had no operation since its incorporation except 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. As at the date of the Sale and Purchase Agreement, the Target Company holds 60% of the entire equity interests of the Macau Company.

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 meters and designated for residential / commercial use.

Based on the unaudited consolidated management accounts of the Target Group, it is estimated that upon Completion, the Group will record a gain of approximately HK\$55 million upon the Proposed Disposal and an increase in the net assets of the Group by approximately HK\$55 million.

Set out below is the unaudited consolidated financial information of the Target Group for the period from 18 April 2011 to 30 April 2011, which was prepared in accordance with generally

accepted accounting principles in Hong Kong:

**Period from  
18 April 2011  
to 30 April 2011**  
(in HK\$'000)  
(unaudited)

Turnover	-
Profit before tax	-
Net Assets value as at 30 April 2011	43,959

Set out below is the unaudited financial information of Macau Company for the period from 1 April 2011 to 30 April 2011, which was prepared in accordance with generally accepted accounting principles in Hong Kong:

**Period from 1 April 2011  
to 30 April 2011**  
(in HK\$'000)  
(unaudited)

Turnover	-
Profit before tax	-
Net Assets value as at 30 April 2011	43,959

Set out below is the unaudited financial information of Macau Company for the years ended 31 March 2010 and 2011, which was prepared in accordance with generally accepted accounting principles in Hong Kong:

	<b>For the year ended 31 March 2011</b> (in HK\$'000) (unaudited)	<b>For the year ended 31 March 2010</b> (in HK\$'000) (unaudited)
Turnover	-	-
Loss before tax	(7)	(4)
Net Asset value	43,959	43,966

## **REASONS FOR THE PROPOSED DISPOSAL**

The Group is principally engaged in provision of a wide range of financial services including securities broking, futures broking, securities margin financing, money lending, corporate finance advisory, assets management, precious metal trading and also property investment.

The Company considers that the Proposed Disposal is an opportunity for the Company to realize its investments in the Property. Furthermore, taking into consideration of the proceeds from the Proposed Disposal and the gain from the Proposed Disposal, the Company considers it can reutilize the proceeds towards other appropriate investments opportunities for better

return for its Shareholders.

Taking into consideration of the aforesaid, the Directors, including the independent non-executive Directors, consider that the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

After deducting expenses relating to the Proposed Disposal, there will be net proceeds of approximately HK\$83 million from the Proposed Disposal and the Company intends to utilize the net proceeds towards future possible appropriate investments and/or general working capital of the Group.

## **LISTING RULES IMPLICATION**

Since the relevant percentage ratios exceed 5% but below 25%, the Proposed Disposal as contemplated under the Sale and Purchase Agreement constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

<b>“associate(s)”</b>	has the meaning ascribed to this term under the Listing Rules
<b>“Board”</b>	the board of Directors
<b>“Business Day”</b>	a day (other than a Saturday or Sunday or public holiday) on which licensed banks in Hong Kong are open for business during their normal business hours
<b>“Company”</b>	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
<b>“connected person(s)”</b>	has the meaning ascribed to this term under the Listing Rules
<b>“Directors”</b>	directors (including the independent non-executive directors) of the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Independent Third Parties”</b>	third party/ies and their ultimate beneficial owner(s) which is/are independent of the Company and its Connected Persons

<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Macau Company”</b>	Companhia De Fomento Predial E Investimento San San, Limitada, a company incorporated in Macau and a non wholly-owned subsidiary of the Company
<b>“MOU”</b>	the memorandum of understanding dated 20 April 2011 entered into by the Vendor and the Purchaser in relation to the Proposed Disposal by the Vendor of the Sale Share and the Sale Loan due by the Target Company
<b>“PRC”</b>	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
<b>“Property”</b>	piece of land situate at Avenida Do Almirante Lacerda, Sto. Antonio Macau with a site area of approximately 499 square meters and designated for residential / commercial use
<b>“Proposed Disposal”</b>	the disposal of the Sale Share and the Sale Loan pursuant to the Sale and Purchase Agreement
<b>“Purchaser”</b>	Choy Wang Kong, an Independent Third Party
<b>“Sale and Purchase Agreement”</b>	the formal sale and purchase agreement dated 19 May 2011 entered into by the Vendor and the Purchaser in relation to the Proposed Disposal by the Vendor of the Sale Share and the Sale Loan
<b>“Sale Share”</b>	one (1) share in the issued share capital of the Target Company
<b>“Sale Loan”</b>	the shareholder’s loan due by the Target Company to the Vendor
<b>“Share(s)”</b>	ordinary share(s) of HK\$0.01 each in the share capital of the Company
<b>“Shareholder(s)”</b>	holder(s) of the issued Share(s)
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Target Company”</b>	Angel Profits Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
<b>“Target Group”</b>	the Target Company and the Macau Company
<b>“Vendor”</b>	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 of Hong Kong

“%”

per cent.

By order of the Board  
IP Man Tin, David  
*Chairman*

Hong Kong, 19 May 2011

*As at the date of this announcement, the Board of the Company consists of Mr. 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*