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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 2014

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 2014 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	For the six months ended 30th September 2014 (unaudited) HK$'000	2013 (unaudited) HK$'000
Turnover	3	**42,916**	29,421
Cost of goods sold		**(10,687)**	(1,324)
Other revenue		**2,385**	580
Net gain on financial assets or liabilities at fair value through profit or loss		**206**	106
Write back of impairment loss on trade receivable (net)		**8,189**	2,007
Administrative and other operating expenses		**(11,246)**	(11,408)
Finance costs	4	**(807)**	(319)
Share of results of associates		**(1,706)**	(1,799)
Profit before taxation	5	**29,250**	17,264
Income tax expense	7	**(714)**	(822)
Profit for the period		**28,536**	16,442
Attributable to:			
Equity holders of the Company		**28,584**	16,524
Non-controlling interests		**(48)**	(82)
		28,536	16,442

CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)

	Note	For the six months ended 30th September 2014 (unaudited)	2013 (unaudited)
Earnings per share	6	**HK cents**	HK cents
Basic		**2.13**	1.23
Diluted		**N/A**	N/A
Interim dividend		**Nil**	Nil

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the six months ended 30th September 2014 (unaudited) HK$'000	2013 (unaudited) HK$'000
Profit for the period		**28,536**	16,442
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**67**	-
Other comprehensive income for the period, net of tax		**67**	-
Total comprehensive income for the period		**28,603**	16,442
Attributable to:			
Equity holders of the Company		**28,651**	16,524
Non-controlling interests		**(48)**	(82)
		28,603	16,442

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**30th September 2014 (unaudited) HK$'000**	31st March 2014 (audited) HK$'000
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment		**1,252**	1,362
Investment properties	8	**991,000**	991,000
Intangible assets		**2,040**	2,040
Interests in associates		**112,412**	114,192
Available-for-sale financial assets		**136**	136
Trade and other receivables, deposits and prepayments	9	**73,433**	68,177
Other assets		**5,200**	5,200
		1,185,473	1,182,107
CURRENT ASSETS			
Inventories		**21**	25
Properties held for development		**167,621**	149,128
Trade and other receivables, deposits and prepayments	9	**296,507**	258,738
Tax recoverable		**87**	117
Bank balances and cash	10	**128,553**	186,818
		592,789	594,826
CURRENT LIABILITIES			
Borrowings	11	**21,880**	76,098
Amounts due to related parties		**2,029**	1,101
Amount due to ultimate holding company		**177,104**	112,074
Creditors and accrued expenses	12	**98,797**	90,243
Provision for taxation		**1,596**	882
		301,406	280,398
NET CURRENT ASSETS		**291,383**	314,428
NET ASSETS		**1,476,856**	1,496,535
CAPITAL AND RESERVES			
Share capital		**13,412**	13,412
Reserves		**1,427,280**	1,398,629
Proposed dividends		**-**	48,282
Equity attributable to equity holders of the Company		**1,440,692**	1,460,323
Non-controlling interests		**36,164**	36,212
TOTAL EQUITY		**1,476,856**	1,496,535

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 P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business is 2nd Floor, Wah Kit Commercial Centre, 300 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, precious metal trading and property investment. 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 for the six months ended 30th September 2014 has 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 Standard ("HKAS") 34, 'Interim financial reporting' issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). 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 2014.

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 2014.

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

(a) 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 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – Investment Entities
HKAS 32 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 Amendments	Amendments to HKAS 36 Impairment to Assets – Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 Amendments	Amendments to HKAS 39 Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) 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 9	Financial Instruments[7]
HKFRS 9 and HKFRS 7 Amendments	Mandatory effective date of HKFRS 9 and transition disclosures[2]
HKFRS 11 Amendments	Amendments to HKFRS 11 Joint Arrangements - Accounting for Acquisition of Interests in Joint Operation[5]
HKFRS 14	Regulatory deferral accounts[4]
HKFRS 15	Revenue from contracts with customers[6]
HKAS 19 Amendments	Amendments to HKAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions[1]
HKAS 16 and HKAS 38 Amendments	Amendments to HKAS 16 Property, Plant and Equipment and HKAS 38 Intangible - Clarification of acceptable methods of deprecation and amortisation[5]
HKAS 16 and HKAS 41 Amendments	Amendments to HKAS 16 Property, Plant and Equipment and HKAS 41 Agriculture – Bearer Plants[5]
HKAS 27 Amendments	Amendments to HKAS 27 Separate Financial Statements – Equity Method in Separate Financial Statements[5]
Annual Improvements 2010 – 2012 Cycle	Amendments to a number of HKFRSs issued in December 2013[3]
Annual Improvements 2011 – 2013 Cycle	Amendments to a number of HKFRSs issued in December 2013[1]

1 Effective for annual periods beginning on or after 1st July 2014
2 The mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalized
3 Effective for annual periods beginning on or after 1st July 2014, with limited exception
4 Effective for first annual HKFRS financial statements beginning on or after 1st January 2016
5 Effective for annual periods beginning on or after 1st January 2016
6 Effective for annual periods beginning on or after 1st January 2017
7 Effective for annual periods beginning on or after 1st January 2018

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 30th September	
	2014	2013
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Commission and brokerage income from securities broking	**3,760**	4,452
Commission and brokerage income from futures broking	**189**	599
Interest income from		
– margin clients	**3,644**	3,781
– money lending	**10,906**	6,187
– financial institutions and others	**1,652**	1,321
Management and handling fees	**383**	396
Commission for subscribing new shares	**1**	2
Placement and underwriting commission	**1,033**	1,126
Investment management fee	**901**	866
Rental and property management income	**9,546**	8,936
Sales of precious metal	**10,901**	1,755
	42,916	29,421

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 2014 and 2013 is as follows:

	Consolidated For the six months ended 30th September		Consolidated For the six months ended 30th September	
	2014	2013	**2014**	2013
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Segment revenue	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Sales to external customers				
Broking	**4,332**	5,447		
Financing	**16,202**	11,289		
Corporate finance	**1,034**	1,128		
Assets management	**901**	866		
Property investment	**9,546**	8,936		
Precious metal trading	**10,901**	1,755		
Investment holding	**-**	-	**42,916**	29,421
Segment results				
Broking	**(263)**	14		
Financing	**14,469**	8,704		
Corporate finance	**1,020**	1,110		
Assets management	**503**	480		
Property investment	**6,608**	6,482		
Precious metal trading	**(280)**	(314)		
Investment holding	-	-	**22,057**	16,476
Write back of impairment loss on trade receivable (net)			**8,189**	2,007
Other revenue			**710**	580
Share of results of associates			**(1,706)**	(1,799)
Profit before taxation			**29,250**	17,264
Income tax expense			**(714)**	(822)
Profit for the period			**28,536**	16,442

c) 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, amount due from associates, deposits and prepayments and other assets.

	Revenue from external customers For the six months ended 30th September		Non-current assets	
			As at 30th September	As at 31st March
	2014	2013	**2014**	2014
	(unaudited)	(unaudited)	**(unaudited)**	(audited)
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**32,064**	19,669	**2,619**	2,719
Macau	**10,852**	9,752	**1,002,879**	1,002,864
People's Republic of China	**-**	-	**67,558**	69,223
	42,916	29,421	**1,073,056**	1,074,806

4. FINANCE COSTS

	The Group For the six months ended 30th September	
	2014 (unaudited) HK$'000	2013 (unaudited) HK$'000
Interest on bank loans and overdrafts	**746**	251
Interest on other loans	**61**	68
	807	319

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	
	2014 (unaudited)	2013 (unaudited)
Charging:	**HK$'000**	HK$'000
Staff costs		
- Salaries (including commission), bonuses and other benefits	**5,484**	5,657
- Contributions to retirement scheme	**187**	204
	5,671	5,861
Depreciation	**164**	237
Operating leases rentals in respect of rented premises	**1,027**	1,003
Crediting:		
Rental income from operating leases less outgoings (Gross rental income: HK$9,546,000 (2013: HK$8,936,000))	**7,958**	7,689

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 2014 of approximately HK$28,584,000 (2013: HK$16,524,000) and the number of 1,341,158,379 ordinary shares (2013: 1,341,158,379 shares) in issue during the period.

There are no diluted earnings per share for the periods ended 30th September 2014 and 2013 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	
	2014	2013
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Hong Kong profits tax		
- provision for the period	**714**	822
Overseas tax paid	**-**	-
	714	822

b) i) Provision for Hong Kong profits tax has been made at the rate of 16.5% (2013: 16.5%).

ii) No provision for overseas taxation has been made as the amount is insignificant.

iii) At 30th September 2014, the Group had unutilised tax losses of approximately HK$43,775,000 (31st March 2014: HK$43,775,000) 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
	2014	2014
	(unaudited)	(audited)
	HK$'000	HK$'000
Fair value:		
At 1st April	**991,000**	864,000
Net increase in fair value recognized in the consolidated income statement	**-**	127,000
	991,000	991,000

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 2014 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$837,000,000 (31st March 2014: HK$837,000,000) to a bank to secure general banking facilities granted to the Group.

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group	
	30th September 2014 (unaudited) HK$'000	31st March 2014 (audited) HK$'000
Amounts receivable arising from the ordinary course of business of dealing in securities and options:		
- Cash clients	**17,628**	8,698
- The SEHK Options Clearing House Limited	**2**	2
- Hong Kong Securities Clearing Company Limited ("HKSCC")	**15,652**	8,329
Amounts receivable arising from the ordinary course of business of dealing in futures contracts:		
- Clearing house	**1,079**	1,617
Amounts receivable arising from the ordinary course of business of provision of securities margin financing:		
- Clients (note)	**83,802**	81,318
Amounts receivable arising from the ordinary course of business dealing in trading of precious metal:		
- Clients	**7,596**	4,454
Interest-bearing loan receivables	**259,984**	243,767
Accounts receivables	**65**	1,214
Other receivables	**115**	824
	385,923	350,223
Less: Impairment loss on trade receivables	**(74,407)**	(82,595)
	311,516	267,628
Deposits and prepayments	**58,424**	59,287
	369,940	326,915
Portion classified as non-current assets	**(73,433)**	(68,177)
Portion classified as current assets	**296,507**	258,738

note: Margin client receivables after impairment loss of approximately HK$75,692,000 (31st March 2014: HK$73,208,000) 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$304,747,000 (31st March 2014: HK$245,897,000).

Cash and securities margin financing clients arising from the business of dealing in securities are two days after trade date, and of accounts receivable arising from the business of dealing in futures contracts are one day after trade date. No ageing analysis is disclosed as in the opinion of the executive directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

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

	30th September 2014 (unaudited) HK$'000	31st March 2014 (audited) HK$'000
Neither past due nor impaired	**280,531**	256,251
Past due:		
Less than 1 month past due	**23,127**	3,476
1 to 3 months past due	**3,482**	1,406
3 months to 1 year past due	**2,324**	1,641
Over 1 year past due	**2,052**	4,854
	30,985	11,377
	311,516	267,628

10. BANK BALANCES AND CASH

	The Group	
	30th September 2014 (unaudited) HK$'000	31st March 2014 (audited) HK$'000
Cash at bank		
- General accounts	**22,933**	40,126
- Trust accounts	**19,694**	35,241
- Segregated accounts	**1,003**	1,047
Cash in hand	**6**	10
Short-term bank deposits with original maturity less than 3 months		
- Pledged (*note*)	**10,000**	10,000
- Non-pledged	**74,917**	100,394
	128,553	186,818

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 2014 (unaudited) HK$'000	31st March 2014 (audited) HK$'000
Borrowings comprise:		
Bank loan		
- interest-bearing	**13,000**	70,000
Other loans		
- interest-bearing	**8,880**	6,098
	21,880	76,098
Analysed as:		
Secured	**-**	59,008
Unsecured	**21,880**	17,090
	21,880	76,098
Borrowings are repayable as follows:		
Within one year or on demand	**21,880**	76,098

11. BORROWINGS (CONTINUED)

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowing are as follows:

	The Group	
	30th September 2014 (unaudited)	31st March 2014 (audited)
Effective interest rates:		
Variable-rate borrowings	**0.39% - 4.25%**	0.25% - 3.25%

The fair value of the Group's borrowings is not materially different from the corresponding carrying amounts at the end of the reporting period.

Included in borrowings are the following amount denominated in a currency other than the functional currency of the Group to which they relate:

	30th September 2014 (unaudited) $'000	31st March 2014 (audited) $'000
United States Dollars	**1,141**	784

12. CREDITORS AND ACCRUED EXPENSES

	The Group	
	30th September 2014 (unaudited) HK$'000	31st March 2014 (audited) HK$'000
Amounts payable arising from the ordinary course of business of dealing in securities and options:		
- Cash clients	**25,568**	38,972
Amounts payable arising from the ordinary course of business of dealing in futures contracts:		
- Clients	**2,081**	2,661
Amounts payable arising from the ordinary course of business of provision of securities margin financing:		
- Clients	**9,917**	3,264
Amounts payable arising from ordinary course of business of dealing in trading of precious metal	**210**	136
Accruals and other payables	**57,020**	41,706
Rental and other deposits received	**3,373**	3,293
Rental received in advance	**628**	211
	98,797	90,243

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 2014 (2013: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

Eurozone economic growth was sluggish during the six months and the economies of some countries in the region contracted or stalled. Leading economic indicators suggested that exports and industrial production declined and also reflected a loss in entrepreneur and consumer confidence. Contrarily, the U.S. economy was picking up speed. Labor market data were especially strong, with payroll statistics reaching their most favorable levels since the late 1990s, by some measures. The manufacturing sector remained robust, while a better job market and rising consumer spending appeared to drive healthy growth in the much larger service sector. Performance for China's market was modestly positive and 7.5% economic growth target for 2014 looks achievable.

The performance of Hong Kong Hang Seng Index becomes highly correlated to Shanghai Stock Exchange Composite Index. Since Premier Li Keqiang revealed an “interoperability” mechanism between the Shanghai and Hong Kong stock markets in April 2014, Hang Seng Index ran zigzag up the highest level of 25,362 in September 2014 from 22,292, up 13.8%.

BUSINESS REVIEW

For the period ended 30 September 2014, the unaudited turnover and profit before taxation in aggregate attributable to the Group were approximately HK$43 million (2013: HK$29 million) and HK$29 million (2013: HK$17 million), up 48% and 71% respectively, leading to the significant increase in the earning per share of HK$2.13 cents (2013: HK$1.23 cents).

Apart from the great improvement of market sentiment, the outstanding performance on profit was also resulted from the recovery of a long-term impairment loss of a debtor of approximately HK$8 million, representing 28% of profit before taxation.

Brokerage and Financing

Profits and turnovers from these sectors are in the same line with the buoyant securities market condition. The profits attributed to the Group moved up to HK$14 million, an increase of around HK$5 million, approximately 56%, compared to HK$9 million achieved for the six months ended 30th September 2013.

Precious Metal Trading

This segment recorded a contributable turnover of HK$10.9 million (2013: HK$1.8 million), an increase of around HK$9.1 million, approximately 506%. Loss for the period under review decreased by approximately 11% compared with the corresponding period of 2013.

The Group studied the feasibility to participate in and contribute the development of Quianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone with our bullion dealing expertise.

Corporate Finance and Assets Management

Turnover and profit attributable to the Group slightly pulled back by approximately 3% and 4% respectively as compared with the corresponding period of last year. The Corporate Finance division is continuing to put more effort on acting as underwriting and placing agents. Apart from that, it will also develop the wealth management business. The segments will bring in other business opportunities for other divisions and work at best results in a synergy.

Property Investment

This segment offered moderate growth during 2014. Turnover amounted to HK$9.5 million (2013: HK$8.9 million), represented a 6.8% increase, which was resulted from increase in rental rate during the rental renewal.

Gross floor area of more than 90,000 square feet retail shops and 48 car parking spaces were leased out in Chino Plaza, which still had room for lease and contributed more revenue to the shareholders. New rental rate tends to increase in line with the market rate. New rental rate is generally expected to increase more than 15%. Coupled with increased rental rate and occupancy rate, the Group believed that the segment would continue to grow steadily.

Prospect

The investments on properties development in Hong Kong and China are progressing satisfactory. The limited supply of land in Hong Kong has stimulated the increasing demand and price of residential properties. In the meanwhile, the China government starts to release the restriction of property mortgage policy. The management believes that the projects will bring profit to the Group in future years.

The launch of Shanghai-Hong Kong Stock Connect program will enhance Hong Kong's position as an international financial market centre, a gateway to the mainland and an offshore renminbi centre. This will not only attract funding from the global capital market participants but also paves the way for future mutual market access connections with other exchanges such as the Shenzhen Stock Exchange. The Group expects that the turnover and contribution from brokerage and margin financing will grow up accordingly and thus operational facilities and procedures are fine tune to explore the opportunity.

The Group has maintained a sound credit policy for money lending business and all collateral portfolios are monitored on an ongoing basis individually. The Group believes that with the stringent loan policy for the Hong Kong property market imposed by the Government to the authorized financial institutions and strong demand for mortgage loan, the result of money lending business will continue to grow. We will target on capturing more high net worth clients to broaden our client base and bring in considerable income with our prudent credit committee in order to balance the risk and return to the shareholders.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30th September 2014, the Group had cash and bank balances of approximately HK$129 million (31st March 2014: HK$187 million) of which approximately HK$10 million (31st March 2014: HK$10 million) were pledged to bank for facilities granted to the Group. The Company has given guarantees to the extent of HK$172 million (31st March 2014: HK$173 million) to secure the general banking facilities granted to subsidiaries.

As at 30th September 2014, the Group had available aggregate banking facilities of approximately HK$188 million (31st March 2014: HK$189 million) of which approximately HK$172 million (31st March 2014: HK$115 million) was not utilised.

Gearing Ratio

As at 30th September 2014, the amount of total borrowings was approximately HK$22 million (31st March 2014: HK$76 million), the gearing being equal to approximately 1.5 % (31st March 2014: 5.1 %) of the net assets of approximately HK$1,477 million (31st March 2014: HK$1,497 million).

FOREIGN CURRENCY FLUCTUATION

During the period, the Group mainly uses Hong Kong dollars, Macau Pataca, United States dollars and Renminbi 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 2014.

EMPLOYMENT

Employees' remunerations 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 2014, 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. 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 six months ended 30th September 2014.

REMUNERATION COMMITTEE

The remuneration committee comprised of independent non-executive directors, Mr. Chan Chung Yee, Alan, Mr. Poon Kai Tik, Mr. Hui Man Ho, Ivan 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 2014, 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 November 2014. The interim report for the six months ended 30th September 2014 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 November 2014

* *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, Ms. CHENG Wai Ling, Annie and Mr. CHENG Wai Lun, Andrew as executive directors and Mr. CHAN Chung Yee, Alan, Mr. POON Kai Tik and Mr. HUI Man Ho, Ivan as independent non-executive directors.