

The board of directors (the “Board”) has pleasure in presenting its report and the audited financial statements of Upbest Group Limited (the “Company”) and its subsidiaries (collectively the “Group”) for the year ended March 31, 2005.

Principal activities

The principal activity of the Company was investment holding. Its subsidiaries are principally engaged in securities broking, futures broking, securities margin financing, money lending, corporate finance advisory, assets management. In the current year, the business was further diversified to property investment.

Segment information

Details of segment information by principal businesses and geographical locations are set out in note (4) to the financial statements.

Subsidiaries

Details of the Company’s subsidiaries at March 31, 2005 are set out in note (16) to the financial statements.

Results

The results of the Group for the year ended March 31, 2005 are set out in the consolidated income statement on page 22.

Dividends

The Board has resolved to recommend the payment of a final dividend of HK2.5 cents per ordinary share in respect of the year to the shareholders whose names appear on the register of members of the Company on August 15, 2005. The Company also proposes that a scrip dividend election will be offered to shareholders with Hong Kong address.

Share capital

During the year, the Company issued by way of a top-up placing to independent investors a total of 108,754,000 new shares at a price of HK\$1.42 per share which successfully raised approximately HK\$152.5 million (net of related expenses). As at March 31, 2005, the number of shares in issue was 1,228,754,000 (2004: 1,120,000,000). The net asset value of the group is nearly HK\$398,933,000, an increase of approximately 129% from the prior period.

董事會(「董事會」)欣然提呈其報告及截至二零零五年三月三十一日止年度美建集團有限公司(「本公司」)及其附屬公司(以下統稱「本集團」)之經審核財務報表。

主要業務

本公司的主要業務是投資控股，其附屬公司主要提供證券經紀、期貨經紀、孖展融資、貸款融資、企業融資顧問及資產管理。於近年，業務進一步擴展至物業投資。

分類資料

根據主要業務及地理位置的分類資料詳情載於財務報表附註(4)。

附屬公司

本公司於二零零五年三月三十一日之附屬公司之詳情載於財務報表附註(16)。

業績

本集團截至二零零五年三月三十一日止年度之業績載於第22頁之綜合收入報表。

股息

董事會決議向二零零五年八月十五日登記在本公司股東名冊的股東派發本年度末期股息，每普通股港元2.5仙。公司並建議登記地址位於香港的股東可選擇以股代息。

股本

年內，本公司透過先舊後新配售之方式按每股1.42港元之價格向獨立投資者發行合共108,754,000股新股份，此舉成功籌得約152,500,000港元(除去所有相關費用)。於二零零五年三月三十一日，本公司之已發行股份數目為1,228,754,000股(2004：1,120,000,000股)。本集團資產淨值約398,933,000港元，較去年同期增長了129%。

Financial summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out below. This summary is not part of the audited financial statements.

RESULTS

(In HK\$'000)	(以港幣千元為單位)	Year ended March 31 截至三月三十一日止年度				
		2005	2004	2003	2002	2001
Turnover	營業額	58,175	74,185	50,790	51,245	64,338
Profit before taxation	除稅前溢利	90,039	46,441	16,005	29,433	63,571
Taxation	稅項	(6,551)	(8,297)	(2,882)	(4,845)	(6,879)
Net profit for the year attributable to shareholders	本年度股東 應佔淨溢利	83,488	38,144	13,123	24,588	56,692

ASSETS AND LIABILITIES

(In HK\$'000)	(以港幣千元為單位)	March 31 三月三十一日				
		2005	2004	2003	2002	2001
Total assets	資產總值	751,135	486,050	520,787	464,990	416,158
Total liabilities	負債總值	(352,202)	(311,940)	(379,445)	(329,771)	(273,327)
Net assets	資產淨值	398,933	174,110	141,342	135,219	142,831

Note:

The Company was incorporated in the Cayman Islands on July 28, 2000 and became the holding company of the companies comprising the Group as a result of a group reorganisation on September 21, 2000. The financial results of the Group for the year ended March 31, 2000 were prepared on the basis of merger accounting as if the Group structure had been in existence throughout the period presented.

財務概要

以下為本集團於過去五個財政年度之業績及資產與負債之概要。此概要並非經審核財務報表之部份。

業績

(In HK\$'000)	(以港幣千元為單位)	Year ended March 31 截至三月三十一日止年度				
		2005	2004	2003	2002	2001
Turnover	營業額	58,175	74,185	50,790	51,245	64,338
Profit before taxation	除稅前溢利	90,039	46,441	16,005	29,433	63,571
Taxation	稅項	(6,551)	(8,297)	(2,882)	(4,845)	(6,879)
Net profit for the year attributable to shareholders	本年度股東 應佔淨溢利	83,488	38,144	13,123	24,588	56,692

資產與負債

(In HK\$'000)	(以港幣千元為單位)	March 31 三月三十一日				
		2005	2004	2003	2002	2001
Total assets	資產總值	751,135	486,050	520,787	464,990	416,158
Total liabilities	負債總值	(352,202)	(311,940)	(379,445)	(329,771)	(273,327)
Net assets	資產淨值	398,933	174,110	141,342	135,219	142,831

附註：

本公司於二零零零年七月二十八日於開曼群島註冊成立，並於二零零零年九月二十一日在本集團重組後成為本集團屬下公司之控股公司。本集團二零零零年度之財務業績乃按兼併會計基準編制，猶如本集團之架構於呈報期間一直存在。

Reserves

Movements in the reserves of the Group and the Company during the year are set out in note (27) to the financial statements.

The Company's reserves available for distribution represent the share premium, contributed surplus, retained profits and proposed final dividend under the Companies Law of the Cayman Islands. The share premium of the Company is available for paying dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution of dividend the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends can be distributed out of the share premium, contributed surplus, retained profits and proposed final dividend of the Company which in aggregate amounted to approximately HK\$243,444,000 as at March 31, 2005.

Donation

Donation made by the Group during the year for charitable purposes amounted to HK\$12,500.

Property, plant and equipment and investment properties

The Group's investment properties were revalued at March 31 2005, resulting in a fair value gain amounting to HK\$38,637,000 which has been recognised in the income statement.

Details of these and other movements during the year in the property, plant and equipment and investment properties are set out in note (13) and (14) to the financial statements, respectively.

Borrowings

Bank overdrafts and other borrowings repayable within one year or on demand are classified as current liabilities. A repayment analysis of bank borrowings is set out in note (22) to the financial statements. No interest was capitalised by the Group during the year.

Major clients

For the year ended March 31, 2005, the Group's five largest clients accounted for in aggregate approximately 19% (2004: 27%) of the Group's turnover, of which the largest client accounted for approximately 6% (2004: 12%) of the Group's turnover.

None of the directors or any of their associates or any shareholder of the Company which to the knowledge of the directors of the Company owned more than 5% of the Company's issued share capital have an interest in the Group's five largest clients.

儲備

有關本年度內之本集團及本公司儲備變動情況載於財務報表附註(27)。

根據開曼群島公司法之規定，本公司可供分派之儲備乃指股份溢價、實繳盈餘、保留溢利及擬派發末期股息。本公司之股份溢價可根據本公司之公司組織章程細則之規定，用作向股東派發股息，惟本公司在緊隨派發股息後仍須有能力支付在日常業務運作下到期應付之債務。於二零零五年三月三十一日，本公司之股份溢價、實繳盈餘、保留溢利及擬派發末期股息合共約為243,444,000港元。根據本公司之公司組織章程細則之規定，該等款項均可用作派發股息。

捐款

本集團年內之慈善捐款為12,500港元。

物業、機器及設備及投資物業

本集團之投資物業已於二零零五年三月三十一日重估，所產生的公平值收益港幣38,637,000元已於損益表中反映。

有關以上及其他於年內物業、機器及設備及投資物業之變動情況分別刊載於財務報表附註(13)及(14)。

借款

銀行透支及其他於一年內或按通知應付之借貸乃被列為流動負債。有關償還銀行借貸之分析載於財務報表附註(22)。本集團於本年度並無任何資本化利息。

主要客戶

截至二零零五年三月三十一日止年度，本集團之五大客戶合共約佔本集團營業額19%（二零零四年：27%），其中最大客戶約佔本集團營業額6%（二零零四年：12%）。

據董事所知，任何董事或彼等任何聯繫人等或擁有本公司5%或以上已發行股本之任何股東，概無擁有本集團五大客戶任何權益。

Repurchase, sale or redemption of the Company's listed securities

For the year ended March 31, 2005, 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.

Directors

The directors of the Company during the year and up to the date of this report were:

NON-EXECUTIVE DIRECTOR

Dr. Wong King Keung, Peter (Appointed on January 24, 2005)
(Chairman)

EXECUTIVE DIRECTORS

Mr. Tsang Cheuk Lau (Chairman) (Deceased on November 19, 2004)

Mr. Wong Ching Hung, Thomas

Mr. Cheng Kai Ming, Charles

Mr. Li Kwok Cheung, George

Mr. Choy Ye King (Resigned on December 8, 2004)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Wai Kwong, David

Mr. Pang Cheung Hing, Alex

Mr. Fuk Ho Kai (Appointed on September 20, 2004)

In accordance with Articles 116 and 119 of the Company's Articles of Association Dr. Wong King Keung, Peter, Mr. Li Kwok Cheung, George, Mr. Pang Cheung Hing, Alex and Mr. Fuk Ho Kai shall retire by rotation from office and, being eligible, will offer themselves for re-election.

The term of office of each of the independent non-executive directors lasts until his retirement by rotation as required by the Company's Articles of Association.

The Company received confirmation of independence in respect of the year ended March 31, 2005 from each of the independent non-executive directors pursuant to Rule 3.13 of the Revised Listing Rules. Up to and as at the date of this report, the Company still considers the independent non-executive directors to be independent.

Directors' service contracts

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

回購、出售或贖回本公司之上市證券

截至二零零五年三月三十一日止年度，除代本公司或其附屬公司之顧客以經紀身份進行外，本公司或其任何附屬公司在本年度內並無回購、出售或贖回本公司之上市證券。

董事

在本年度及截至本報告刊發日期為止，本公司之董事如下：

非執行董事

黃景強博士 (主席) (於二零零五年一月二十四日委任)

執行董事

曾焯鏗先生 (主席) (於二零零四年十一月十九日逝世)

黃正虹先生

鄭啟明先生

李國祥先生

蔡怡環先生 (於二零零四年十二月八日辭任)

獨立非執行董事

黃偉光先生

彭張興先生

霍浩佳先生 (於二零零四年九月二十日委任)

根據本公司之公司組織章程細則第116條及119條，黃景強博士，李國祥先生，彭張興先生及霍浩佳先生將輪值告退，惟彼等符合資格並願膺選連任。

各獨立非執行董事之任期乃直至其根據本公司之公司組織章程細則須依章輪值告退為止。

本公司已接獲各獨立非執行董事根據經修訂上市規則第3.13條發出有關截至二零零五年三月三十一日止年度之獨立確認書。截至及於本報告日期，本公司仍然視獨立非執行董事屬獨立。

董事之服務合約

在即將舉行之股東週年大會上獲提名重選連任之董事與本集團概無訂立本集團如不作出賠償(法定賠償除外)則不能在一年內予以終止之服務合約。

Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation

As at March 31, 2005, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange were as follows:

董事及主要行政人員於本公司或任何聯營公司之股份、相關股份及債券之權益及淡倉

於二零零五年三月三十一日，本公司各董事或高級行政人員於本公司或任何相聯法團（定義見證券及期貨條例第XV條）之股份、相關股份及債券中擁有下列之權益及淡倉，須根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益（包括根據證券及期貨條例有關條文該等被當作或視為擁有的權益及淡倉），或須根據證券及期貨條例第352條須登記於該規定所述登記冊，或須根據《上市公司董事進行證券交易的標準守則》之規定知會本公司及聯交所：

Name of director 董事姓名	Number of shares 股份數目				Percentage of issued share capital 已發行股本 百分比	
	Person interests 個人權益	Family interests 家屬權益	Corporate interests 法團權益	Other interests 其他權益	Total 總額	

**Ordinary Shares of HK\$0.01 each
in the Company** 本公司每股面值0.01港元之
普通股

Cheng Kai Ming, Charles (Note)	鄭啟明 (附註)	-	-	840,000,000	-	840,000,000	68.36%
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Note: Mr. Cheng Kai Ming, Charles is one of the beneficiaries of a trust which assets include interests in the entire issued share capital of CCAA Group Limited ("CCAA"). CCAA holds 840,000,000 shares of the Company.

附註：CCAA Group Limited (「CCAA」) 由一信託全資實益擁有，而鄭啟明先生為其中一位信託之受益人。CCAA持有本公司840,000,000股股票。

At no time during the period was the Company, its subsidiaries or its associated companies a party to any arrangements to enable the directors or executives of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition in shares or debentures of the Company or its associated corporations.

本公司、其附屬公司或其聯營公司概無於期內任何時間參與作出任何安排，使本公司董事或行政人員（包括其配偶及十八歲以下子女）可藉購入本公司或其聯營公司之股票或債券而從中得益。

Save as disclosed above, as at March 31, 2005, none of the directors or the chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

Directors' rights to acquire shares or debentures

At no time during the year was the Company, its ultimate holding company or any of its subsidiaries a party to any arrangement to enable the directors or chief executives of the Company or their respective spouse or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

Substantial shareholder's interests and short positions in the shares, underlying shares of the Company

As at March 31, 2005, the following persons or corporations, interest in 5% or more in the shares and underlying shares of the Company have been notified to the Company and recorded in the register of substantial shareholders' interests in shares and short positions required to be kept under Section 336 of Part XV of the SFO:

除上文所披露者外，於二零零五年三月三十一日，概無本公司董事或高級行政人員於本公司或其任何相聯法團(定義見《證券及期貨條例》第XV部)之股份、相關股份及債券中擁有任何權益或淡倉，須根據《證券及期貨條例》第XV部第7及8分部知會本公司及聯交所(包括根據《證券及期貨條例》有關條文被當作或視為擁有之權益及淡倉)，或須根據《證券及期貨條例》第352條規定列入該條例所述之登記冊，或須根據《上市公司董事進行證券交易的標準守則》之規定知會本公司及聯交所。

董事購買股份或債券之權利

在有關期間內，本公司、本公司之控股公司或其附屬公司概無參與能使本公司董事或主要行政人員或彼等之配偶或年齡在十八歲以下之子女可藉著購入本公司或任何其他法人團體之股份或債務證券(包括債券)而獲得利益之任何安排。

主要股東於本公司之股份及相關股份之權益及淡倉

於二零零五年三月三十一日，下列人士或法團就擁有本公司股份及相關股份逾5%以上之股份權益及淡倉而知會本公司，並須根據證券及期貨條例第XV部第336條規定紀錄於主要股東登記冊：

Name of shareholders 股東名稱		Number of shares held 所持普通股股票數目	Percentage of total number of shares in issued 佔已發行股份百分比
Ordinary shares of HK\$0.01 each in the Company	本公司每股面值0.01港元之 普通股		
CCAA (Note)	CCAA (附註)	840,000,000	68.36%

Note: Identical to those disclosed above as "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation".

附註：與上文披露之「董事及行政人員於本公司或任何聯營公司之股份、相關股份及債券之權益及淡倉」相同。

Save as disclosed above, as at March 31, 2005, the Directors are not aware of any other persons who have interests or short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would be required to be disclosed to the Company pursuant to Part XV of the SFO.

Connected transactions and directors' interests in contracts

Details of any significant connected and related party transaction entered by the Group during the year ended March 31, 2005 which also constitute connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") are set out in note (29) to the financial statements under the section heading of "Connected and related party disclosures".

The Board considers the connected transactions as disclosed in note (29) have been conducted in the ordinary and usual course of business of the Group on normal commercial terms and did not exceed the cap amount as prescribed in the waiver granted by the Stock Exchange. These connected transactions had been reviewed by the independent non-executive directors and the auditors of the Company and received approval from the Company's board of directors.

Save as disclosed in note (29) to the financial statements, no other contracts of significance in relation to the Group's business to which the Company, its ultimate holding company or any of its subsidiaries was a party and in which any director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Pre-emptive rights

There are no provisions for pre-emptive rights which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders under the Company's Memorandum and Articles of Association and the Companies Laws of the Cayman Islands.

除上文所披露者外，於二零零五年三月三十一日，董事並不知悉有任何其他人士於本公司或任何相聯法團（具有證券及期貨條例第XV部所賦予之涵義）之股份、股本衍生工具之相關股份或債券中擁有權益或淡倉而須根據證券及期貨條例第XV部之規定而予以披露。

關連交易及董事於合約之權益

截至二零零五年三月三十一日止年度，本集團進行之重大關連及關聯人士交易之詳情（根據香港聯合交易所有限公司證券上市規則（「上市規則」）同時構成關連交易），乃載於財務報表附註(29)之「關連及關聯人士交易」。

該等交易（載於附註(29)）乃本集團於一般及正常業務過程中訂立，並按一般商業條款進行，且並無超逾聯交所授出豁免指定之最高款額。該關連交易已經由獨立非執行董事及本公司核數師審閱，並取得本公司董事會之批准。

除財務報表附註(29)披露外，於結算日或年內之任何時間，本公司，其控股公司或其附屬公司並無訂立與本公司董事直接或間接擁有重大利益之重要合約。

管理合約

本公司於本年度並沒有簽訂任何關於本公司全部或大部份業務之管理及行政合約。

優先購買權

本公司之公司組織章程大綱及細則或開曼群島法例均無載列有關本公司須按比例基準向現有股東提呈新股之優先購買權規定。

Audit committee

The Company has established an audit committee according to "A Guide for the Formation of an Audit Committee" published by the Hong Kong Institute of Certified Public Accountants. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group.

The audit committee of the Group consists of three independent non-executive directors, namely Mr. Wong Wai Kwong, David, Mr. Pang Cheung Hing, Alex 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 audited financial statements of the Group for the year ended March 31, 2005. The Audit Committee had also reviewed the annual results of the Group for the year ended March 31, 2005 in conjunction with the Company's external auditors.

Compliance with code of best practice

In the opinion of the Board, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Revised Listing Rules throughout the year ended March 31, 2005, save and except that all independent non-executive directors of the Company are not appointed for specific terms as they are subject to retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws of the Company.

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.

Managing Director

Pursuant to the board meeting held on July 18, 2005, Mr. Cheng Kai Ming, Charles, an executive director, assumed the position as managing director.

Auditors

A resolution to re-appoint Messrs. Chu and Chu, Certified Public Accountants, as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Li Kwok Cheung, George

Executive Director

Hong Kong, July 18, 2005

審核委員會

本公司已根據香港會計師公會編撰之「成立審核委員會指引」成立審核委員會，其主要職責為審閱並監察本集團之財務匯報程序及內部監控制度。

本集團之審核委員會包括三位獨立非執行董事，分別為黃偉光先生、彭張興先生及霍浩佳先生。審核委員會已聯同管理人員檢討本集團所採納之會計政策及慣例，並商討審計、內部監控及財務申報事宜，當中包括審閱本集團截至二零零五年三月三十一日止年度之經審核財務報告。審核委員會亦已聯同本公司之外聘核數師審閱本集團截至二零零五年三月三十一日止年度之年度業績。

遵從最佳應用守則

董事會認為，本公司於截至二零零五年三月三十一日止年度內一直遵守經修訂上市規則附錄14所載之「最佳應用守則」，惟本公司全體獨立非執行董事均非按固定年期委任，並須根據本公司章程細則之規定於股東週年大會上輪席告退。

足夠公眾持股量

根據本公司獲得之公開資料及據董事所知，公眾人士所持有本公司之股份並不少於本公司已發行股份總數25%。

董事總經理

就二零零五年七月十八日之董事會議，鄭啟明先生，執行董事，被定性為董事總經理。

核數師

在即將舉行之股東週年大會上將提呈決議案重新委任朱永昌、朱國正會計師事務所為本公司之核數師。

承董事會命

李國祥

執行董事

香港，二零零五年七月十八日