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 2015

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 2015 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30th September	
	Note	**2015 (unaudited) HK$'000**	2014 (unaudited) HK$'000
Turnover	3	**116,674**	42,916
Cost of goods sold		**(69,017)**	(10,687)
Other revenue		**1,492**	2,385
Gain on disposal of subsidiaries		**181,281**	-
Gain on disposal of an associate		**282,770**	-
Loss on dissolution of subsidiaries		**(84)**	-
Net (loss)/gain on financial assets or liabilities at fair value through profit or loss		**(3)**	206
Write back of impairment loss on trade receivable (net)		**28**	8,189
Administrative and other operating expenses		**(13,906)**	(11,246)
Finance costs	4	**(496)**	(807)
Share of results of associates		**(2,421)**	(1,706)
Profit before taxation	5	**496,318**	29,250
Income tax expense	7	**(1,380)**	(714)
Profit for the period		**494,938**	28,536
Attributable to:			
Equity holders of the Company		**494,968**	28,584
Non-controlling interests		**(30)**	(48)
		494,938	28,536

CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)

	Note	For the six months ended 30th September 2015 (unaudited)	2014 (unaudited)
Earnings per share	6	**HK cents**	HK cents
Basic and Diluted		**36.91**	2.13
Interim dividend		**Nil**	Nil

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the six months ended 30th September 2015 (unaudited) HK$'000	2014 (unaudited) HK$'000
Profit for the period		**494,938**	28,536
Other comprehensive (expense)/ income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**(1,568)**	67
Other comprehensive (expense)/income for the period, net of tax		**(1,568)**	67
Total comprehensive income for the period		**493,370**	28,603
Attributable to:			
Equity holders of the Company		**493,400**	28,651
Non-controlling interests		**(30)**	(48)
		493,370	28,603

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**30th September 2015 (unaudited) HK$'000**	31st March 2015 (audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,182**	1,146
Investment properties	8	**1,249,000**	1,249,000
Intangible assets		**2,040**	2,040
Interests in associates		**60,433**	108,811
Available-for-sale financial assets		**136**	136
Trade and other receivables, deposits and prepayments	9	**46,094**	59,403
Other assets		**5,200**	5,200
		1,364,085	1,425,736
CURRENT ASSETS			
Inventories		**18**	21
Properties held for development		**118,538**	183,961
Trade and other receivables, deposits and prepayments	9	**426,485**	293,250
Tax recoverable		**-**	69
Bank balances and cash	10	**531,861**	228,211
		1,076,902	705,512
CURRENT LIABILITIES			
Borrowings	11	**65,600**	15,529
Amounts due to related parties		**289**	7,703
Amount due to ultimate holding company		**81,486**	177,104
Creditors and accrued expenses	12	**124,873**	167,238
Provision for taxation		**1,958**	616
		274,206	368,190
NET CURRENT ASSETS		**802,696**	337,322
NET ASSETS		**2,166,781**	1,763,058
CAPITAL AND RESERVES			
Share capital		**13,412**	13,412
Reserves		**2,153,258**	1,659,778
Proposed dividends		**-**	53,646
Equity attributable to equity holders of the Company		**2,166,670**	1,726,836
Non-controlling interests		**111**	36,222
TOTAL EQUITY		**2,166,781**	1,763,058

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

Basis of preparation

The unaudited condensed consolidated interim financial statements for the six months ended 30th September 2015 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 the disclosure requirements of 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 2015.

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 2015.

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 revised HKFRSs

The Group has also adopted the following revised HKFRSs issued by the HKICPA. However, the adoption of these revised HKFRSs has had no material effect on these financial statements.

Amendment to HKAS 19 (2011)	*Defined Benefit Plans: Employee Contributions*
Annual Improvements 2010 – 2012 Cycle	Amendments to a number of HKFRSs
Annual Improvements 2011 – 2013 Cycle	Amendments to a number of HKFRSs

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Issued but not yet effective HKFRSs

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*[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	*Investment entities: Applying the consolidation exception*[2]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[2]
HKFRS 14	*Regulatory Deferral Accounts*[3]
HKFRS 15	*Revenue from Contracts with Customers*[4]
Amendments to HKAS 1	*Disclosure initiative*[2]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[2]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[2]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[2]
Annual Improvements 2012 – 2014 Cycle	Amendments to a number of HKFRSs[2]

[1] Effective for annual periods beginning on or after 1st January 2018
[2] Effective for annual periods beginning on or after 1st January 2016
[3] Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1st January 2016 and therefore is not applicable to the Group
[4] Effective for annual periods beginning on or after 1st January 2017

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have any significant impact on its results of operations and financial position.

3. TURNOVER AND OPERATING SEGMENT INFORMATION

a) Turnover

	For the six months ended 30th September	
	2015	2014
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Commission and brokerage income from securities broking	**8,504**	3,760
Commission and brokerage income from futures broking	**816**	189
Interest income from		
– margin clients	**5,525**	3,644
– money lending	**12,567**	10,906
– financial institutions and others	**4,725**	1,652
Management and handling fees	**1,027**	383
Commission for subscribing new shares	**9**	1
Placement and underwriting commission	**4**	1,033
Investment management fee	**2,571**	901
Rental and property management income	**11,685**	9,546
Sales of precious metal	**69,241**	10,901
	116,674	42,916

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 2015 and 2014 is as follows:

	Consolidated For the six months ended 30th September		**Consolidated For the six months ended 30th September**	
	2015 (unaudited)	2014 (unaudited)	**2015 (unaudited)**	2014 (unaudited)
Segment revenue	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Sales to external customers				
Broking	**10,347**	4,332		
Financing	**22,817**	16,202		
Corporate finance	**13**	1,034		
Assets management	**2,571**	901		
Property investment	**11,685**	9,546		
Precious metal trading	**69,241**	10,901		
Investment holding	**-**	-	**116,674**	42,916
Segment results				
Broking	**4,595**	(263)		
Financing	**19,418**	14,469		
Corporate finance	**8**	1,020		
Assets management	**2,171**	503		
Property investment	**8,138**	6,608		
Precious metal trading	**(434)**	(280)		
Investment holding	**-**	-	**33,896**	22,057
Write back of impairment loss on trade receivable (net)			**28**	8,189
Gain on disposal of subsidiaries			**181,281**	-
Gain on disposal of an associate			**282,770**	-
Loss on dissolution of subsidiaries			**(84)**	-
Other revenue			**848**	710
Share of results of associates			**(2,421)**	(1,706)
Profit before taxation			**496,318**	29,250
Income tax expense			**(1,380)**	(714)
Profit for the period			**494,938**	28,536

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
	2015 (unaudited) HK$'000	2014 (unaudited) HK$'000	**2015 (unaudited) HK$'000**	2015 (audited) HK$'000
Hong Kong	**103,481**	32,064	**6,568**	2,525
Macau	**13,193**	10,852	**1,249,651**	1,261,022
People's Republic of China	**-**	-	**60,433**	64,146
	116,674	42,916	**1,316,652**	1,327,693

4. FINANCE COSTS

	The Group For the six months ended 30th September	
	2015	2014
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Interest on bank loans and overdrafts	**438**	746
Interest on other loans, wholly repayable within five years	**58**	61
	496	807

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	
	2015	2014
	(unaudited)	(unaudited)
Charging:	**HK$'000**	HK$'000
Staff costs		
- salaries, bonuses and other benefits	**6,787**	5,484
- contributions to retirement scheme	**210**	187
	6,997	5,671
Depreciation	**139**	164
Operating leases rentals in respect of rented premises	**818**	1,027
Crediting:		
Rental income from operating leases less outgoings (gross rental income: HK$11,685,000 (2014: HK$9,546,000))	**9,913**	7,958

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 2015 of approximately HK$494,968,000 (2014: HK$28,584,000) and the number of 1,341,158,379 ordinary shares (2014: 1,341,158,379 shares) in issue during the period.

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	
	2015	2014
	(unaudited)	(unaudited)
	HK$'000	HK$'000
Hong Kong profits tax		
- provision for the period	**1,381**	714
- overprovision in prior year	**(1)**	-
	1,380	714

b) i) Provision for Hong Kong profits tax has been made at the rate of 16.5% (2014: 16.5%).

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

iii) At 30th September 2015, the Group had unutilised tax losses of approximately HK$6,066,000 (31st March 2015: HK$6,066,000) 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
	2015	2015
	(unaudited)	(audited)
	HK$'000	HK$'000
Fair value:		
As at 1st April	**1,249,000**	991,000
Net increase in fair value recognised in the consolidated income statement	**-**	258,000
	1,249,000	1,249,000

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 2015 have been arrived at on the basis 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$1,070,000,000 (31st March 2015: HK$1,070,000,000) to a bank to secure general banking facilities granted to the Group.

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group	
	30th September 2015 (unaudited) HK$'000	31st March 2015 (audited) HK$'000
Amounts receivable arising from the ordinary course of business of dealing in securities and options:		
- Cash clients	**11,833**	14,729
- The SEHK Options Clearing House Limited	**2**	2
- Hong Kong Securities Clearing Company Limited	**344**	17,327
Amounts receivable arising from the ordinary course of business of dealing in futures contracts:		
- Clearing house	**1,878**	2,323
Amounts receivable arising from the ordinary course of business of provision of securities margin financing:		
- Clients (note)	**138,706**	111,731
Amounts receivable arising from the ordinary course of business dealing in trading of precious metals:		
- Clients	**125**	-
Interest-bearing loan receivables	**334,004**	213,494
Accounts receivables	**65**	8,844
Other receivables	**1,476**	245
	488,433	368,695
Less: Impairment loss on trade receivables	**(74,349)**	(74,377)
	414,084	294,318
Deposits and prepayments	**58,495**	58,335
	472,579	352,653
Portion classified as non-current assets	**(46,094)**	(59,403)
Portion classified as current assets	**426,485**	293,250

note: Margin client receivables after impairment loss of approximately HK$130,596,000 (31st March 2015: HK$103,620,000) are repayable on demand, bearing interest at market rate and secured by clients' securities listed on the Hong Kong Stock Exchange with a total market value of approximately HK$425,647,000 (31st March 2015: HK$308,036,000).

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 (not impaired) is as follows:

	30th September 2015 (unaudited) HK$'000	31st March 2015 (audited) HK$'000
Neither past due nor impaired	**389,076**	271,478
Past due:		
Less than 1 month past due	**5,791**	3,926
1 to 3 months past due	**14,291**	1,822
3 months to 1 year past due	**4,260**	15,401
Over 1 year past due	**666**	1,691
	25,008	22,840
	414,084	294,318

10. BANK BALANCES AND CASH

	The Group	
	30th September 2015 (unaudited) HK$'000	31st March 2015 (audited) HK$'000
Cash at bank		
- General accounts	**400,073**	64,151
- Trust accounts	**45,107**	36,988
- Segregated accounts	**1,630**	1,087
Cash in hand	**7**	8
Short-term bank deposits with original maturity less than 3 months		
- pledged (*note*)	**10,000**	10,000
- non-pledged	**75,044**	115,977
	531,861	228,211

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 2015 (unaudited) HK$'000	31st March 2015 (audited) HK$'000
Borrowings comprise:		
Bank loan		
- interest-bearing	**63,000**	13,000
Other loans		
- interest-bearing	**2,600**	2,529
	65,600	15,529
Analysed as:		
Secured	**57,000**	-
Unsecured	**8,600**	15,529
	65,600	15,529
Borrowings are repayable as follows:		
Within one year or on demand	**65,600**	15,529

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 2015 (unaudited)	31st March 2015 (audited)
Effective interest rates:		
Variable-rate borrowings	**0.50% - 4.25%**	2.12% - 2.50%

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 2015 (unaudited) $'000	31st March 2015 (audited) $'000
United States Dollars	**334**	325

12. CREDITORS AND ACCRUED EXPENSES

	The Group	
	30th September 2015 (unaudited) HK$'000	31st March 2015 (audited) HK$'000
Amounts payable arising from the ordinary course of business of dealing in securities and options:		
- Cash clients	**40,269**	44,322
Amounts payable arising from the ordinary course of business of dealing in futures contracts:		
- Clients	**3,507**	3,409
Amounts payable arising from the ordinary course of business of provision of securities margin financing:		
- Clients	**12,738**	12,960
Amounts payable arising from ordinary course of business of dealing in trading of precious metals	**2,388**	463
Accruals and other payables	**61,490**	101,322
Rental and other deposits received	**4,016**	4,002
Rental received in advance	**465**	760
	124,873	167,238

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 2015 (2014: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

During the Year of 2015, the global economy in short term is still facing a lot of challenges in view of recent global stock market volatility, decelerating economic growth in emerging markets and possible US interest rate hikes. Notwithstanding, the relaxation of monetary policies is expected to continue in major economies including the European Union, Japan and China, offering support to global economy.

In China, despite a slowdown in its economic momentum and equity market volatility, the Central Government implemented certain monetary and fiscal easing measures in order to stabilize economic growth. The lowering of interest rate and deposit reserve ratio by the People's Bank of China is an example of monetary measures to stabilize and strength the economic growth. Furthermore, the relaxation of home purchase property measures will also stimulate the property market.

In the long-term outlook of China economy, the recent "One Belt One Road", ongoing state-owned enterprises reforms, establishment of the "Silk Road Infrastructure Fund" will also serve as drivers for the mainland's economic development over time in China.

In Hong Kong, the economy is again encountering a challenging international financial market environment. However, the economy is expected to benefit from mainland's favorable monetary and fiscal policies.

In near future, the "Mutual Recognition of Funds", "Shenzhen-Hong Kong Stock Connect" and the "Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone" will certainly provide room for the further development of the Group business. The Group is confident in the financial services industry in future.

In respect of property market in Hong Kong and Macau, barring happening of another global economic downturn, worries over decelerating economic growth in emerging markets, direction of global fund flow and possible US interest rate hikes are the factors to worsen the property market in Hong Kong and Macau. Nevertheless, with available abundant cash flow, supported by steady growth in recurrent income and together with a robust balance sheet, the Group continues to strength its existing business.

BUSINESS REVIEW

Overall Financial results

For the six months ended 30th September 2015, the Group achieved an inspired result. The Group's consolidated turnover increased by 172.0% from HK$42.9 million to HK$116.7 million. The increase in turnover was mainly attributable to the significant increase in the turnover of precious metal trading. The net profit attributable to equity holders of the Company increased by 1,631.6% from HK$28.6 million to HK$495.0 million. The increase in profit was mainly attributable to the massive gain on disposal of two properties related investments in Macau.

As at 30th September 2015, the shareholders' equity increased by 22.9% from HK$1,763.1 million to HK$2,166.8 million.

The earning per share was HK cents 36.91 (2014: HK cents 2.13 per share).

Brokerage and Financing

The brokerage and financing business segments contributed a portion, 28.4% of the total turnover HK$116.7 million and increased by 61.5% from last period.

The brokerage segment results amounted to HK$4.6 million, turning around from last period's loss of HK$263,000. It was contributed by the increased trading volume of transactions.

The financing segment results amounted to HK$19.4 million and increased by 34.2% from last period.

Precious Metal Trading

During the period under review, the turnover increased from HK$10.9 million to HK$69.2 million and recorded an operating loss of HK$434,000 from last period's loss amounted to HK$280,000. The significant increase in revenue on precious metal trading was mainly due to adoption of the new business model and the operating loss was caused by the expenses incurred therein.

The Group dedicates to foster new business opportunities through participation of bullion dealing business in "Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone".

Corporate Finance and Assets Management

These business segments totally contributed 2.2% of total turnover HK$116.7 million and increased by 33.5% from last period. It recorded an operating profit of HK$2.2 million and increased by 43.1% from last period. The increase of operating profit for these business segments were mainly due to the incremental change on client assets value.

In the Corporate Finance segment, we are still to focus on the business of fund raising business and the pre-IPO investment.

In the Asset Management segment, we would launch a new business model adopted in the high level net worth clienteles. Throughout the perspective of the one-stop business model, it would also introduce business opportunities to our other business segments. As such, synergy would cause to bring more profitable business opportunities to the Group.

Property Investment

For the period under review, the rental revenue increased by 22.4% from HK$9.5 million to HK$11.7 million and bolstered the operating profit by 23.2% from HK$6.6 million to HK$8.1 million. In this property investment segment, the increase in both revenue and operating profit for this segment was mainly due to the incremental change in rental after the renewal of the tenancy agreement during this period.

Last year, the management anticipated that the property market would be more volatile once the US monetary policy would begin its normalization. During the period under review, two Macau property related investments were disposed and completed the deal at the end of July 2015. At that time, the pricing of the property market climbed to the peak level amid a loosening global monetary policy. As a result of disposals, our Company recorded a massive gain of HK$464.1 million.

When the economy of China, Macau and Hong Kong is probable to be weaken and the US normalize interest rate alongside limited buyers' affordability, the property market in China, Macau and Hong Kong is expected to decline in the coming Year 2016.

Prospect

Looking ahead, the growth of Hong Kong economy will inevitably be affected by lots of external uncertainties, namely the unknown timing and pace of the US interest rate, the sluggish economic growth of Japan, Europe and the downward pressure of the China economic growth.

To tackle the volatile financial market and economy, the Group has adopted a series of defensive actions to mitigate the business risks such as holding adequate cash and exploring more alternative investments.

The stock market in China is reaching the phase of self-recovery and self-adjustment and the probable launch of Shenzhen-Hong Kong Stock Connect program which are catalyzed to bloom up the stock market in Hong Kong in the coming year.

Year 2016 will be poised for a year of success. The management of the Group unanimously realizes that the promising results achieved for the past six months ended 30th September 2015 is an assurance to the shareholders for enhancing their value.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30th September 2015, the Group had cash and bank balances of approximately HK$532 million (31st March 2015: HK$228 million) of which approximately HK$10 million (31st March 2015: 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 2015: HK$172 million) to secure the general banking facilities granted to subsidiaries.

As at 30th September 2015, the Group had available aggregate banking facilities of approximately HK$188 million (31st March 2015: HK$188 million) of which approximately HK$124 million (31st March 2015: HK$174 million) was not utilised.

Gearing Ratio

As at 30th September 2015, the amount of total borrowings was approximately HK$66 million (31st March 2015: HK$16 million). The gearing being equal to approximately 3.0% (31st March 2015: 0.9%) of the net assets of approximately HK$2,167 million (31st March 2015: HK$1,763 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 2015.

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 2015, 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 is comprised 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 2015.

REMUNERATION COMMITTEE

The remuneration committee is 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 on Corporate Governance Practices ("CG Code") throughout the six months ended 30th September 2015, with deviations from code provisions A.4.1 of the CG Code only in respect of the service terms 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 CG Code. However, all 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 CG 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 27th November 2015. The interim report for the six months ended 30th September 2015 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
Upbest Group Limited
IP Man Tin, David
Chairman

Hong Kong, 27th November 2015

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