



UPBEST GROUP LIMITED

美建集團有限公司*

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 335)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2008

RESULTS

The Board of Directors (the “Board”) of Upbest Group Limited (the “Company”) is pleased to present the unaudited interim consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30th September 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 th September	
	Note	2008 (unaudited) HK\$'000	2007 (unaudited) HK\$'000
Turnover	3	207,056	197,858
Cost of goods sold		(175,508)	(142,510)
Other revenue		53	266
Loss on disposal of property, plant and equipment		-	(40)
Gain on disposal of a subsidiary		-	12,000
Goodwill on acquisition of a subsidiary written off		(92)	-
Bad debts recovered		4,145	84
Provision for doubtful debts		-	(42)
Administrative and other operating expenses		(13,038)	(14,998)
Finance costs	4	(1,120)	(6,018)
Share of results of associates		(470)	491
Profit before taxation	5	21,026	47,091
Income tax expense	7	(2,867)	(5,947)
Profit for the period		18,159	41,144
Attributable to:			
Equity holders of the Company		17,949	41,106
Minority interests		210	38
		18,159	41,144
Interim dividends		Nil	Nil
Earnings per share	6	HK cents	HK cents
Basic		1.4	3.2
Diluted		N/A	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	30 th September, 2008 (unaudited) HK\$'000	31 st March, 2008 (audited) HK\$'000
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment		2,518	2,125
Investment properties	8	442,000	442,000
Intangible assets		2,040	2,040
Interests in associates		64,760	65,298
Available-for-sale financial assets		136	136
Loan receivables		150	236
Trade and other receivables, deposits and prepayments	9	24,830	25,301
Other assets		5,200	5,226
		<u>541,634</u>	<u>542,362</u>
CURRENT ASSETS			
Properties held for development	10	160,957	80,787
Inventories		7,447	6,424
Loan receivables		169	163
Trade and other receivables, deposits and prepayments	9	302,673	367,714
Amounts due from related companies		3,082	-
Financial assets at fair value through profit or loss		19,446	18,598
Tax recoverable		37	207
Bank balances and cash	11	151,948	181,182
		<u>645,759</u>	<u>655,075</u>
CURRENT LIABILITIES			
Borrowings	12	64,594	81,712
Amounts due to related parties		74,454	75,363
Creditors and accrued expenses	13	72,701	118,802
Dividend payable		38,865	-
Provision for taxation		3,337	3,337
		<u>253,951</u>	<u>279,214</u>
NET CURRENT ASSETS		<u>391,808</u>	<u>375,861</u>
NET ASSETS		<u>933,442</u>	<u>918,223</u>
CAPITAL AND RESERVES			
Share capital		12,955	12,955
Reserves		865,677	847,727
Proposed final dividend		-	38,865
Equity attributable to equity holders of the Company		878,632	899,547
Minority interests		54,810	18,676
TOTAL EQUITY		<u>933,442</u>	<u>918,223</u>

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.

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, property investment and precious metal trading. The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31st March, 2008.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31st March, 2008.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The Group has not early applied the following new and revised standards and interpretation that have been issued, but are not yet effective, and are relevant to the operations of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets ³
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK(IFRIC)-Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC)-Int 15	Agreements for the construction of real estate ¹
HK(IFRIC)-Int 16	Hedges of a net investment in a foreign operation ⁵

¹ Effective for annual periods beginning on or after 1 January 2009.

² Effective for annual periods beginning on or after 1 July 2009.

³ Effective from 1 July 2008.

⁴ Effective for annual periods beginning on or after 1 July 2008.

⁵ Effective for annual periods beginning on or after 1 October 2008.

The Directors anticipate that the application of these new and revised standards and interpretation will have no material impact on the results and the financial position of the Group.

3. TURNOVER AND SEGMENT INFORMATION

a) Turnover:

	The Group	
	For the six months ended	
	30th September	
	2008	2007
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Commission and brokerage income from securities broking	8,652	19,598
Commission and brokerage income from futures broking	1,358	1,607
Interest income from		
– margin clients	4,738	7,673
– money lending	6,198	12,166
– financial institutions and others	2,885	6,635
Management and handling fees	605	1,247
Commission for subscribing new shares	3	110
Corporate finance advisory fees	100	250
Investment management fee	1,280	1,812
Rental income	3,051	2,553
Sales of precious metal	178,186	144,207
	207,056	197,858

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	
	For the six months		30th September		For the six months	
	ended 30th September		2008		ended 30th September	
	2008	2007	2008		2008	2007
	(unaudited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	204,029	195,356	513,839	617,242	704	246
Macau	3,027	2,502	673,554	580,195	-	22
	207,056	197,858	1,187,393	1,197,437	704	268

c) Business segments

For management purposes, the Group is currently organized 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 investment

An analysis of segment information of the Group on these businesses for the six months ended 30th September, 2008 and 2007 is as follows:

	For the six months ended 30 th September		Consolidated For the six months ended 30 th September	
	2008 (unaudited) HK\$'000	2007 (unaudited) HK\$'000	2008 (unaudited) HK\$'000	2007 (unaudited) HK\$'000
Segment revenue				
Sales to external customers				
Broking	10,616	22,454		
Financing	13,570	24,439		
Corporate finance	103	360		
Assets management	1,280	1,812		
Property investment	3,039	2,530		
Precious metal trading	178,448	146,263		
Investment holding	-	-	207,056	197,858
Segment results				
Broking	2,891	12,647		
Financing	11,176	18,749		
Corporate finance	99	357		
Assets management	774	1,748		
Property investment	1,397	917		
Precious metal trading	1,054	163		
Investment holding	-	-	17,391	34,581
Loss on disposal of property, plant and equipment			-	(40)
Gain on disposal of a subsidiary			-	12,000
Goodwill on acquisition of a subsidiary written off			(92)	-
Bad debts recovered			4,145	84
Provision for doubtful debts			-	(42)
Other income			52	17
Share of results of associates			(470)	491
Profit before taxation			21,026	47,091
Income tax expenses			(2,867)	(5,947)
Profit for the period			18,159	41,144

4. FINANCE COSTS

The Group	
For the six months ended	
30th September	
2008	2007
(unaudited)	(unaudited)
HK\$'000	HK\$'000
Interest on bank loans and overdrafts	4,817
Interest on other loans	1,201
1,120	6,018

5. PROFIT BEFORE TAXATION

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

The Group	
For the six months ended	
30th September	
2008	2007
(unaudited)	(unaudited)
HK\$'000	HK\$'000
Staff costs	9,052
Depreciation	327
Provision for doubtful debts	42
Operating leases rentals in respect of rented premises	790
Crediting:	
Rental income from operating leases less outgoings (Gross rental income: HK\$3,050,691 (2007: HK\$2,553,294))	1,613
Loss on disposal of property, plant and equipment	(40)

6. BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the Company for the six months ended 30th September, 2008 of approximately HK\$17,949,000(2007: HK\$41,106,000) and the weighted average number of 1,283,119,415shares (2007: 1,274,423,365 shares) in issue during the period.

There is no diluted earnings per share for the period ended 30th September, 2008 and 2007 presented since the Company has no dilutive potential ordinary shares.

7. INCOME TAX EXPENSES

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

The Group	
For the six months ended	
30th September	
2008	2007
(unaudited)	(unaudited)
HK\$'000	HK\$'000
Hong Kong profits tax	
- provision for the period	5,943
Overseas tax paid	4
2,867	5,947

- b) i) Provision for Hong Kong profits tax has been made at the rate of 16.5% (2007: 17.5%)
 ii) No provision for overseas taxation has been made as the amount is insignificant.
 iii) As at 30th September, 2008, the Group had unutilised tax losses of approximately HK\$125,374,000 (31st March, 2008: HK\$125,374,000) available for offsetting against future taxable profits. However, no deferred tax asset has been recognized due to the unpredictability of future taxable profits. The tax losses may be carried forward indefinitely.

8. INVESTMENT PROPERTIES

The Group's investment properties are situated in Macau and are held under medium-term lease.

The amount stated for the Group's investment properties were based on the valuation carried out at 31st March, 2008 by LCH (Asia-Pacific) Surveyors Limited, an independent professional valuer.

The Group leases out investment properties under operating leases.

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group	
	30th September 2008 (unaudited) HK\$'000	31st March 2008 (audited) HK\$'000
Amounts receivable arising from the ordinary course of business of dealing in securities and options:		
- Cash clients	25,286	27,708
- The SEHK Options Clearing House Limited	2	2
- Hong Kong Securities Clearing Company Limited	-	5,083
Accounts receivable from tenants	21	2
Amounts receivable arising from the ordinary course of business of dealing in futures contracts:		
- Clearing house	14,558	14,368
Amounts receivable arising from the ordinary course of business of provision of securities margin financing:		
- Margin clients	104,229	114,354
Amounts receivable arising from the ordinary course of business dealing in trading of precious metal:		
- Clients	30,014	5,864
Interest bearing loans receivable	232,164	308,413
Other receivables	1,422	4,249
	407,696	480,043
Less: Provision for doubtful debts	(86,863)	(93,510)
	320,833	386,533
Deposits and prepayments	6,670	6,482
	327,503	393,015
Portion classified as non-current assets	(24,830)	(25,301)
Portion classified as current assets	302,673	367,714

Margin client receivables of approximately HK\$91,199,000 (31st March, 2008: HK\$101,323,000) 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\$329,870,000 (31st March, 2008: HK\$406,876,000).

The settlement terms of cash client receivables and amounts due from clearing houses are one or

two days after the trade date. The credit term of amount receivable of precious metals trading business is normally within 60 days.

Interest bearing loans receivable included but not limited to mortgage financing and general financing.

10. PROPERTIES HELD FOR DEVELOPMENT

Properties held for development are stated at cost. Costs of properties include acquisition costs, development expenditure, interest and other direct costs attributable to such properties. The carrying values of properties held by subsidiaries are adjusted in the consolidated financial statements to reflect the Group's actual acquisition costs where appropriate.

11. BANK BALANCES AND CASH

	The Group	
	30th September 2008 (unaudited) HK\$'000	31st March 2008 (audited) HK\$'000
Cash at bank		
- General accounts	33,868	61,396
- Trust accounts	12,469	27,896
- Segregated accounts	1,455	6,738
Cash in hand	8	6
Short-term bank deposits		
- Pledged (<i>Note</i>)	71,151	70,566
- Non-pledged	32,997	14,580
	<u>151,948</u>	<u>181,182</u>

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

12. BORROWINGS

	The Group	
	30th September 2008 (unaudited) HK\$'000	31st March 2008 (audited) HK\$'000
Borrowings comprise:		
Bank overdrafts	26,140	51,902
Bank loan	-	11,000
Other loans		
- interest bearing	38,454	18,810
	<u>64,594</u>	<u>81,712</u>
Analysed as:		
Secured	64,533	81,712
Unsecured	61	-
	<u>64,594</u>	<u>81,712</u>
Borrowings are repayable as follows:		
Within one year or on demand	64,594	81,712
More than one year but not exceeding two years	-	-
	<u>64,594</u>	<u>81,712</u>
Less: Amount repayable within one year and shown under current liabilities	64,594	81,712
Amount due after one year	-	-

13. CREDITORS AND ACCRUED EXPENSES

	The Group	
	30th September 2008 (unaudited) HK\$'000	31st March 2008 (audited) HK\$'000
Amounts payable arising from the ordinary course of business of dealing in securities and options:		
- Cash clients	17,147	41,618
- Hong Kong Securities Clearing Company Limited	3,210	-
Amounts payable arising from the ordinary course of business of dealing in securities futures contracts:		
- Clients	14,550	19,958
Amounts payable arising from the ordinary course of business of provision of securities margin financing:		
- Clients	9,991	11,221
Amounts payable arising from ordinary course of business of dealing in trading of precious metal	14,238	19,565
Escrow money received	3,285	14,189
Accruals and other payables	8,203	8,348
Rental and other deposits received	1,786	3,776
Rental receipts in advance	291	127
	<u>72,701</u>	<u>118,802</u>

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 30th September, 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.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30th September, 2008 (2007: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Management Discussion and Analysis

For the six months ended 30th September, 2008, the Group operated under a very difficult market environment resulting from the United States sub-prime mortgage and credit crises, and since then, their ramifications on global financial markets.

The management, anticipating challenges brought by a deteriorating global economy, had already since last quarter of 2007 taken cautious approach and appropriate steps to prepare the Group for the medium to long-term. Indeed, management had adopted a more tighten credit and risk control policy towards the Group's overall financial position. Gearing ratio was adjusted downward significantly from 47.16% (31st March, 2007) to 8.9% by 31st March, 2008 and further reduced to 6.9% as at 30th September, 2008. Such measures to reduce the Group's borrowings and loans had significantly lessen the Group's exposure to the global financial crises. With sound fundamentals and strong cash position, management will be able to capitalize on any investment opportunities during these tough economic times.

The Group did not hold any structured products. The financial assets at fair value through profit or loss as shown in the condensed balance sheet represent clients' precious metal contract and the position hedged against our gold lease position. Under this arrangement, the Group will minimize its exposure to any potential precious metal price fluctuation risk.

The widespread financial tsunami caused the Hang Seng Index underwent a deep correction, falling to a low of 11,015.84 on 27th October, 2008, 60.39% below 2007 closing of 27,812.65. Against such circumstances and for the period under review, it was not easy for the Group to manage to record a profit before tax of HK\$21 million (2007: HK\$47 million). Profit attributable to equity holders of the Company amounted to HK\$18 million (2007: HK\$41 million), while earnings per share were HK1.4cents (2007: HK3.2cents).

The board is pleased to announce that the Group had again been awarded one of the Hong Kong Outstanding Enterprises of 2008 by the Hong Kong Economic Digest for the second time running.

Securities and Commodities Brokerage

Profit and turnover from this sector were in reflection of the declining stock market condition. Profit was significantly decreased to HK\$2.9 million (2007: HK\$12.6 million). Turnover was also reduced to HK\$10.6 million (2007: HK\$22.5 million).

Financing

Turnover in respect of the money lending business and margin financing activities decreased by 44% to HK\$13.6 million (2007: HK\$24.4 million). The decrease was mainly due to the tightened financing policy and the risk assessment control taken by the Group against the loan portfolio under the current market condition. The management will continue to monitor the quality of loan to reduce our credit risk exposure. This section contributed over 60% of the Group's profit.

Corporate Finance

This sector recorded a turnover and profit of HK\$103,000 and HK\$99,000 respectively. This division will continue to focus on different types of financial advisory, placing and IPO projects.

Assets Management

The Group was retained as the investment manager by two companies listed on the Main Board of the Stock Exchange under Chapter 21 (Investment Companies) of the Listing Rules.

Property Investment

For the six months ended 30th September, 2008, rental income amounted to HK\$3.0 million (2007: HK\$2.5 million), representing a 20% increase. The increase in rental income was mainly due to the tenants selection scheme adopted by the management. The existing tenants mix including but not limited to an international fast food chain, a brand name supermarket and a high street bank. The new tenants have enhanced the property image and increased our income at the same time.

Precious Metal Trading

This subsidiary provides one stop precious metal services including physical trading, industrial product trading and financing by collaborating with major players in the market. This segment recorded a turnover and profit of HK\$178.4 million and HK\$1.1 million respectively.

Prospect

The management considers that the global economy may remain uncertain in the near future. The six months under review presented a challenging period for investors and financial institutions globally. Credit and market confidence become major concerns. The significant drop in business activity and loss of credit confidence resulted in increasing volatility, declining equity values and softening investor sentiment. Looking to make further inroads in financial service and property segment, the management will seek to strengthen our financial position and customers' quality. While fully determined to enhance its core business, the management will seek to capitalize on the currently weakened economic state to boost competitiveness. The Group will seek to exploit in enhancing its service range and will also carefully explore opportunities to potential investment which may bring fruitful return to the Group and strengthen its business portfolio.

In order to best manage potential uncertainty in the coming future, the Group will evaluate if it will have any material effect on its businesses and will adjust its strategic plans accordingly. Taking into account the current environment, the management has conserved its financial resources in order to be able to react to the environmental changes for the Group's future development.

Litigation

Claims against two of our subsidiaries are currently being handled by our legal advisors. It is not expected by the Board that the matters would affect the business operation and financial performance of the Group. Details have been disclosed in previous financial statements.

FINANCIAL REVIEW**Liquidity and Financial Resources**

As at 30th September 2008, the Group had cash and bank balances of approximately HK\$152 million (31st March, 2008: HK\$181 million) of which approximately HK\$71million (31st March, 2008: HK\$70 million) were pledged to bank for facilities granted to the Group. The Company has given guarantees to the extent of HK\$313 million (31st March, 2008: HK\$336 million) to secure the general banking facilities granted to subsidiaries.

As at 30th September 2008, the Group had available aggregate banking facilities of approximately HK\$313 million (31st March, 2008: HK\$336 million) of which approximately HK\$267 million (31st March, 2008: HK\$253 million) was not utilised.

Gearing Ratio

As at 30th September 2008, the amount of total borrowings was approximately HK\$65 million (31st March, 2008: HK\$81 million). The gearing being equal to approximately 6.9% (31st March, 2008: 8.9%) of the net assets of approximately HK\$933 million (31st March, 2008: HK\$918 million).

FOREIGN CURRENCY FLUCTUATION

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

CAPITAL STRUCTURE

There was no change to the Group's capital structure for the six months ended 30th September, 2008.

EMPLOYMENT

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

SHARE OPTION

The Company does not have any share option scheme.

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

For the six months ended 30th September 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 period.

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 six months ended 30th September, 2008.

The Audit Committee has reviewed the continuing connected transaction during the period under review. As disclosed in the Company's announcement and circular dated 2nd May, 2008 and 22nd May, 2008 respectively, the financial assistance provided by the Group to UBA Investments Limited and its subsidiaries ("UBA Group") prior to the approval by shareholders in the extraordinary general meeting held on 10th June, 2008 had exceeded the then applicable thresholds for reporting, disclosure and/or approval of independent shareholders of the Group.

REMUNERATION COMMITTEE

The Remuneration Committee 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 six months ended 30th September 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 16th December, 2008. The interim report for the six months ended 30th September, 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
IP Man Tin, David
Chairman

Hong Kong, 16th December, 2008

** For identification purpose only*

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