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## **UBA INVESTMENTS LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

### **CONNECTED TRANSACTION Investment Management Fee**

The estimated annual investment management fee payable by the Company to UAML for this Financial Year ending 31 March 2003 will be less than HK\$1.8 million.

UAML is regarded as a connected person of the Company under Rule 21.13 of the Listing Rules. Furthermore, the beneficial owner of a substantial shareholder of the Company has an indirect 75% interests in UAML. Accordingly, the investment management agreement constitutes a connected transaction under Chapter 14 of the Listing Rules for the Company.

According to Rule 14.25(1) of the Listing Rules, the Company is required to disclose the details of the connected transaction by way of a press announcement and include the information in relation to the transaction disclosed herein in the next published annual report and accounts of the Company.

#### **INVESTMENT MANAGEMENT AGREEMENT**

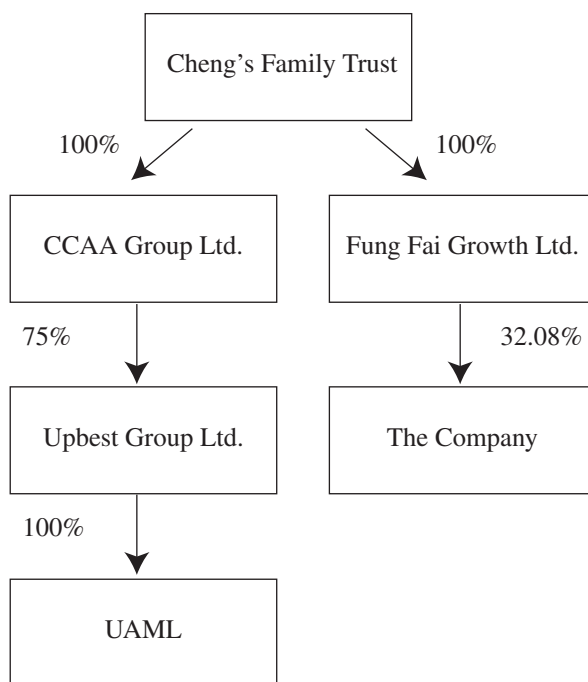
Date :	6 November 2000
Period :	1 December 2000 to 30 November 2003
Investment Manager:	UAML, a private company incorporated in Hong Kong with limited liability, is registered as an investment adviser with the Securities and Futures Commission and is principally engaged in the provision of investment and asset management services for discretionary and non-discretionary funds.
Investment Management Fee:	Payable monthly at 1.5% per annum of the consolidated net asset value of the Company as at the immediately preceding valuation date on the basis of the actual number of days in the relevant calendar month over a year of 365 days. The valuation date is the last dealing day of the Stock Exchange of that particular month.

The investment management fee paid to UAML for the Financial Year ended 31 March 2001 and 2002 amounted approximately HK\$455,000 and HK\$1,343,000 respectively. The 1.5% rate is consistently applied throughout the said periods.

The aggregate investment management fee incurred from 1 April 2002 to 31 October 2002 was approximately HK\$869,000. Based on the press announcement of the unaudited consolidated net asset value of the Company as at 31 October 2002 which was published on 5 November 2002, the estimated annual investment management fee for this Financial Year will be less than HK\$1.8 million representing approximately 1.96% of the Company's latest published unaudited consolidated net asset value of approximately HK\$92 million as at 31 October 2002.

### CONNECTED TRANSACTION

Under Rules 21.13 of the Listing Rules, UAML, being the investment manager of the Company, is regarded as a connected person of the Company under Chapter 14 of the Listing Rules. Furthermore, UAML is a wholly owned subsidiary of Upbest Group Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Stock Exchange. Fung Fai Growth Limited, an investment holding company, holds 32.08% interest of the Company, is a substantial shareholder of the Company. CCAA Group Limited, an investment holding company, holds 75% interest in Upbest Group Limited and thus indirectly owns 75% interest in UAML. The ultimate beneficial owner of Fung Fai Growth Limited and CCAA Group Limited is Cheng's Family Trust. The following diagram will elaborate the relationship:



Mr. Cheng Wai Lun, Andrew, an executive director of the Company since 30 January 2002, is one of the trust beneficiaries of the Cheng's Family Trust.

In view of the above, the investment management agreement constitutes a connected transaction for the Company under Chapter 14 of the Listing Rules. Under Rule 14.25(1) of the Listing Rules, the Company is required to disclose the details of the connected transaction by way of a press announcement and include the information in relation to the transaction disclosed herein in the next published annual report and accounts of the Company.

In addition, Mr. Li Kwok Cheung, George, an executive director of the Company, is also an executive director of both Upbest Group Limited and UAML.

## **BASIS OF THE CONSIDERATION**

The terms of the investment management fee have been negotiated between the Company and UAML in November 2000 on an arm's length basis and has taken into account the investment management fee rate prevailing in the market.

The investment management agreement was entered into in the ordinary and usual course of business on normal commercial terms. The Directors, including the independent non-executive directors, are of the opinion that the investment management agreement is fair and reasonable, entered into on normal commercial terms and is in the best interests of the Company's shareholders.

## **DISCLOSURE REQUIREMENT**

Press announcements dated 6 November 2000 and 28 November 2001 had been made on the amounts of investment management fee paid and payable to UAML for the respective Financial Years ended 31 March 2000 and 2001 to comply with the disclosure requirements as set out in Rule 14.25(1) of the Listing Rules in respect of the transaction contemplated under the investment management agreement. The Company shall make another announcement as soon as practicable if the investment management fee exceed HK\$1.8 million for the Financial Year ending 31 March 2002.

## **DEFINITIONS**

“Company”	UBA Investments Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Stock Exchange since 18 January 2000.
“Directors”	board of directors, including the independent non-executive directors of the Company
“Financial Year”	financial year of the Company, being the period of 12 months from 1 April to 31 March of the next year.
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“UAML”	Upbest Assets Management Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board of  
**UBA Investments Limited**  
**Li Kwok Cheung, George**  
*Director*

Hong Kong, 29 November, 2002

Please also refer to the published version of this announcement in The Standard.