

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



UPBEST GROUP LIMITED

美建集團有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 335)

DISCLOSEABLE TRANSACTION: PROPERTY DEVELOPMENT PROJECT

The Board is pleased to announce the launch of the Property Development Project which involves the development of the Land into of 32 residential properties with a total permissible floor area of approximately 67,200 sq. ft.

As the relevant percentage ratios will exceed 5% but below 25%, the Property Development Project constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce the launch of the Property Development Project involving development of the Land into of 32 residential properties, which constitutes a discloseable transaction on the part of the Company.

THE PROPERTY DEVELOPMENT PROJECT

Background of the Property Development Project and the Land

Profit Up is a company incorporated in Hong Kong with limited liability and is an indirect non-wholly owned subsidiary of the Company. Profit Up is owned as to 70% by a wholly owned subsidiary of the Company and as to the remaining 30% by the 30% Investor. Profit Up is principally engaged in property investment. The 30% Investor is an investment holding company and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the 30% Investor and its ultimate beneficial owner(s) are Independent Third Parties.

The Land is located in Mai Po, Yuen Long, Hong Kong with a site area of approximately 80,099 sq. ft. and the Property Development Project involves a total permissible floor area of approximately 67,200 sq. ft. for residential purpose.

In May 2007, the Group has entered into of an agreement with an individual transferor, pursuant to which, among others, the individual transferor agreed to transfer the Land to the Group at the total transfer price of HK\$54,450,000. The Group has assigned Profit Up to take up the Property Development Project. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the individual transferor is an Independent Third Party.

Details of the Property Development Project

The Board is pleased to announce the launch of the Property Development Project which involves the development of the Land into of 32 residential properties with a total permissible floor area of approximately 67,200 sq. ft..

The preliminary development plan is that there will be 32 residential properties, each with a permissible floor area of approximately 2,100 sq. ft., subject to any adjustments to the final development plan.

It is expected that the property development contemplated under the Property Development Project will be completed in July 2014 or thereabouts.

Budgets and Capital Commitments

It is expected that the total capital commitments of the Property Development Project (including but not limited the land costs, construction costs, consultancy fees, marketing fees and development management fees) will amount to approximately HK\$228,000,000. As at the date of this announcement, Profit Up has entered into contracts with various contractors, which are Independent Third Parties, in relation to the Property Development Project with a total contractual sum of approximately HK\$148,900,000. The contracts were entered into between the parties after arms' length negotiations.

The capital commitments of the Property Development Project will be borne by the shareholders of Profit Up on a pro rata basis in accordance with their respective shareholdings in Profit Up. As the Group holds 70% equity interests in Profit Up, the capital commitment to be borne on the part of the Group is estimated to be approximately HK\$159,600,000.

The Group intends to finance its part of capital commitment for the Property Development Project from its internal resources.

The capital commitment sum is determined with reference to, among others, the preliminary development plan of the Property Development Project.

REASONS FOR THE PROPERTY DEVELOPMENT PROJECT

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 Directors have been actively seeking to diversify its business scope and consider that the engagement in property development will broaden the revenue base of the Group and will be beneficial to the Company and the Shareholders as a whole in the long run. In light of the growth of demand in Hong Kong property market, the Directors consider that the Property Development Project represents an excellent opportunity for the Group to tap into the property development market and will enhance the Shareholders' value in the long run. With the experience of the Group in property market, the Board is optimistic in the sale and/or leasing of the residential properties on the Land to be constructed under the Property Development Project.

The Directors (including the independent non-executive Directors) therefore consider that the terms of the Property Development Project (including the budget and capital commitments) are fair and reasonable and are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

GENERAL

As the relevant percentage ratios will exceed 5% but below 25%, the Property Development Project constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement.

“30% Investor”	an investment holding company holding 30% interests in Profit Up
“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors from time to time
“Company”	Upbest Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on Main Board of the Stock Exchange
“connected persons”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	the director(s), including the independent non-executive director(s) of the Company from time to time
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons and their respective associates in accordance with the Listing Rules
“Land”	a piece of land located in Mai Po, Yuen Long, Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Profit Up”	Profit Up Development Limited, a company incorporated in Hong Kong with limited liability and a 70% indirect non-wholly owned subsidiary of the Company
“Property Development Project”	the proposed property development project in relation to the development of the Land into 32 residential properties
“Shareholder(s)”	the holder(s) of the Share(s) from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq. ft.”	square feet

By order of the Board of
Upbest Group Limited
IP Man Tin, David
Chairman and Non-Executive Director

Hong Kong, 7th February 2013

As at the date of this announcement, the Board of the Company consists of IP Man Tin, David as chairman and non-executive director, Dr. SZE Ping Fat and Mr. SUEN Man Tak, Stephen as non-executive directors, Mr. MOK Kwai Hang, Ms. CHENG Wai Ling, Annie and Mr. CHENG Wai Lun, Andrew as executive directors and Mr. CHAN Chung Yee, Alan, Mr. POON Kai Tik and Mr. HUI Man Ho, Ivan as independent non-executive directors.

** For identification purposes only*