

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 Cayman Islands with limited liability)

(Stock Code: 335)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2010

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 2010 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	For the six months ended 30 th September	
		2010 (unaudited) HK\$'000	2009 (unaudited) HK\$'000
Turnover	3	175,740	151,798
Cost of goods sold		(136,394)	(117,462)
Other revenue		108	233
Net gain / (loss) on financial assets or liabilities at fair value through profit or loss		136	(3)
Gain on disposal of property, plant and equipment		220	-
Bad debts (written off)/recovered (net)		(15)	167
Write back of provision for impairment of trade receivables		142	854
Administrative and other operating expenses		(22,658)	(14,219)
Finance costs	4	(465)	(404)
Share of results of associates		2,376	(1)
Profit before taxation	5	19,190	20,963
Income tax expense	7	(1,888)	(2,743)
Profit for the period		17,302	18,220
Attributable to:			
Equity holders of the Company		17,249	18,137
Minority interests		53	83
		17,302	18,220

CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)

		For the six months ended 30 th September	
	Note	2010 (unaudited) HK\$'000	2009 (unaudited) HK\$'000
Earnings per share			
Basic	6	HK cents 1.3	HK cents 1.4
Diluted		N/A	N/A
Interim dividend		Nil	Nil

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the six months ended 30 th September	
	Note	2010 (unaudited) HK\$'000	2009 (unaudited) HK\$'000
Profit for the period		17,302	18,220
Other comprehensive income		-	-
Total comprehensive income for the period		17,302	18,220
Attributable to:			
Equity holders of the Company		17,249	18,137
Minority interests		53	83
		17,302	18,220

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 th September 2010 (unaudited) HK\$'000	31 st March 2010 (audited) HK\$'000
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment		2,406	2,130
Investment properties	8	615,000	615,000
Intangible assets		2,040	2,040
Interests in associates		67,786	65,351
Available-for-sale financial assets		136	136
Trade and other receivables, deposits and prepayments	9	25,443	29,969
Other assets		5,200	5,200
		<u>718,011</u>	<u>719,826</u>
CURRENT ASSETS			
Properties held for development		135,663	135,475
Inventories		327	7,521
Loan receivables		-	61
Trade and other receivables, deposits and prepayments	9	214,890	232,772
Amounts due from a related company		-	5,035
Financial assets at fair value through profit or loss		12,928	9,014
Tax recoverable		220	220
Bank balances and cash	10	204,393	205,268
		<u>568,421</u>	<u>595,366</u>
CURRENT LIABILITIES			
Borrowings	11	4,106	19,499
Amounts due to related parties		18,897	15,988
Amounts due to ultimate holding company		30,614	31,114
Creditors and accrued expenses	12	98,170	132,349
Dividend payable		26,823	-
Provision for taxation		3,965	2,869
		<u>182,575</u>	<u>201,819</u>
NET CURRENT ASSETS		<u>385,846</u>	<u>393,547</u>
NET ASSETS		<u>1,103,857</u>	<u>1,113,373</u>
CAPITAL AND RESERVES			
Share capital		13,412	13,412
Reserves		1,035,013	1,017,759
Proposed dividend		-	26,823
Equity attributable to equity holders of the Company		<u>1,048,425</u>	<u>1,057,994</u>
Minority interests		55,432	55,379
TOTAL EQUITY		<u>1,103,857</u>	<u>1,113,373</u>

NOTES ON THE CONDENSED FINANCIAL STATEMENTS

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.

Basis of preparation

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 (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

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 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31st March 2010.

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

In the current interim period, the Group has applied, for the first time, the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”), amendments or interpretations issued by the HKICPA which are or have effective for the Group’s financial year beginning on 1st April 2010.

HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters
HKFRS 2 Amendments	Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 Amendment	Amendment to HKAS 32 Financial Instruments: Presentation – Classification of Rights Issues
HKAS 39 Amendment	Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amendments to HKFRS 5 included in Improvements to HKFRSs issued in October 2008	Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary
HK Interpretation 4 (Revised in December 2009)	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases

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

HKFRS 1 Amendment	Amendment to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First time Adopters ¹
HKFRS 7 Amendment	Amendments to HKFRS 7 Financial Instruments: Disclosures – Transfer of Financial Assets ³
HKAS 24 (Revised)	Related Party Disclosures ²
HKFRS 9	Financial Instruments ⁴
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 Prepayments of a Minimum Funding Requirement ²
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments ¹
HKFRSs Amendments	Improvements to HKFRSs issued in 2010 ⁵

¹ Effective for annual periods beginning on or after 1st July 2010

² Effective for annual periods beginning on or after 1st January 2011

³ Effective for annual periods beginning on or after 1st July 2011

⁴ Effective for annual periods beginning on or after 1st January 2013

⁵ Effective for annual periods beginning on or after 1st July 2010 or 1st January 2011, as appropriate

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. TURNOVER AND OPERATING SEGMENT INFORMATION

a) Turnover

	For the six months ended 30 th September	
	2010	2009
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Commission and brokerage income from securities broking	9,320	12,619
Commission and brokerage income from futures broking	507	482
Interest income from		
– margin clients	2,632	2,922
– money lending	5,536	6,882
– financial institutions and others	1,043	1,620
Management and handling fees	697	893
Placing and underwriting commission	11,897	1,804
Commission for subscribing new shares	13	16
Corporate finance advisory fees	-	250
Investment management fee	933	792
Rental income	4,792	3,831
Sales of precious metal	138,370	119,687
	<u>175,740</u>	<u>151,798</u>

b) Reportable operating segments

For management purposes, the Group is currently organized into business units based on their products and services and has seven reportable operating segments namely broking, financing, corporate finance, assets management, property investment, precious metal trading and investment holding.

Reportable operating segments 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

3. TURNOVER AND OPERATING SEGMENT INFORMATION (CONTINUED)

An analysis of segment information of the Group on these reportable operating segments for the six months ended 30th September 2010 and 2009 is as follows:

	Consolidated For the six months ended 30 th September		Consolidated For the six months ended 30 th September	
	2010 (unaudited) HK\$'000	2009 (unaudited) HK\$'000	2010 (unaudited) HK\$'000	2009 (unaudited) HK\$'000
Segment revenue				
Sales to external customers				
Broking	10,524	13,994		
Financing	9,211	11,419		
Corporate finance	11,910	2,070		
Assets management	933	792		
Property investment	4,792	3,836		
Precious metal trading	138,370	119,687		
Investment holding	-	-	175,740	151,798
Segment results				
Broking	2,317	4,786		
Financing	7,713	9,921		
Corporate finance	2,021	1,962		
Assets management	815	675		
Property investment	3,216	1,972		
Precious metal trading	277	394		
Investment holding	-	-	16,359	19,710
Gain on disposal of property, plant and equipment			220	-
Bad debts (written off)/recovered (net)			(15)	167
Write back of provision for impairment of trade receivables			142	854
Other revenue			108	233
Share of results of associates			2,376	(1)
Profit before taxation			19,190	20,963
Income tax expense			(1,888)	(2,743)
Profit for the period			17,302	18,220

c) Geographical information

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 revenue from external customers by geographical market and analysis of non-current assets by the geographical location in which assets are located other than available-for-sale financial assets, trade and other receivables, deposits and prepayments and other assets.

	Revenue from external customers For the six months ended 30 th September		Non-current assets As at 30 th September	
	2010 (unaudited) HK\$'000	2009 (unaudited) HK\$'000	2010 (unaudited) HK\$'000	As at 31 st March 2010 (audited) HK\$'000
Hong Kong	170,948	147,967	3,882	3,406
Macau	4,792	3,831	629,713	627,537
	175,740	151,798	633,595	630,943

4. FINANCE COSTS

The Group	
For the six months ended	
30th September	
2010	2009
(unaudited)	(unaudited)
HK\$'000	HK\$'000
Interest on bank loans and overdrafts	97
Interest on other loans	35
	368
	404

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	
2010	2009
(unaudited)	(unaudited)
HK\$'000	HK\$'000
Staff costs	
- Salaries (including commission), bonuses and other benefits	12,821
- contributions to retirement scheme	7,744
	185
	7,946
Placing and/ or underwriting commission paid to third parties	3,836
Depreciation	95
Bad debts written off	318
Operating leases rentals in respect of rented premises	266
	30
	1,028
Crediting:	
Rental income from operating leases less outgoings	
(Gross rental income: HK\$4,792,170 (2009: HK\$3,830,572))	3,716
	2,555

6. EARNINGS PER SHARE

The 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 2010 of approximately HK\$17,249,000 (2009: HK\$18,137,000) and the weighted average number of 1,341,158,379 ordinary shares (2009: 1,341,158,379 shares) in issue during the period.

There is no diluted earnings per share for the periods ended 30th September 2010 and 2009 presented since the Company has no dilutive potential ordinary shares.

7. INCOME TAX EXPENSE

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

	The Group	
	For the six months ended	
	30th September	
	2010	2009
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Hong Kong profits tax		
- provision for the period	1,857	2,718
Overseas tax paid	31	25
	<u>1,888</u>	<u>2,743</u>

- b) i) Provision for Hong Kong profits tax has been made at the rate of 16.5% (2009: 16.5%).
- ii) No provision for overseas taxation has been made as the amount is insignificant.
- iii) At 30th September 2010, the Group had unutilised tax losses of approximately HK\$71,000,000 (31st March 2010: HK\$73,144,000) 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	
	As at 30th September	As at 31st March
	2010	2010
	(unaudited)	(audited)
	HK\$'000	HK\$'000
Fair value:		
At 1 st April	615,000	556,000
Additions	-	55
Net increase in fair value recognized in the consolidated income statement	-	58,945
	<u>615,000</u>	<u>615,000</u>

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 valuation carried out at 31st March 2010 by LCH (Asia-Pacific) Surveyors Limited, an independent professional valuer Investment properties.

The Group leases out investment properties under operating leases.

The Group has pledged certain of its investment properties with aggregate carrying value of approximately HK\$455,000,000 (31st March 2010: HK\$455,000,000) to a bank to secure general banking facilities granted to the Group.

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group	
	30th September 2010 (unaudited) HK\$'000	31st March 2010 (audited) HK\$'000
Amounts receivable arising from the ordinary course of business of dealing in securities and options:		
- Cash clients	25,368	36,030
- The SEHK Options Clearing House Limited	2	2
- Hong Kong Securities Clearing Company Limited	3,709	3,952
Amounts receivable arising from the ordinary course of business of dealing in futures contracts:		
- Clearing house	23,958	15,052
Amounts receivable arising from the ordinary course of business of provision of securities margin financing:		
- Clients	69,538	72,717
Amounts receivable arising from the ordinary course of business dealing in trading of precious metal:		
- Clients	9,841	4,318
Interest-bearing loans receivables	182,421	202,476
Account receivables	1,271	6,220
Other receivables	50	2
	316,158	340,769
Less: Provision for impairment of trade receivables	(83,987)	(86,557)
	232,171	254,212
Deposits and prepayments	8,162	8,529
	240,333	262,741
Portion classified as non-current assets	(25,443)	(29,969)
Portion classified as current assets	214,890	232,772

Margin client receivables of approximately HK\$56,797,000 (31st March 2010: HK\$59,977,000) are repayable on demand, bearing interest at market rate and secured by clients' securities listed on the Stock Exchange. The total market value of securities of all margin clients was approximately HK\$241,461,000 (31st March 2010: HK\$260,267,000), of which in respect of margin client receivables was approximately HK\$163,309,000 (31st March 2010: HK\$195,851,000).

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

The aged analysis of trade and other receivables (net of provision for impairment of trade receivables) is as follows:

	30th September 2010 (unaudited) HK\$'000	31st March 2010 (audited) HK\$'000
Neither past due nor impaired	214,738	222,432
Past due:		
Less than 1 month past due	8,503	24,535
1 to 3 months past due	2,746	3,062
3 months to 1 year past due	3,866	1,929
Over 1 year past due	2,318	2,254
	17,433	31,780
	232,171	254,212

10. BANK BALANCES AND CASH

	The Group	
	30th September 2010 (unaudited) HK\$'000	31st March 2010 (audited) HK\$'000
Cash at bank		
- General accounts	57,818	50,196
- Trust accounts	20,088	50,735
- Segregated accounts	3,626	4,445
Cash in hand	8	8
Short-term bank deposits		
- Pledged (<i>Note</i>)	42,052	38,002
- Non-pledged	80,801	61,882
	<u>204,393</u>	<u>205,268</u>

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

11. BORROWINGS

	The Group	
	30th September 2010 (unaudited) HK\$'000	31st March 2010 (audited) HK\$'000
Borrowings comprise:		
Other loans – interest-bearing	4,106	19,499
- interest free	-	-
	<u>4,106</u>	<u>19,499</u>
Analysed as:		
Secured	4,106	19,499
Unsecured	-	-
	<u>4,106</u>	<u>19,499</u>
Borrowings are repayable as follows:		
Within one year or on demand	4,106	19,499
More than one year but not exceeding two years	-	-
More than two years but not exceeding five years	-	-
	<u>4,106</u>	<u>19,499</u>
Less: Amount repayable within one year and shown under current liabilities	4,106	19,499
Amount due after one year	-	-

12. CREDITORS AND ACCRUED EXPENSES

	The Group	
	30th September 2010 (unaudited) HK\$'000	31st March 2010 (audited) HK\$'000
Amounts payable arising from the ordinary course of business of dealing in securities and options:		
- Cash clients	31,930	62,603
Amounts payable arising from the ordinary course of business of dealing in securities futures contracts:		
- Clients	24,588	19,064
Amounts payable arising from the ordinary course of business of provision of securities margin financing:		
- Clients	9,424	14,600
Amounts payable arising from ordinary course of business of dealing in bullion	19,049	9,383
Escrow money received	3,286	3,286
Interest income received in advance	85	163
Accruals and other payables	7,045	20,613
Rental and other deposits received	2,417	2,360
Rental receipts in advance	346	277
	<u>98,170</u>	<u>132,349</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 2010 and 31st March 2010 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 2010 (2009: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

With the rising government deficits and debt levels in the United States and some European countries resulted in a wave of ratings downgrades for some European sovereign debts that weighed heavily on financial markets during the first half of the year. However, the China economy grew very strongly and the Hong Kong economy was in line with the growth and the unemployment rate came down with continued inflation.

Under the volatile market conditions, the Group recorded a slightly decrease in profit before taxation of HK\$19 million (2009: HK\$21 million) and earnings per share of HK1.3 cents (2009: HK1.4 cents).

Financing

Turnover within the money lending business and securities margin financing business reduced slightly from HK\$11.4 million in 2009 to HK\$9.2 million for the period under review mainly due to the continuously low interest rate. For the six months ended 30th September 2010, the Group's gearing was 0.4% (2009: 6.6% or 31st March 2010: 1.7%). The Group managed to have a very healthy financial position.

Securities and Commodities Brokerage

Turnover and profit attributable to the Group from this segment had decreased. Turnover decreased to HK\$10.5 million (2009: HK\$14.0 million). Corresponding profit attributable to the Group decreased to HK\$2.3 million from HK\$4.8 million in 2009. Our Group expected that the internet trading platform will expand the Group's reach in the future.

Corporate Finance

During the period under review, the segment reported an increase in turnover and profit attributable to the Group. Turnover increased to HK\$11.9 million from HK\$2.0 million when compared with last year's corresponding period. This segment recorded a HK\$2.0 million profit attributable to the Group.

Assets Management

The Group continued to act as the investment manager of a company listed on the Main Board of the Stock Exchange under Chapter 21 (Investment Companies) of the Listing Rules. Since the year 2008, a performance mechanism was adopted with the mentioned client. Under this arrangement, the performance fee will increase or decrease in accordance with the client's performance. For the period under review, the segment's turnover and profit contribution to the Group was HK\$933,000 and HK\$815,000 respectively.

Property Investments

For the six months ended 30th September 2010, this segment maintained a steady growth, turnover increased by 25% to HK\$4.8 million. Profit attributable to the Group increased by 63% to HK\$3.2 million. Chino Plaza (the "Plaza") located in Macau contributes more than 90% to the Group's rental income. The group has secured the tenancy of a well-known convenience store, well-known super market, fast food chain restaurant and a bank, etc, which has further enhanced the Plaza's brand image.

Precious Metal Trading

The Group commenced precious metal business through a 75% owned subsidiary. This subsidiary provides an one-stop precious metal service, which includes physical trading, industrial product trading and financing. As a result of increasing precious metal prices, this segment recorded a turnover of HK\$138,370,000 (2009: HK\$119,687,000). For the period under review, this segment reported a profit of HK\$277,000.

Prospect

The corporate finance segment has benefited from the moderate recovery in fund raising activities, IPOs and secondary market share placements. However, the continuing rising of assets price, inflation environment and fear of future increase in interest rate create uncertainty to the market. The Group will continue to remain an active participant in these segments of the market, undertaking placements or sub-underwriting transactions for clients.

The Group will continue to identify and evaluate potential opportunities which offer attractive and stable return. Furthermore, the Group will seek for different types of expansion which will further enhance the value of the Group. Taking into account the uncertainty and current market conditions, the Group has reduced exposure to clients' credit in order to manage our credit risk. With the healthy financial fundamental, we believed that we are able to capture any possible opportunities in the coming future.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30th September 2010, the Group had cash and bank balances of approximately HK\$204 million (31st March 2010: HK\$205 million) of which approximately HK\$42 million (31st March 2010: HK\$38 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 2010: HK\$313million) to secure the general banking facilities granted to subsidiaries.

As at 30th September 2010, the Group had available aggregate banking facilities of approximately HK\$ 308 million (31st March 2010: HK\$313 million) of which approximately HK\$288 million (31st March 2010: HK\$293 million) was not utilised.

Gearing Ratio

As at 30th September 2010, the amount of total borrowings was approximately HK\$4 million (31st March 2010: HK\$19 million). The gearing being equal to approximately 0.4 % (31st March 2010: 1.7 %) of the net assets of approximately HK\$1,104 million (31st March 2010: HK\$1,113 million).

FOREIGN CURRENCY FLUCTUATION

During the period, 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.

CAPITAL STRUCTURE

There was no change to the Group's capital structure for the six months ended 30th September 2010.

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 2010, 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 2010.

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, Ms. Cheng Wai Ling, Annie. 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 2010, 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 of 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 15th November 2010. The interim report for the six months ended 30th September 2010 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, 15th November 2010

** 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. SUEN Man Tak, Stephen, 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.