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UPBEST GROUP LIMITED

美建集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 335)

ANNOUNCEMENT

The Board announces that the determination of the SFAT made on 7 September 2007 does not have any material impact on the operation of the Group.
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This announcement is made for information purpose only.

The board (the “**Board**”) of directors (the “**Directors**”) of Upbest Group Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) announces that the determination of the Securities and Futures Appeals Tribunal (the “**SFAT**”) does not have any material impact on the operation of the Group.

Background

This announcement is made by the Board regarding the possible impact of the decisions of the Securities and Futures Commission (the “**SFC**”) against Mr. Choy Ye King, Andy (“**Mr. Andy Choy**”), Mr. Cheng Kai Ming, Charles (“**Mr. Charles Cheng**”) and Mr. Li Kwok Cheung, George (“**Mr. George Li**”) on the Company.

Mr. Andy Choy, Mr. Charles Cheng and Mr. George Li were licensed persons under the Securities and Futures Ordinance (the “**SFO**”) holding various positions in the Company and its subsidiaries. At all material times, Mr. Charles Cheng and Mr. George Li were respectively responsible officers of four and two subsidiaries of the Company carrying regulated activities under the SFO.

Reference is made to the Notices of Decision of the SFC dated 2 March 2006 as reviewed by the SFAT. It was determined on 7 September 2007 that the licences of each of Mr. Andy Choy, Mr. Charles Cheng and Mr. George Li be suspended for period of 6 months, 4 months and 3 months respectively.

The suspensions will take effect upon expiry of the third day following the date of publication of the SFAT determination which is therefore Tuesday 11 September 2007.

Impact on the Group

Despite the suspension of licences of Mr. Andy Choy, Mr. Charles Cheng and Mr. George Li, all operation of the subsidiaries of the Company shall continue their normal operations and no subsidiaries will be affected by the SFAT determination. Each of the subsidiaries has sufficient manpower to handle the workload of Mr. Andy Choy, Mr. Charles Cheng and Mr. George Li.

Accordingly, the Company considers that the impact of the Group as a result of the SFAT determination is insignificant and minimal and there is no material impact on the operation of the whole Group. In the meantime, the Company is seeking suitable replacements of the suspended responsible officers.

In considering the insignificant impact on the operation of the whole Group, the Board considers that the SFAT determination is not price sensitive in nature.

Remedial measures taken by the Company

The management accepts responsibility for the incident and acknowledges that they have learnt invaluable though expensive lessons from the incident vis-a-vis the correct interpretation and strict compliance of the Financial Resources Rules. In this connection, the management has treated the incident seriously and has since then taken all necessary steps and measures to strengthen the internal control systems of the Group to prevent similar problem from recurring. In addition, proactive and long-term measures are in place to enhance the effectiveness of internal control systems and compliance culture of the Group. For example, a Compliance Steering Committee has been set up and chaired by the Deputy Managing Director to monitor and ensure the above-said measures are implemented and practiced in a serious and sustainable manner. Regular Compliance Update meetings are also held on a weekly basis to make sure the relevant policies, procedures and rules are being followed and complied with by all staff concerned.

The management has unwavering confidence that the above work and improvement to the internal control systems and long-term compliance culture of the Group would contribute significantly to the Group's overall corporate governance, and ultimately would reflect positively in the bottom line and share price of the Group in the near future.

By order of the Board
Upbest Group Limited
SUEN Man Tak, Stephen
Executive Director

Hong Kong, 10 September 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. Pang Cheung Hing, Alex and Mr. Fuk Ho Kai as independent non-executive directors.