



UPBEST GROUP LIMITED

美建集團有限公司*

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 335)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31st MARCH, 2008

UPBEST GROUP LIMITED is an investment holding with subsidiaries principally engaged in the 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.

Performance Highlights

	2008 HK\$'000	2007 HK\$'000
Net assets	918,223	773,997
Turnover	294,955	207,979
Net profit	156,089	214,573
Dividend per share	HK3.0 cents	HK3.2 cents
Earnings per share	HK12.2 cents	HK16.9 cents

RESULTS

The Board of Directors (the “Board”) of Upbest Group Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March, 2008 with comparative figures for the preceding financial year as follows:

CONSOLIDATED INCOME STATEMENT

		For the year ended 31st March	
	Note	2008	2007
		HK\$'000	HK\$'000
Turnover	4	294,955	207,979
Cost of goods sold		(188,575)	(106,996)
Other revenue		186	661
Excess of net fair value of consolidation arising from acquisition of a subsidiary		-	1,631
Gain on disposal of property, plant and equipment		-	94
Gain on disposal of a subsidiary		12,000	-
Increase in fair value of investment properties		92,000	162,977
Net gain on financial assets at fair value through profit or loss		346	1,257
Write-back of provision/(provision) for doubtful debts		316	(3,037)
Administrative and other operating expenses		(34,164)	(28,939)
Finance costs	5	(9,815)	(10,402)
Share of results of associates		205	195
Profit before taxation	6	167,454	225,420
Income tax expense	8	(11,365)	(10,847)
Profit for the year		156,089	214,573
Attributable to:			
Equity holders of the Company		156,101	213,603
Minority interests		(12)	970
		156,089	214,573
Dividends	9	38,865	40,782
Earnings per share	7	HK cents	HK cents
Basic		12.2	16.9
Diluted		N/A	N/A

CONSOLIDATED BALANCE SHEET

	Note	As at 31 st March	
		2008 HK\$'000	2007 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		2,125	2,168
Investment properties		442,000	350,000
Intangible assets		2,040	2,040
Interests in associates		65,298	66,791
Available-for-sale financial assets		136	137
Loan receivable		236	-
Trade and other receivables, deposits and prepayments	10	25,301	51,890
Other assets		5,226	6,716
		<u>542,362</u>	<u>479,742</u>
CURRENT ASSETS			
Properties held for development		80,787	83,307
Inventories		6,424	13,747
Loan receivables		163	128,999
Trade and other receivables, deposits and prepayments	10	367,714	522,191
Amounts due from related companies		-	164
Financial assets at fair value through profit or loss		18,598	68,172
Tax recoverable		207	3,572
Bank balances and cash	11	181,182	140,183
		<u>655,075</u>	<u>960,335</u>
CURRENT LIABILITIES			
Borrowings	12	81,712	476,746
Amounts due to related parties		75,363	82,059
Creditors and accrued expenses	13	118,802	87,757
Provision for taxation		3,337	2,943
		<u>279,214</u>	<u>649,505</u>
NET CURRENT ASSETS			
		<u>375,861</u>	<u>310,830</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		918,223	790,572
NON-CURRENT LIABILITY			
Borrowings	12	-	16,575
NET ASSETS			
		<u>918,223</u>	<u>773,997</u>
CAPITAL AND RESERVES			
Share capital		12,955	12,744
Reserves		847,727	701,783
Proposed final dividend		38,865	40,782
Equity attributable to equity holders of the Company		899,547	755,309
Minority interests		18,676	18,688
TOTAL EQUITY		918,223	773,997

NOTES ON THE CONDENSED REPORTS

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Ugland House, South Church Street, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies. The principal place of business is 2nd Floor, Wah Kit Commercial Centre, 302 Des Voeux Road Central, Hong Kong.

As at the date of this announcement, CCAA Group Limited held direct interests in 930,475,657 shares, representing approximately 71.82%, of the issued share capital of the Company.

The Company is principally engaged in investment holding. Its subsidiaries are principally engaged in the 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 financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning 1st April, 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) – Int 11	Group and Treasury Share Transactions

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting years have been prepared. Accordingly, no prior year adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 respectively. Certain information presented in prior year under the requirements of HKAS 32 has been revised and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONT’D)

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 12	Service Concession Arrangements ²
HK(IFRIC) – Int 13	Customer Loyalty Programmes ³
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ²

¹ Effective for annual periods beginning on or after 1st January, 2009

² Effective for annual periods beginning on or after 1st January, 2008

³ Effective for annual periods beginning on or after 1st July, 2008

The directors of the Company anticipate that the application of these new and revised standards or interpretations will have no material impact on the results and the financial position of the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

Basis of preparation:

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements have been prepared under the historical cost convention except that the investment properties, available-for-sale financial assets and financial assets at fair value through profit or loss are stated at fair value.

4. TURNOVER AND SEGMENT INFORMATION

a) Business segments

For management purposes, the Group is currently organised into seven operating divisions namely broking, financing, corporate finance, assets management, property investment, precious metal trading and investment holding. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Broking	Securities brokerage and futures brokerage
Financing	Securities margin financing and money lending
Corporate finance	Corporate finance advisory, placing and underwriting
Assets management	Assets management for listed and unlisted companies and high net worth individuals
Property investment	Property rental and dealing
Precious metal trading	Precious metal trading
Investment holding	Share investments

An analysis of segment information of the Group on these businesses for the years ended 31st March, 2008 and 2007 is as follows:

	2008	2007	Consolidated	2007
Segment revenue	HK\$'000	HK\$'000	2008 HK\$'000	2007 HK\$'000
Sales to external customers				
Broking	44,285	29,348		
Financing	47,300	55,957		
Corporate finance	444	5,812		
Assets management	3,187	2,977		
Property investment	5,128	3,724		
Precious metal trading	194,611	110,161		
Investment holding	-	-	294,955	207,979
Segment results				
Broking	23,333	10,278		
Financing	35,806	41,570		
Corporate finance	438	5,738		
Assets management	2,818	2,852		
Property investment	2,298	949		
Precious metal trading	(170)	1,512		
Investment holding	-	-	64,523	62,899
Increase in fair value of investment properties			92,000	162,977
Gain on acquisition of a subsidiary			-	1,631
Gain on disposal of a subsidiary			12,000	-
Gain on disposal of property, plant and equipment			-	94
Bad debts written off			(1,776)	-
Write-back of provision / (provision) for doubtful debts			316	(3,037)
Other revenue			186	661
Share of results of associates			205	195
Profit before taxation			167,454	225,420
Income tax expense			(11,365)	(10,847)
Profit for the year			156,089	214,573

4. TURNOVER AND SEGMENT INFORMATION (CONT'D)

b) Geographical segments

The Group's operations are principally located in Hong Kong and Macau. The Group's administration is carried out in Hong Kong.

The following table provides an analysis of the Group's turnover by geographical market and analysis of total assets and capital expenditure by the geographical area in which the operations and assets are located.

	Turnover		Total assets		Capital expenditure	
	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	289,827	204, 255	617,242	821,680	654	993
Macau	5,128	3,724	580,195	618,397	-	23
	<u>294,955</u>	<u>207,979</u>	<u>1,197,437</u>	<u>1,440,077</u>	<u>654</u>	<u>1,016</u>

5. FINANCE COSTS

	The Group	
	2008	2007
	HK\$'000	HK\$'000
Interest on bank loans and overdrafts	6,001	7,456
Interest on other loans	3,814	2,946
	<u>9,815</u>	<u>10,402</u>

6. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging and crediting the following:

	The Group	
	2008	2007
	HK\$'000	HK\$'000
Charging:		
Auditors' remuneration	369	369
Staff costs	19,856	17,512
Depreciation	556	631
Bad debts written off	1,776	-
Operating leases rentals in respect of rented premises	1,476	1,194
Loss on disposal of property, plant and equipment	40	-
Crediting:		
Rental income from operating leases less outgoing		
(Gross rental income: HK\$5,127,895 (2007: HK\$3,724,189))	<u>4,857</u>	<u>3,502</u>

7. EARNINGS PER SHARE

The basic earnings per share is based on the Group's profit attributable to equity holders of the Company of approximately HK\$156,101,000 (2007: HK\$213,603,000) and the weighted average number of 1,283,119,415 (2007: 1,261,817,638) ordinary shares in issue during the year.

There is no diluted earnings per share for the years ended 31st March, 2008 and 2007 presented since the Company has no dilutive potential ordinary shares.

8. INCOME TAX EXPENSE

- a) Income tax expense in the consolidated income statement represents:

	The Group	
	2008	2007
	HK\$'000	HK\$'000
Hong Kong profits tax		
- current year	<u>11,365</u>	<u>10,847</u>

- b) i) Provision for Hong Kong profits tax has been made at the rate of 17.5% (2007: 17.5%)
ii) No provision for overseas taxation has been made as the amount is insignificant.
- c) Income tax expense for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

	The Group	
	2008	2007
	HK\$'000	HK\$'000
Profit before taxation	<u>167,454</u>	<u>225,420</u>
Tax at the statutory income tax rate of 17.5%	29,304	39,448
Tax effect of increase in fair value of investment properties	(16,100)	(28,521)
Tax effect of other non-taxable revenue	(3,512)	(1,241)
Tax effect of other non-deductible expenses	875	623
Tax effect of unrecognised temporary difference	36	(20)
Tax effect of tax losses not recognised	775	712
Utilisation of tax losses previously not recognised	-	(23)
Others	-	(131)
Under-provision in current year	(13)	-
Income tax expense	<u>11,365</u>	<u>10,847</u>

9. DIVIDENDS

	2008	2007
	HK\$'000	HK\$'000
Final dividend proposed of HK3.0 cents (2007: HK3.2 cents) per ordinary share	<u>38,865</u>	<u>40,782</u>

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group	
	2008	2007
	HK\$'000	HK\$'000
Amounts receivable arising from the ordinary course of business of dealing in securities and options:		
- Cash clients	27,708	43,653
- The SEHK Options Clearing House Limited	2	2
- Hong Kong Securities Clearing Company Limited	5,083	28,586
Accounts receivable from tenants	2	44
Amounts receivable arising from the ordinary course of business of dealing in futures contracts:		
- Clearing house	14,368	11,490
Amounts receivable arising from the ordinary course of business of provision of securities margin financing:		
- Clients	114,354	239,441
Amounts receivable arising from the ordinary course of business dealing in trading of precious metal:		
- Clients	5,864	9,383
Interest bearing loans receivable	308,413	342,017
Other receivables	4,249	6,573
	480,043	681,189
Less: Provision for doubtful debts	(93,510)	(107,989)
	386,533	573,200
Deposits and prepayments	6,482	881
	393,015	574,081
Portion classified as non-current assets	(25,301)	(51,890)
Portion classified as current assets	367,714	522,191

Margin client receivables of approximately HK\$101,323,000 (2007: HK\$226,410,000) are repayable on demand, bearing interest at market rate and secured by clients' securities listed on the Stock Exchange with a market value of approximately HK\$406,876,000 as at 31st March, 2008 (2007: HK\$463,931,000).

The settlement terms of cash client receivables and amounts due from clearing houses are one or two days after the trade date.

11. BANK BALANCES AND CASH

	The Group	
	2008	2007
	HK\$'000	HK\$'000
Cash at bank		
- General accounts	61,396	49,638
- Trust accounts	27,896	7,001
- Segregated accounts	6,738	5,679
Cash in hand	6	11
Short-term bank deposits		
- pledged (note)	70,566	70,054
- non-pledged	14,580	7,800
	<u>181,182</u>	<u>140,183</u>

Note: The amount represents fixed deposits pledged to a bank to secure general banking facilities granted to the Group.

12. BORROWINGS

	The Group	
	2008	2007
	HK\$'000	HK\$'000
Borrowings comprise:		
Bank overdrafts	51,902	130,951
Bank loan	11,000	100,501
Other loans		
- interest bearing	18,810	133,869
- interest free	-	128,000
	<u>81,712</u>	<u>493,321</u>
Analysed as:		
Secured	81,712	330,201
Unsecured	-	163,120
	<u>81,712</u>	<u>493,321</u>
Borrowings are repayable as follows:		
Within one year or on demand	81,712	476,746
More than one year but not exceeding two years	-	16,575
More than two years but not exceeding five years	-	-
	<u>81,712</u>	<u>493,321</u>
Less: Amount repayable within one year and shown under current liabilities	(81,712)	(476,746)
Amount due after one year	-	16,575

13. CREDITORS AND ACCRUED EXPENSES

	The Group	
	2008	2007
	HK\$'000	HK\$'000
Amounts payable arising from the ordinary course of business of dealing in securities and options:		
- Cash clients	41,618	37,846
Amounts payable arising from the ordinary course of business of dealing in futures contracts:		
- Clients	19,958	17,163
Amounts payable arising from the ordinary course of business of provision of securities margin financing:		
- Clients	11,221	6,536
Amounts payable arising from ordinary course of business of dealing in bullion	19,565	10,805
Escrow money received	14,189	7,653
Accruals and other payables	8,348	6,688
Rental and other deposits received	3,776	1,027
Rental receipts in advance	127	39
	118,802	87,757

No ageing analysis is disclosed for escrow money received as it represents deposits paid by third parties to the Group for the purpose of potential investments in certain projects and the balance at 31st March, 2008 is non-interest bearing.

The settlement term of cash client payables is two days after the trade date. Other payables are repayable on demand. The age of these balances is within 30 days.

DIVIDENDS AND DISTRIBUTION

The Board has resolved to recommend the payment of a final dividend of HK3.0 cents (2007: HK3.2 cents) per ordinary share for the year.

The Company also proposes that a scrip dividend election will be offered to shareholders with Hong Kong address. Subject to the approval of shareholders at the forthcoming annual general meeting, the proposed final dividend is expected to be paid on 2nd December, 2008. As at the date of this announcement, CCAA Group Limited, the substantial shareholder with 71.82% interest of the Company, has committed to elect to receive the final dividend in the form of scrip.

CLOSURE OF REGISTERS OF MEMBERS

The registers of members of the Company will be closed from 18th August, 2008 to 22nd August, 2008, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Standard Registrars Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road, Wanchai, Hong Kong for registration no later than 4:00 p.m. on 15th August, 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

A strong liquidity inflow and China's relaxation of rules governing the Qualified Domestic Institutional Investors (QDII) scheme, the Hang Seng Index reached a record high of 31,958 points in year 2007. That was a substantial increase of over 60% when compared with the last trading day of 2006. During the month of October 2007, Hang Seng Index's monthly turnover peaked at a record of HK\$3,473,846 million. However, the austerity measures implemented by the Chinese government to cool down the overheated economy, and aftermath effect of the subprime mortgage crisis, worldwide securities markets including Hong Kong market corrected sharply since November 2007. Hang Seng Index dropped to 22,102 as at 30th June, 2008, a 31% decrease when compared with the record high of 31,958 points in year 2007.

The United States Federal Reserve had reduced its benchmark interest rate for several times during the past 12 months. Banks in Hong Kong individually followed and cut the interest rate as well. These interest rate cuts were aimed to restore confidence in the economy after the subprime mortgage problems. However, the low interest rate triggered enormous interests in the real-estate markets. The total real-estate transactions for the first five months of 2008 has increased to HK\$23,124.6 billion, an over 43 times increase when compared with 2007 full year turnover of HK\$525.6 billion. This prosperous and active property market environment will benefit the Group's property investment.

For the year ended 31st March, 2008, the Group recorded a turnover of HK\$294,955,000 (2007: HK\$207,979,000). The increase in turnover was principally caused by two key factors. The first was an increase in financial service and property investment business turnover from HK\$97,818,000 to HK\$100,344,000, a 3% increase. The other key factor was the continuous turnover contribution from precious metal trading of HK\$194,611,000. After excluding the increase in fair value of investment property, net profit generated from our financial services and property investments increased to HK\$64,089,000 from HK\$51,596,000 of 2007, a 24%. Profit attributable to equity holders of the Company amounted to HK\$156,101,000 (2007: HK\$213,603,000). Earnings per share were HK12.2 cents (2007: HK16.9 cents). The improvement in profit from operating business was resulted from the efforts of the Group to diversify into the Macau property market and to expand horizontally in the financial services sector.

Financing

Turnover within the money lending business and margin financing activities decreased by approximately 15% to HK\$47,300,000 (2007: HK\$55,957,000). This division contributed HK\$35,806,000 profit (2007: HK\$41,570,000) to the Group.

Securities and Commodities Brokerage

Our securities and commodities brokerage division was benefited by the buoyant stock market of the second half of 2007. Turnover and profit attributable to the Group had significantly increased to HK\$44,285,000 (2007: HK\$29,348,000) and HK\$23,333,000 (2007: HK\$10,278,000) respectively. When compared with last year's corresponding period, turnover and profit attributable to the Group increased by 51% and 127% respectively.

Corporate Finance

Our corporate finance division turnover decreased from HK\$5,812,000 to HK\$444,000. This division recorded an attributable profit of HK\$438,000 for the year under review. The division will continue to focus on different types of financial advisory, placing and IPO businesses.

Assets Management

The Group continued to act as the investment manager of two companies listed on the Main Board of the Stock Exchange under Chapter 21 (Investment Companies) of the Listing Rules. This year, a performance mechanism had been adopted with one of the mentioned clients. Under this arrangement, our performance fee will be increased or decreased in accordance with the client's

performance. Subject to approval of the client's audited financial statement, it is estimated a special bonus of HK\$4.1 million will be recorded in the forthcoming financial year. For the financial year under review, this division's turnover increased 7% to HK\$3,187,000.

Property Investments

For the year ended 31st March, 2008, the rental income amounted to HK\$5,128,000, a 38% increase when compared with last year's corresponding period. This division's attributable profit increased over 142% to HK\$2,298,000.

Chino Plaza (the "Plaza") in Macau contributed over 90% of the rental income of to the Group. The management had successfully implemented a tenant re-organisation scheme by securing well-known tenants, e.g. a large supermarket, an American fast food chain store and a bank. These well-known tenants not only increase customers flow to the Plaza, but they also enhance the Plaza's overall image which in turn translates into substantial increases in the rental income of the Plaza.

Precious Metal Trading

The Group commenced precious metal business through a 75% owned subsidiary. This subsidiary provides one stop precious metal service including physical trading, industrial product trading and financing by collaborating with major players in the market such as Johnson Matthey, The Standard Bank, Wing Hang Bank and Bank of China etc. This segment recorded a turnover of HK\$194,611,000.

Litigation

The liquidators (the "Liquidators") of Baker Group International Holdings Limited ("Baker Group") has commenced a High Court Action against Upbest Securities Company Limited ("Upbest Securities") by a Writ of Summons served on Upbest Securities on 5th June, 2008 for, inter alia, damages for breach of fiduciary duties when advising Baker Group in certain transactions in 2000. By way of the endorsement of claims in the Writ, the Liquidators have only set out the heads of their claim in brief terms. The Writ was preceded by several years of investigation by the Liquidators and over 13 months of inaction against Upbest Securities. In the course of dealing with the investigation on behalf of Upbest Securities, Upbest Securities's legal advisors had already found the Liquidators' claim muddled and ill-conceived. Subject to what may transpire upon any Liquidators' further action to substantiate their claims, it is not presently expected by the Board that the matter would affect the business operation and financial performance of the Group.

Prospect

Worries of recession or stagflation in US, an overheating China economy, Olympic effects and inflationary pressures create uncertainties to the domestic and global stock markets in the near future. In order to maintain steady and stable profit growth in a rapidly changing global economy, our Group will maintain a balanced development within broking, financing, asset management, corporate finance, property investment and precious metal trading business segment and to maintain effective costs and prudent risk management to control overall costs on the other hand.

Our property investments started to bear fruit during the past few years. The Group will continue to seek suitable investment opportunities in this direction and aim to bring reasonable and stable return to its shareholders.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31st March, 2008, the Group had cash and bank balances of approximately HK\$181 million (2007: HK\$140 million) of which approximately HK\$70 million (2007: HK\$70 million) were pledged to bank for facilities granted to the Group. The Company has given guarantees to the extent of HK\$336 million (2007: HK\$368 million) to secure the facilities granted to subsidiaries.

As at 31st March, 2008, the Group had available aggregate banking facilities of approximately HK\$336 million (2007: HK\$378 million) of which approximately HK\$253 million (2007: HK\$212 million) was not utilised.

Gearing Ratio

As at 31st March, 2008, the amount of total borrowings was approximately HK\$81 million (2007: HK\$493 million). The gearing (net interest bearing debts) being equal to approximately 8.9 % (2007: 47.16%) of the net assets of approximately HK\$918 million (2007: HK\$774 million).

FOREIGN CURRENCY FLUCTUATION

During the year, the Group mainly uses Hong Kong dollars, Macau Pataca and United States dollars to carry out its business transactions. The Board considers the foreign currency exposure is insignificant.

EMPLOYMENT

Employees' remuneration are fixed and determined with reference to the market remuneration.

SHARE OPTION

The Company does not have share option scheme.

REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the year ended 31st March, 2008, other than as an agent for clients of the Company or its subsidiaries, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Company's listed securities during the year.

AUDIT COMMITTEE

The audit committee of the Group consists of three independent non-executive directors, namely Mr. Pang Cheung Hing, Alex, Mr. Chan Chung Yee, Alan and Mr. Fuk Ho Kai. The audit committee had reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the financial statements of the Group for the year ended 31st March, 2008.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st March 2008 have been agreed by the Group's auditors, Li, Tang, Chen & Co, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Li, Tang, Chen & Co in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Li, Tang, Chen & Co on the preliminary announcement.

REMUNERATION COMMITTEE

The Remuneration Committee was set up on 18th July, 2005 and the members comprised of independent non-executive directors, Mr. Pang Cheung Hing, Alex, Mr. Chan Chung Yee, Alan, Mr. Fuk Ho Kai and executive director, Mr. Cheng Kai Ming, Charles. During the past one year, the remuneration committee had one meeting.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code throughout the year ended 31st March, 2008, with deviations from code provisions A.4.1 of the Code only in respect of the service term of directors.

None of the existing non-executive directors (including independent non-executive directors) of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, all the directors of the Company are subject to the retirement provisions under article 116 of the Articles of Association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

CREDIT CONTROL

The Group has been practicing tight credit control policy. A credit committee composed of three executive directors is responsible for overseeing the granting of credit facilities. Daily operation of money lending will be guided by the stringent procedures as prescribed by the internal control manual.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the directors, the percentage of the Company's shares which are in the hands of the public is not less than 25% of the Company's total number of issued shares.

PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

This announcement will be published on the respective websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.upbest.com) on 18th July, 2008. The annual report for the year ended 31st March, 2008 containing all the information required by the Listing Rules will be published on the website of the Company and the Stock Exchange and despatched to shareholders in due course.

By order of the Board
Dr. Wong King Keung, Peter
Chairman

Hong Kong, 18th July, 2008

** 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 as non-executive director, 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, Mr. Chan Chung Yee, Alan and Mr. Fuk Ho Kai as independent non-executive directors.