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 2013

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

	2013 **HK$'000**	2012 HK$'000
Net assets	**1,379,764**	1,259,311
Turnover	**66,761**	179,019
Net profit	**167,394**	94,984
Proposed final dividend per share	**HK2.0 cents**	HK2.0 cents
Proposed special dividend per share	**HK1.6 cents**	HK1.5 cents
Earnings per share	**HK12.5 cents**	HK7.1 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 2013 with comparative figures for the preceding financial year as follows:

CONSOLIDATED INCOME STATEMENT

	Note	For the year ended 31st March 2013 HK$'000	2012 HK$'000
Turnover	4	**66,761**	179,019
Cost of goods sold		**(11,832)**	(126,689)
Other revenue		**1,461**	956
Increase in fair value of investment properties	10	**138,000**	17,800
Gain on disposal of a subsidiary		**-**	56,761
Impairment loss on goodwill on acquisition of additional interest in a subsidiary		**-**	(617)
Net gain/(loss) on financial assets or liabilities at fair value through profit or loss		**503**	(22)
Write-back of impairment loss/(impairment loss) on trade receivables (net)	11	**691**	(4,258)
Administrative and other operating expenses		**(24,384)**	(25,657)
Finance costs	5	**(660)**	(610)
Share of results of associates		**(939)**	(13)
Profit before taxation	6	**169,601**	96,670
Income tax expense	8	**(2,207)**	(1,686)
Profit for the year		**167,394**	94,984
Attributable to:			
Equity holders of the Company		**167,612**	95,285
Non-controlling interests		**(218)**	(301)
		167,394	94,984
Dividends	9	**48,282**	46,941
Earnings per share	7	**HK cents**	HK cents
Basic		**12.5**	7.1
Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31st March	
	2013	2012
	HK$'000	HK$'000
Profit for the year	**167,394**	94,984
Other comprehensive income	-	-
Total comprehensive income for the year	**167,394**	94,984
Attributable to:		
Equity holders of the Company	**167,612**	95,285
Non-controlling interests	**(218)**	(301)
	167,394	94,984

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31st March 2013 HK$'000	2012 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,593**	1,690
Investment properties	10	**864,000**	726,000
Intangible assets		**2,040**	2,040
Interests in associates		**117,558**	145,426
Available-for-sale financial assets		**136**	136
Trade and other receivables, deposits and prepayments	11	**31,537**	39,609
Other assets		**5,200**	5,200
		1,022,064	920,101
CURRENT ASSETS			
Inventories		**35**	48
Properties held for development		**93,189**	93,139
Trade and other receivables, deposits and prepayments	11	**290,678**	238,462
Financial assets at fair value through profit or loss		**3,173**	5,347
Tax recoverable		**406**	480
Bank balances and cash	12	**195,032**	187,808
		582,513	525,284
CURRENT LIABILITIES			
Borrowings	13	**44,942**	38,472
Amounts due to related parties		**14,800**	14,915
Amount due to ultimate holding company		**84,034**	51,600
Creditors and accrued expenses	14	**80,190**	80,849
Provision for taxation		**847**	238
		224,813	186,074
NET CURRENT ASSETS		**357,700**	339,210
NET ASSETS		**1,379,764**	1,259,311
CAPITAL AND RESERVES			
Share capital		**13,412**	13,412
Reserves		**1,280,784**	1,161,454
Proposed dividends	9	**48,282**	46,941
Equity attributable to equity holders of the Company		**1,342,478**	1,221,807
Non-controlling interests		**37,286**	37,504
TOTAL EQUITY		**1,379,764**	1,259,311

NOTES ON THE CONDENSED REPORTS

1. GENERAL

Upbest Group Limited ("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 P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. 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 987,720,748 shares of the Company, representing approximately 73.65% 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. 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 and financial assets at fair value through profit or loss are stated at fair value.

3.1. ADOPTION OF NEW AND REVISED HKFRSs

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements:

HKFRS 1 Amendments	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
HKFRS 7 Amendments	Amendment to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*
HKAS 12 Amendments	Amendment to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

The adoption of the revised HKFRSs has had no significant financial effect on these financial statements.

3.2. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements:

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*[2]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*[2]
HKFRS 9	*Financial Instruments*[4]
HKFRS 10	*Consolidated Financial Statements*[2]
HKFRS 11	*Joint Arrangements*[2]
HKFRS 12	*Disclosure of Interests in Other Entities*[2]
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – *Transition Guidance*[2]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – *Investment Entities*[3]
HKFRS 13	*Fair Value Measurement*[2]
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements - Presentation of Items of Other Comprehensive income*[1]
HKAS 19 (2011)	*Employee Benefits*[2]
HKAS 27 (2011)	*Separate Financial Statements*[2]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*[2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*[3]
HK(IFRIC) – Int 20	*Stripping Costs in the Production Phase of a Surface Mine*[2]
Annual Improvements 2009 – 2011 Cycle	Amendments to a number of HKFRSs issued in June 2012[2]

[1] Effective for annual periods beginning on or after 1st July 2012
[2] Effective for annual periods beginning on or after 1st January 2013
[3] Effective for annual periods beginning on or after 1st January 2014
[4] Effective for annual periods beginning on or after 1st January 2015

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.

4. TURNOVER AND OPERATING SEGMENT INFORMATION

a) Turnover:

	Consolidated	
	2013	2012
	HK$'000	HK$'000
Commission and brokerage income from securities broking	**8,980**	13,251
Commission and brokerage income from futures broking	**1,286**	1,510
Interest income from		
- margin clients	**8,831**	6,153
- money lending	**12,154**	11,806
- financial institutions and others	**2,896**	2,554
Management and handling fees	**3,261**	994
Commission for subscribing new shares	**4**	78
Corporate finance advisory fees	**45**	298
Placement and underwriting commission	**-**	153
Investment management fee and performance fee	**1,621**	1,740
Rental income	**14,714**	11,247
Sales of precious metal	**12,969**	129,235
	66,761	179,019

b) Operating segment information:

i) Reportable operating segments

For management purposes, the Group is currently organised 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

4. TURNOVER AND OPERATING SEGMENT INFORMATION (CONT'D)

b) Operating segment information: (cont'd)

i) Reportable operating segments (cont'd)

An analysis of segment information of the Group on these reportable operating segments for the years ended 31st March 2013 and 31st March 2012 is as follows:

	Consolidated	
	2013	2012
	HK$'000	HK$'000
Segment revenue		
Broking	**11,049**	15,755
Financing	**23,881**	20,513
Corporate finance	**49**	529
Assets management	**1,621**	1,740
Property investment	**17,192**	11,247
Precious metal trading	**12,969**	129,235
Investment holding	**-**	-
	66,761	179,019
Segment results		
Broking	**(2,232)**	478
Financing	**20,280**	16,863
Corporate finance	**48**	510
Assets management	**892**	1,658
Property investment	**12,083**	7,684
Precious metal trading	**(683)**	(1,051)
Investment holding	**-**	-
	30,388	26,142
Increase in fair value of investment properties	**138,000**	17,800
Gain on disposal of a subsidiary	**-**	56,761
Impairment loss on goodwill on acquisition of additional interest in a subsidiary	**-**	(617)
Bad debts written off (net)	**-**	(101)
Write-back of impairment loss/(impairment loss) on trade receivables (net)	**691**	(4,258)
Other revenue	**1,461**	956
Share of results of associates	**(939)**	(13)
Profit before taxation	**169,601**	96,670
Income tax expense	**(2,207)**	(1,686)
Profit for the year	**167,394**	94,984

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of profit before tax.

4. TURNOVER AND OPERATING SEGMENT INFORMATION (CONT'D)

ii) Geographical information

The Group's operations are principally located in Hong Kong, Macau and People's Republic of China. 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, amounts due from associates, deposits and prepayments and other assets.

	Revenue from external customers		Non-current assets	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**49,569**	167,772	**2,930**	2,997
Macau	**17,192**	11,247	**875,803**	744,736
People's Republic of China	**-**	-	**72,393**	73,691
	66,761	179,019	**951,126**	821,424

c) Information about major customers

(i) No revenue from individual customers contributing over 10% of the total revenue of the Group for the year ended 31st March 2013 (2012: revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows):

	2013	2012
	HK$'000	HK$'000
Customer A [1]	**N/A** [2]	48,217
Customer B [1]	**N/A** [2]	18,852
	N/A	67,069

Notes:
[1] Revenue from the above customers was generated from precious metal trading segment.
[2] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

(ii) At the end of the reporting period, the percentage of the above major customers to total trade receivables after impairment loss is as follows:

	2013	2012
Customer A	* **- %**	* - %
Customer B	* **- %**	* - %
	- %	- %

* Nil outstanding trade receivables at the end of the reporting period.

5. FINANCE COSTS

	The Group	
	2013	2012
	HK$'000	HK$'000
Interest on bank loans and overdrafts	**274**	-
Interest on other loans, wholly repayable within five years	**386**	610
	660	610

6. PROFIT BEFORE TAXATION

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

	The Group	
	2013	2012
	HK$'000	HK$'000
Charging:		
Auditors' remuneration		
- current year	**513**	440
- underprovision in prior year	**40**	10
	553	450
Staff costs		
- salaries, bonuses and other benefits	**12,145**	12,737
- contributions to retirement schemes	**409**	387
	12,554	13,124
Depreciation	**649**	591
Bad debts written off	**-**	101
Operating leases rentals in respect of rented premises	**1,756**	1,779
Loss on dissolution of an associate	**1**	-
Property, plant and equipment written off	**6**	-
Crediting:		
Rental income from operating leases less outgoings (gross rental income: HK$14,714,000 (2012: HK$11,246,000))	**14,211**	11,107

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$167,612,000 (2012: HK$95,285,000) and the number of 1,341,158,379 (2012: 1,341,158,379) ordinary shares in issue during the year.

There is no diluted earnings per share for the years ended 31st March 2013 and 31st March 2012 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	
	2013	2012
	HK$'000	HK$'000
Hong Kong profits tax		
- current year	**2,208**	1,686
- overprovision in prior year	**(1)**	-
	2,207	1,686

b) i) Provision for Hong Kong profits tax has been made at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the year.

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	
	2013	2012
	HK$'000	HK$'000
Profit before taxation	**169,601**	96,670
Tax at the statutory income tax rate of 16.5% (2012: 16.5%)	**27,984**	15,951
Tax effect of increase in fair value of investment properties	**(22,770)**	(2,937)
Tax effect of non-taxable revenue	**(3,675)**	(11,461)
Tax effect of non-deductible expenses	**1,544**	1,660
Tax effect of unrecognised temporary differences	**22**	67
Tax effect of tax losses not recognised	**170**	240
Utilisation of tax losses previously not recognised	**(1,090)**	(1,790)
Overprovision in prior year	**(1)**	(44)
Overprovision in current year	**23**	-
Income tax expense	**2,207**	1,686

d) At the end of the reporting period, the Group had unutilised tax losses of approximately HK$59,628,000 (2012: HK$63,819,000) available for offsetting against future taxable profits. No deferred tax asset has been recognised due to the unpredictability of future taxable profits. The tax losses may be carried forward indefinitely.

9. DIVIDEND

	2013	2012
	HK$'000	HK$'000
Final dividend proposed of HK2.0 cents (2012: HK2.0 cents) per ordinary share	**26,823**	26,823
Special dividend proposed of HK1.6 cents (2012: HK1.5 cents) per ordinary share	**21,459**	20,118
	48,282	46,941

The amount of the proposed final and special dividends for the year ended 31st March 2013 of HK2.0 cents per ordinary share and HK1.6 cents per ordinary share respectively will be payable in cash is not accounted for until they have been approved by the shareholders at the forthcoming annual general meeting.

10. INVESTMENT PROPERTIES

	The Group	
	2013	2012
	HK$'000	HK$'000
Fair value:		
At 1st April	**726,000**	708,200
Net increase in fair value recognised in the consolidated income statement	**138,000**	17,800
At 31st March	**864,000**	726,000

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

The fair value of the Group's investment properties at 31st March 2013 have been arrived at on the basis of market value of a valuation carried out at that date by LCH (Asia-Pacific) Surveyors Limited, an independent professional valuer. Investment properties were valued on open market basis.

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$655,000,000 (2012: HK$550,000,000) to a bank to secure general banking facilities granted to the Group.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group	
	2013	2012
	HK$'000	HK$'000
Amounts receivable arising from the ordinary course of business of dealing in securities and options:		
- Cash clients	**14,464**	18,308
- The SEHK Options Clearing House Limited	**2**	2
- Hong Kong Securities Clearing Company Limited (“HKSCC”)	**-**	34
Amounts receivable arising from the ordinary course of business of dealing in futures contracts:		
- Clearing house	**14,914**	16,050
Amounts receivable arising from the ordinary course of business of provision of securities margin financing:		
- Clients (note)	**108,920**	77,069
Amounts receivable arising from the ordinary course of business dealing in trading of precious metal:		
- Clients	**33,642**	30,861
Interest-bearing loan receivables	**170,392**	182,159
Accounts receivables	**1,149**	1,203
Other receivables	**164**	45
	343,647	325,731
Less: Impairment loss on trade receivables	**(88,343)**	(89,034)
	255,304	236,697
Deposits and prepayments	**66,911**	41,374
	322,215	278,071
Portion classified as non-current assets	**(31,537)**	(39,609)
Portion classified as current assets	**290,678**	238,462

Note: Margin client receivables after impairment loss of approximately HK$100,810,000 (2012: HK$68,389,000) are repayable on demand, bearing interest at market rate and secured by clients’ securities listed on the Stock Exchange with a total market value of approximately HK$425,479,000 as at 31st March 2013 (2012: HK$155,481,000).

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

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

The movements in the impairment loss on trade receivables during the year, including both specific and collective loss components, are as follows:

	The Group	
	2013	2012
	HK$'000	HK$'000
At 1st April	**89,034**	95,476
Amount written off as uncollectible	**-**	(10,700)
Impairment loss (written back)/made (net)	**(691)**	4,258
At 31st March	**88,343**	89,034

The ageing analysis of trade and other receivables (net of impairment loss on trade receivables) is as follows:

	2013	2012
	HK$'000	HK$'000
Neither past due nor impaired	**244,727**	217,901
Past due:		
Less than 1 month past due	**3,247**	8,279
1 to 3 months past due	**536**	838
3 months to 1 year past due	**3,576**	6,180
Over 1 year past due	**3,218**	3,499
	10,577	18,796
	255,304	236,697

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default or covered by collaterals pledged with the Group.

Receivables that were past due relate to a number of independent customers and were reviewed by the directors with impairment losses of approximately HK$88,343,000 made at 31st March 2013 (2012: HK$89,034,000). Based on past experience, the directors of the Company are of the opinion that no further impairment loss is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable.

12. BANK BALANCES AND CASH

	The Group	
	2013	2012
	HK$'000	HK$'000
Cash at bank		
- General accounts	**35,479**	47,099
- Trust accounts	**8,952**	11,407
- Segregated accounts	**4,513**	10,448
Cash in hand	**5**	6
Short-term bank deposits		
- pledged (note)	**22,000**	42,046
- non-pledged	**124,083**	76,802
	195,032	187,808

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

13. BORROWINGS

	The Group	
	2013	2012
	HK$'000	HK$'000
Borrowings comprise:		
Bank loans		
- interest-bearing	**10,000**	-
Other loans		
- interest-bearing	**34,942**	38,472
	44,942	38,472
Analysed as:		
Secured	**44,942**	38,472
Unsecured	**-**	-
	44,942	38,472
Borrowings are repayable as follows:		
Within one year or on demand	**44,942**	38,472

14. CREDITORS AND ACCRUED EXPENSES

	The Group	
	2013	2012
	HK$'000	HK$'000
Amounts payable arising from the ordinary course of business of dealing in securities and options:		
- Cash clients	**28,562**	25,032
- Hong Kong Securities Clearing Company Limited ("HKSCC")	**60**	-
Amounts payable arising from the ordinary course of business of dealing in futures contracts:		
- Clients	**19,422**	25,985
Amounts payable arising from the ordinary course of business of provision of securities margin financing:		
- Clients	**2,052**	2,934
Amounts payable arising from the ordinary course of business of dealing in bullion	**1,919**	3,265
Escrow money received	**-**	3,286
Accruals and other payables	**25,323**	18,196
Rental and other deposits received	**2,648**	1,895
Rental received in advance	**204**	256
	80,190	80,849

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 2012 was 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 HK2.0 cents (2012: HK2.0 cents) per ordinary share and a special dividend of HK1.6 cents (2012: HK1.5 cents) per ordinary share for the year.

CLOSURE OF REGISTERS OF MEMBERS

The registers of members of the Company will be closed from 30th August 2013 to 3rd September 2013, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the proposed final and special dividends, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:00 p.m. on 29th August 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In 2012 and 2013, despite the lack of global economic growth momentum, the extremely loose liquidity, coupled with the weakening worldwide economic risks, will continue to play a crucial role in asset value appreciation.

International financial assets were generally supported by a confluence of government stimulus and central bank policy actions throughout the year. Notably the European Central Bank (ECB) launched its Outright Monetary Transactions (OMT) program, designed to allow itself to purchase government bonds on the secondary market to ease borrowing pressures in the euro-zone. At the same time, the US Federal Reserve (Fed) unveiled a third round of quantitative easing intending to hold interest rates down to near zero.

The influx of capital was pushed and pulled to the emerging markets by the launch of the ultra loose monetary policies of advanced countries. Under such an environment, stock market indexes for the US, other European economies and emerging markets trended quite closely with one another. As of 31st December 2012, Europe was supported foremost by powerful gains in markets such as Belgium (+40.72%), Germany (+32.10%), Denmark (+31.89%), Austria (+27.02%) and Switzerland (+21.47%), as measured by MSCI country-specific indexes. US equities, as measured by the MSCI USA Index, were not far behind their European peers and enjoyed a 16.13% gain for the year. Asian equities lagged other regions slightly as the MSCI AC Asia Index advanced 16.03%. The big divergence between fundamentals and stock prices was undergone worldwide.

In Macau, the capital values and rental prices across all property sectors, including residential, retail and office, maintained an upward trend despite the government's introduction of additional austerity measures in the fourth quarter of 2012. The average retail rents and capital values in 2012 soared by 99.1% year on year and 142.6% year on year, respectively, backed by investors' confidence on the long-term growth prospects of the retail sector.

During the year of financial instability, the Group recorded consolidated net profit attributable to shareholders of the Company of approximately HK$167 million, compared to a net profit of approximately HK$95 million last year, and the earnings per share was up to 12.5 cents. The significant gain of approximately 76% mainly reflected increase in fair value of the Group's property investment and write-back of impairment loss of trade receivable.

Financial Services Sector

The Hong Kong Hang Seng Index rallied to the year top at 23,944 in February 2013 from the year low of 18,056 in June 2012, a surge of 32.6%. However the average daily trading volume for the year was down to 1,592 million numbers of shares, as compared with the corresponding period last year of 1,832 million numbers of shares, representing a decrease of 13%. Significant deterioration in securities market sentiment as well as the volatile market conditions diverted the investors to low risk investments with fixed income yield such as bonds. As a result, the broking business suffered to some extent.

Brokerage and Financing
Both broking and financing activities are inseparable arms of the Financial Services Sector. The combined results of these two core businesses posted a positive return of approximately HK$18 million, representing over 60% of the Group's total operating profit for the year.

The broking market in Hong Kong had become saturated, certain broking peers and banks offered commission-free concessions or extra-low fixed commissions as incentives to attract customers, thus leading to cut-throat competition in this segment. Consequently, our commission income decreased to approximately HK$11 million.

To respond to such competition as well as to gain trading volume, the Group expanded the market coverage of margin financing by targeting high-ended retail customers.

Corporate Finance and Assets Management
These two long established inter-related segments play crucial roles in our one-stop financial services business model. Their contributions to the Group were traditionally thin, approximately 3% of total segment results, but they offered valuable chances for the Group to promote the brand name and facilitate the increase in broking clientele and transactions. Looking forward to 2014, the management will keep on re-positioning an ambitious professional team head to re-gear for further business growth.

Precious Metal Trading
Gold is very volatile on a day-to-day basis, no trend on a longer-term basis. To cope with the market conditions and better control the market risk, the management reviewed its clientele portfolio, with a view to targeting at those with better growth potential and sustainability. During the year under review, the turnover and operating losses of this division were adjusted downwards by 89% and 35% from HK$129 million and HK$1 million (year 2012) to HK$13 million and HK$0.6 million respectively in ensuing year.

Property Investment Sector

In late October 2012, the Government commenced to levy a 15% Buyer's Stamp Duty (BSD) on the residential property which was acquired by any non-Hong Kong resident and company in order to suppress the surging property market in Hong Kong. Simultaneously the holding period and duty rate of a Special Stamp Duty (SSD) were extended and raised respectively.

On the date of announcement, such new measures immediately brought a shock to Hong Kong market. According to the statistics of Centa-City Leading Index (CCL), the index was 111.11 points when the measure was introduced but in March 2013, it rose to 123.01 points. Hong Kong property prices had risen by about 10.71%. Therefore, property prices were not being affected by this stamp duty measures but the trading volume of the property market was obviously slow down or flatten out.

Tight macro prudential policy did little to address the fundamental shortage of adequate housing in Hong Kong. It therefore remained crucial that the government delivered on its commitment to increase the supply of housing in a steady and sustained fashion.

Property Development Market
Hong Kong is characterized by its direct exposure of loose monetary conditions in the US, high population of more than 7 million and shortage of land and buildings. Local residents are still unable to afford their housing needs. Coupled with the development of increasingly close relationship between Hong Kong, Macau and Mainland China, the Hong Kong property market is indeed a target of mainland buyers, who has the ability and interest to buy properties in Hong Kong and their demands are highly significant. Thus, supply in the residential sector remained limited, a situation that is not expected to change in the immediate future.

Our business strategy is to specialize in property projects from inception to completion. Each project is unique and each presents challenges which may cause other competitors to miss the inherent opportunity. We can provide joint venture or co-investment opportunities on projects and can also act on behalf of high net worth individuals, who do not have the internal resources or expertise to manage those projects, and private equity real estate funds, who wish to invest in property development projects in Hong Kong, Macau and Mainland China to provide risk adjusted and attractive returns to the Group as well as our shareholders.

During the review period, the Group launched a property development project, located in Yuen Long, which involved the land development of 32 residential properties with a total permissible floor area of approximately 67,200 square feet.

Leased Property Market
Maintaining solid performance momentum from 2012, the lease market in Macau posted another year of strong results as well as long term capital appreciation in 2013. Factors supporting this performance included increase in occupancy rate to over 98%, renewal of rental contract at the market rate and fine-tune clientele portfolio.

The current year's rental revenue was HK$14.7 million with a corresponding increase in profit from HK$7.7 million to HK$12 million, representing approximately 40% of the Group's total operating profit for the year.

Prospect

The Group believes that when the Fed will quit QE3 is not easily predictable. However, it will be a risky move to stop being so accommodative when the property market and employment rate are improving but still remain weak. The withdrawal of mortgage-backed and long-term bond buying programs is inevitable when the economy proves better off, but we expect it will not occur before the first quarter of 2014.

Hang Seng index will go upwards with the following optimistic presumptions. Firstly, in China a moderation of growth accompanied by a number of policy reforms that could lead to sustainable levels of growth as the economy increasingly relies on rising consumption. Secondly, in terms of liquidity, Hong Kong could benefit from solid fundamentals as well as ongoing capital inflows from worldwide quantitative easing. Thirdly, Hong Kong stock market price-earning ratio remains at a low level, around 10 times in March 2013, much lower than the historical high average price-earnings ratio.

Benefiting from the continuous expansion of the gaming industry in Macau, coupled with billions dollars of Hengqin development as well as the stimulus of Hong Kong-Zhuhai-Macau Bridge, the total number of expatriates in Macau spurred to more than 110,000 since November 2012. With sustained rapid economic growth in Macau it is expected that the expatriate population will continue to increase and thus leading to the rise of both residential rents and property prices. In addition, given serious shortage of housing in Macau, the Group reckons that the rents and prices will further increase.

Moving to 2014, the Group will continue to work on prudence amid challenges and maintain an overweight position in the property niche market and an underweight exposure in other segments. This internal resources allocation mix is driven by the view that global central banks' policy remains accommodative and its resultant effect on the appreciation of Asian property market valuation. The Group believes that the US economy will continue to recover by improvement in housing market. Although events in Cyprus have brought the spotlight back to Europe, market reaction suggests that systemic stress remains under control.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31st March 2013, the Group had cash and bank balances of approximately HK$195 million (2012: HK$188 million) of which approximately HK$22 million (2012: HK$42 million) were pledged to bank for facilities granted to the Group. The Company has given guarantees to the extent of HK$222 million (2012: HK$212 million) to secure the facilities granted to subsidiaries.

As at 31st March 2013, the Group had available aggregate banking facilities of approximately HK$248 million (2012: HK$248 million) of which approximately HK$228 million (2012: HK$228 million) was not utilised.

Gearing Ratio

As at 31st March 2013, the amount of total borrowings was approximately HK$45 million (2012: HK$38 million). The gearing being equal to approximately 3.3% (2012: 3.1%) of the net assets of approximately HK$1,379 million (2012: HK$1,259 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 2013, 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. CHAN Chung Yee, Alan, Mr. POON Kai Tik and Mr. HUI Man Ho, Ivan. 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 2013.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st March 2013 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. CHAN Chung Yee, Alan, Mr. POON Kai Tik and Mr. HUI Man Ho, Ivan and executive director, Ms. CHENG Wai Ling, Annie. During the past one year, the remuneration committee had three meetings.

NOMINATION COMMITTEE
The Nomination Committee was set up on 16th March 2012 and the members comprised of independent non-executive directors, Mr. CHAN Chung Yee, Alan, Mr. POON Kai Tik and Mr. HUI Man Ho, Ivan and executive director, Ms. CHENG Wai Ling, Annie. During the past one year, the remuneration committee had two meetings.

CODE ON CORPORATE GOVERNANCE PRACTICES
The Company has complied with the Code throughout the year ended 31st March 2013, 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 other 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 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 two 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 24th June 2013. The annual report for the year ended 31st March 2013 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, 24th June 2013

** For identification purpose only*

As at the date of this announcement, the Board of the Company consists of Mr. IP Man Tin, David as chairman and non-executive director, Dr. SZE Ping Fat and Mr. SUEN Man Tak, Stephen as non-executive directors, Mr. MOK Kwai Hang, Mr. CHENG Wai Lun, Andrew and Ms. CHENG Wai Ling, Annie as executive directors and Mr. CHAN Chung Yee, Alan, Mr. POON Kai Tik and Mr. HUI Man Ho, Ivan as independent non-executive directors.