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UPBEST GROUP LIMITED

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

MAJOR TRANSACTION: DISPOSAL OF PROPERTY INTEREST

THE AGREEMENTS

On 13th January 2015, the Seller, a wholly owned subsidiary of the Company, has entered into the two Agreements with the Purchasers, both being Independent Third Parties, in relation to the Disposal of the Sale Shares and the Sale Loans for an aggregate consideration of HK\$558,900,000.

LISTING RULES IMPLICATIONS

The Disposal constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. In lieu of holding a general meeting to approve the Disposal, written approval on the Disposal has been obtained from the controlling Shareholder holding in aggregate more than 50% of the issued share capital of the Company. The Company will not hold a general meeting to approve the Disposal.

A circular containing, among others, details of the Disposal, will be despatched to the Shareholders for information only as soon as practicable and within 15 business days of this announcement in accordance with the Listing Rules.

The Board announces that on 13th January 2015, after arm's length negotiations, the Seller, a wholly owned subsidiary of the Company, has entered into the Agreements with the Purchasers, both being Independent Third Parties, in relation to the Disposal of the Sale Shares and the Sale Loans for an aggregate consideration of HK\$558,900,000.

THE PS SALE AND PURCHASE AGREEMENT

Date: 13th January 2015 (after trading hours)

Parties: (1) Seller : Upbest Macau Land Company Limited

(2) Purchasers : Mr. CHOY Wang Kong and Mr. LAM In Wai

The Purchasers are Macau citizens and merchants. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Purchasers 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 Purchasers and/or their respective associates during the previous 12 months which are required to be aggregated with the Disposal under Rule 14.22 of the Listing Rules.

ASSETS TO BE DISPOSED

Pursuant to the PS Sale and Purchase Agreement, the Seller has agreed to dispose and the Purchasers have agreed to acquire the PS Sale Shares, which represent the entire issued share capital of Pearl Star, and the PS Sale Loan, which represents the shareholder's loans due by Pearl Star to the Seller.

CONSIDERATION

The aggregate consideration for the PS Disposal will be HK\$331,200,000, of which shall be satisfied by the Purchasers in cash in the following manners:

- (a) as to HK\$28,000,000 will be paid by the Purchasers or their nominee as at the time of entering into of the PS Sale and Purchase Agreement (the "PS Part Consideration"); and
- (b) the remaining balance of HK\$303,200,000 will be paid by the Purchasers or their nominee upon completion of the PS Sale and Purchase Agreement.

The consideration for the PS Disposal was arrived at after arm's length negotiations between the parties to the PS Sale and Purchase Agreement after taking into consideration of various factors, in particular, the value of the PS Property. The valuation report of the PS Property will be included in the circular to be despatched to the Shareholders.

After taking into consideration of various factors, the Directors consider the consideration for the PS 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 PS Disposal is conditional upon the satisfaction of the following:

- (1) if necessary, the obtaining of all necessary consent and approval by the Shareholders in respect of the PS 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 PS Sale Shares and the PS 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 31st May 2015, or such other date as the Seller and the Purchasers may agree, the PS 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 PS Sale and Purchase Agreement.

In the event that the aforesaid conditions cannot be fulfilled on or before 31st May 2015 (or such other date as the Seller and the Purchasers may agree) as a result of the default of the Seller, the Seller shall refund the PS Part Consideration (without interest) to the Purchasers.

In the event that the aforesaid conditions cannot be fulfilled on or before 31st May 2015 (or such other date as the Seller and the Purchasers may agree) not as a result of the default of the Seller, the Seller shall not need to refund the PS Part Consideration to the Purchasers.

COMPLETION

Completion of the PS Sale and Purchase Agreement is expected to take place on the second Business Day after the fulfillment (or waiver) of the aforesaid conditions and on or before 31st May 2015 (or such other date as the parties may agree).

Upon completion of the PS Sale and Purchase Agreement, Pearl Star will cease to be a wholly owned subsidiary of the Company and the Company will cease to have any interests in Pearl Star.

THE KH SALE AND PURCHASE AGREEMENT

Date: 13th January 2015 (after trading hours)

Parties: (1) Seller : Upbest Macau Land Company Limited
(2) Purchasers : Mr. CHOY Wang Kong and Mr. LAM In Wai

The Purchasers are Macau citizens and merchants. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Purchasers 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 Purchasers and/or their respective associates during the previous 12 months which are required to be aggregated with the Disposal under Rule 14.22 of the Listing Rules.

ASSETS TO BE DISPOSED

Pursuant to the KH Sale and Purchase Agreement, the Seller has agreed to dispose and the Purchasers have agreed to acquire the KH Sale Shares, which represent the entire issued share capital of Kam Ho, and the KH Sale Loan, which represents the shareholder's loans due by Kam Ho to the Seller.

CONSIDERATION

The aggregate consideration for the KH Disposal will be HK\$227,700,000, of which shall be satisfied by the Purchasers in cash in the following manners:

- (c) as to HK\$19,800,000 will be paid by the Purchasers or their nominee as at the time of entering into of the KH Sale and Purchase Agreement (the “KH Part Consideration”); and
- (d) the remaining balance of HK\$207,900,000 will be paid by the Purchasers or their nominee upon completion of the KH Sale and Purchase Agreement.

The consideration for the KH Disposal was arrived at after arm’s length negotiations between the parties to the KH Sale and Purchase Agreement after taking into consideration of various factors, in particular, the value of the KH Property. The valuation report of the KH Property will be included in the circular to be despatched to the Shareholders.

After taking into consideration of various factors, the Directors consider the consideration for the KH 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 KH Disposal is conditional upon the satisfaction of the following:

- (1) if necessary, the obtaining all necessary consent and approval by the Shareholders in respect of the KH 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 KH Sale Shares and the KH 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 31st May 2015, or such other date as the Seller and the Purchasers may agree, the KH 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 KH Sale and Purchase Agreement.

In the event that the aforesaid conditions cannot be fulfilled on or before 31st May 2015 (or such other date as the Seller and the Purchasers may agree) as a result of the default of the Seller, the Seller shall refund the KH Part Consideration (without interest) to the Purchasers.

In the event that the aforesaid conditions cannot be fulfilled on or before 31st May 2015 (or such other date as the Seller and the Purchasers may agree) not as a result of the default of the Seller, the Seller shall not need to refund the KH Part Consideration to the Purchasers.

COMPLETION

Completion of the KH Sale and Purchase Agreement is expected to take place on the second Business Day after the fulfillment (or waiver) of the aforesaid conditions and on or before 31st

May 2015 (or such other date as the parties may agree).

Upon completion of the KH Sale and Purchase Agreement, Kam Ho will cease to be a wholly owned subsidiary of the Company and the Company will cease to have any interests in Kam Ho.

INFORMATION OF THE TARGET COMPANIES AND THE PROPERTIES

Pearl Star is a company incorporated in Samoa and has had no operation since its incorporation except for investment holding purpose and is a wholly-owned subsidiary of the Company.

The PS Macau Company is an associate of the Company. As at the date of the PS Sale and Purchase Agreement, Pearl Star holds 45% of the entire equity interests of the PS Macau Company.

Kam Ho is a company incorporated in the British Virgin Islands and has had no operation since its incorporation except for investment holding purpose and is a wholly-owned subsidiary of the Company.

The KH Macau Company is a non-wholly owned subsidiary of the Company. As at the date of the KH Sale and Purchase Agreement, Kam Ho holds 55% of the entire equity interests of the KH Macau Company.

The PS Macau Company and the KH Macau Company jointly hold the PS Property and the KH Property. The PS Property is a piece of land situated at Cheong-Sá s/n, Taipa, Macau (TN11) with a site area of approximately 1,974 square meters for non-industrial use. The KH Property is a piece of land situated at Cheok Ká Chun, Taipa, Macau (TN15b) with a site area of approximately 989 square meters for non-industrial use. As at the date hereof, the KH Property has not been registered with the relevant authority in Macau.

Based on the unaudited consolidated management accounts of the Target Companies, it is estimated that upon Completion, the Group will record a gain of approximately HK\$355 million upon the Disposal and an increase in the net assets of the Group by approximately HK\$355 million.

Set out below is the unaudited consolidated financial information of the Target Companies for the two financial periods ended 31st December 2013 and 2014 respectively, which was prepared in accordance with generally accepted accounting principles in Hong Kong:

	For the financial period ended 31st December 2014 (in HK\$'000) (unaudited)	For the financial period ended 31st December 2013 (in HK\$'000) (unaudited)
Turnover	352	134
Profit before tax	222	122
Net Asset value	36,023	35,630

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 and development.

The Company considers that the Disposal is an opportunity for the Company to realize its investments in the Properties. Furthermore, taking into consideration of the proceeds from the Disposal and the gain from the Disposal, the Company considers it can reutilize the proceeds towards other appropriate investments opportunities for better return for its Shareholders. Further, the proceeds from the Disposal can further strengthen the cash flow of the Group and will allow the Group to reallocate its resources for future development.

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

After deducting expenses relating to the Disposal, there will be net proceeds of approximately HK\$548 million from the 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 IMPLICATIONS

The entering into of the Agreements and the Disposal constitute a major transaction on the part of the Company under Chapter 14 of the Listing Rules and are subject to the announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have any material interest in the Disposal and no Shareholders are required to abstain from voting if the Company is to convene a general meeting to approve the Disposal.

In lieu of holding a general meeting to approve the Disposal, written approval on the Disposal has been obtained from CCAA, which are interested in an aggregate of 987,720,748 Shares, representing approximately 73.65% of the issued share capital of the Company pursuant to Rule 14.44 of the Listing Rules. The Company will not hold a general meeting to approve the Disposal and the transactions contemplated thereunder.

A circular containing, among others, details of the Disposal, will be despatched to the Shareholders for information only as soon as practicable and within 15 business days of this announcement.

DEFINITIONS

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

“Agreements” together the PS Sale and Purchase Agreement and the KH Sale and Purchase Agreement

“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“CCAA”	CCAA Group Limited, the controlling shareholder of the Company
“Company”	Upbest Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms of the Agreements
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loans as contemplated under the Agreements
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Kam Ho”	Kam Ho Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“KH Disposal”	the disposal of the KH Sale Shares and the KH Sale Loan as contemplated under the KH Sale and Purchase Agreement
“KH Macau Company”	Keng Fong Lei Investment Limited, a company incorporated in Macau with limited liability, which is owned as to 55% by Kam Ho
“KH Property”	piece of land situated Cheok Ká Chun, Taipa, Macau (TN15b), not registered with Real Estate Registry of Macau
“KH Sale Shares”	ten (10) shares in the issued share capital of Kam Ho
“KH Sale Loan”	the shareholder’s loan due by Kam Ho to the Seller

“KH Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 13 th January 2015 entered into by the Seller and the Purchasers in relation to the KH Disposal by the Seller of the KH Sale Shares and the KH Sale Loan
“Pearl Star”	Pearl Star Holding Limited, a company incorporated in Samoa with limited liability
“PS Disposal”	the disposal of the PS Sale Shares and the PS Sale Loan as contemplated under the PS Sale and Purchase Agreement
“PS Macau Company”	Hoi Wing Construction Development Company Limited, a company incorporated in Macau with limited liability, which is owned as to 45% by Pearl Star
“PS Property”	piece of land situated at Cheong-Sá s/n, Taipa, Macau (TN11), registered with Real Estate Registry of Macau under no. 10232
“PS Sale Shares”	ten (10) shares in the issued share capital of Pearl Star
“PS Sale Loan”	the shareholder’s loan due by Pearl Star to the Seller
“PS Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 13 th January 2015 entered into by the Seller and the Purchasers in relation to the PS Disposal by the Seller of the PS Sale Shares and the PS Sale Loan
“PRC”	the People’s Republic of China
“Purchasers”	Mr. CHOY Wang Kong and Mr. LAM In Wai, both are Independent third parties
“Properties”	together the PS Property and the KH Property
“Sale Shares”	together the PS Sale Shares and the KH Sale Shares
“Sale Loans”	together the PS Sale Loan and the KH Sale Loan
“Seller”	Upbest Macau Land Company Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“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
“Target Companies”	together Pearl Star and Kam Ho

“HK\$” Hong Kong dollar(s), the lawful currency of Hong Kong

“%” per cent

By order of the Board
IP Man Tin, David
Chairman

Hong Kong, 13th January 2015

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, 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 purpose only*