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**UPBEST GROUP LIMITED**

**美建集團有限公司\***

*(incorporated in the Cayman Islands with limited liability)*  
(Stock code: 335)



**UBA INVESTMENTS LIMITED**

**開明投資有限公司\***

*(incorporated in the Cayman Islands with limited liability)*  
(Stock code: 768)

## **CONTINUING CONNECTED TRANSACTIONS**

On 22 January 2025, various members of the Upbest Group and the UBA Group entered into the 2025 Supplemental Agreements to extend the engagement of the Upbest Group to provide securities margin financing and initial public offer financing services, and securities brokerage services to the UBA Group. Also, on 22 January 2025, UAML and UBA entered into the 2025 Investment Management Agreement in relation to the assets management services provided by UAML to UBA.

The transactions contemplated under the 2025 Supplemental Agreements and the 2025 Investment Management Agreement are considered as continuing connected transactions under the Listing Rules.

As all the applicable percentage ratios (other than the profits ratio) of the proposed annual cap of the Financial Assistance for each of the three years ending 31 March 2028 to be provided by Upbest Group to UBA Group on the part of Upbest are less than 5%, such transactions are subject to annual review and announcement requirement but exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules. Since the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the proposed annual cap of the Financial Assistance for each of the three years ending 31 March 2028 to be provided by Upbest Group to UBA Group on the part of UBA is more than 25%, according to Rule 14A.54 of the Listing Rules, such transactions are subject to the approval by the UBA Independent Shareholders at UBA EGM.

As the investment manager of UBA, UAML is a connected person of UBA pursuant to Rule 14A.08 of the Listing Rules, the transactions contemplated by the 2025 Investment Management Agreement constitute continuing connected transactions of UBA under Chapter 14A of the Listing Rules. Although the proposed annual caps for the Management Fee and Performance Fee under the 2025 Investment Management Agreement for each of the three Financial Years ending 31 March 2028 are less than HK\$10,000,000, one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) on the part of UBA is more than 25%. Thus, the transactions contemplated under the 2025 Investment Management Agreement on the part of UBA are subject to the approval by the UBA Independent Shareholders at the UBA EGM. As the

proposed annual caps for the Management Fee and Performance Fee under the 2025 Investment Management Agreement for each of the three Financial Years ending 31 March 2028 are less than HK\$10,000,000 and all applicable percentage ratios on the part of Upbest are less than 25%, the transactions contemplated under the 2025 Investment Management Agreement on the part of Upbest are subject to annual review and announcement requirement but exempt from the circular (including independent financial advice) and shareholders' approval requirements.

The proposed annual caps for the brokerage commission in respect of the 2025 Securities Brokerage Supplemental Agreements are less than HK\$3,000,000 per annum and all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) are less than 5% on the part of Upbest. Thus, the transactions contemplated under the 2025 Securities Brokerage Supplemental Agreements on the part of Upbest are considered to be de minimis transactions pursuant to Rule 14A.76 of the Listing Rules and is exempted from annual review, all disclosure and shareholders' approval requirements. As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) on the part of UBA is more than 5% but less than 25%, the transactions contemplated under 2025 Securities Brokerage Supplemental Agreements on the part of UBA are subject to annual review and announcement requirement but exempt from the circular and shareholders' approval requirements.

A circular of UBA containing, amongst other things, a notice convening the UBA EGM and further details relating to the transactions which require approvals by the UBA Independent Shareholders and a letter from the independent financial adviser to advise the UBA Independent Board Committee and UBA Independent Shareholders on the transactions are expected to be despatched to the UBA Shareholders in compliance with the Listing Rules on or before 7 March 2025.

## **I. BACKGROUND OF THE CONTINUING CONNECTED TRANSACTIONS**

References are made to the joint announcements of Upbest and UBA dated 26 January 2022 and the circular of UBA dated 4 April 2022, in relation to, among others, the continuing connected transactions on the part of the Upbest Group with the UBA Group.

As disclosed in the 2022 Joint Announcements and the abovementioned circular, UAML, a wholly owned subsidiary of Upbest, has been retained by the UBA Group to provide investment advices on investment in listed and unlisted securities and initial public offerings subscriptions since December 2000. The UBA Group has entered into contracts for securities dealing and margin financing pursuant to which the Upbest Group will provide Financial Assistance to the UBA Group for carrying out trading of Hong Kong listed securities and initial public offerings subscriptions. USCL, a wholly-owned subsidiary of Upbest, has also provided securities brokerage services to the UBA Group under various agreements. Various agreements have been entered into between Upbest Group and UBA Group relating to the provision of assets management services, securities margin financing services and securities brokerage services.

As disclosed in the 2022 Joint Announcements, on 26 January 2022, various members of the Upbest Group and the UBA Group entered into the 2022 CCT Agreements in relation to the provision of securities margin financing and initial public offer financing services, asset management services and securities brokerage services by the Upbest Group to the UBA Group. The entering into of the 2022 CCT Agreements constituted continuing connected transactions on the part of the Upbest Group and UBA Group. The transactions contemplated under the 2022 Financial Assistance Supplemental Agreements and 2022 Investment Management Agreement were subject to and had been duly approved by the UBA Independent Shareholders at the extraordinary general meeting of UBA both held on 29 April 2022.

On 22 January 2025, various members of the Upbest Group and UBA Group entered into the following agreements:

- (a) each of UBA, UBA Financial and Super Idea entered into the 2025 Financial Assistance Supplemental Agreements with UICL in relation to, among others, the extension of the term for provision of securities margin financing and initial public offer financing services by Upbest Group to UBA Group for a period commencing from 1 April 2025 to 31 March 2028;
- (b) UAML and UBA entered into the 2025 Investment Management Agreement to continue the engagement of UAML for provision of assets management services for a period commencing from 1 April 2025 to 31 March 2028; and
- (c) each of UBA, UBA Financial, Super Idea, Lucky Joy, Marine Assets, Blaze Light and Loyal Grace entered into the 2025 Securities Brokerage Supplemental Agreements with USCL in relation to, among others, the extension of the term for provision of securities brokerage services by USCL to UBA Group for the period commencing from 1 April 2025 to 31 March 2028.

As at the date of this announcement, CCAA holds approximately 74.29% interest in Upbest, while Fung Fai holds approximately 26.74% of UBA. The ultimate beneficial owner of CCAA and Fung Fai is Cheng's Family Trust. Interested beneficiaries of the Cheng's Family Trust include Ms. Cheng and Mr. Cheng. Ms. Cheng and Mr. Cheng are directors of Upbest. Mr. Cheng is also a director of UBA. Moreover, UAML, the investment manager of UBA, is regarded as a connected person of UBA under Rule 14A.08 of the Listing Rules.

Further details of the CCT Agreements are set out below:

## **II. SUPPLEMENTAL AGREEMENTS IN RELATION TO SECURITIES MARGIN FINANCING AND INITIAL PUBLIC OFFER FINANCING SERVICES**

Each of UBA, UBA Financial and Super Idea first entered into an agreement separately with UICL respectively on 15 November 2002, 13 March 2003 and 22 June 1999 (as supplemented by the first supplemental agreements dated 2 May 2008 as disclosed in the announcement dated 2 May 2008, the second supplemental agreements dated 11 February 2010 as disclosed in the announcement dated 11 February 2010, the third supplemental agreements dated 28 January 2013 as disclosed in the announcement dated 28 January 2013, the fourth supplemental agreements dated 26 January 2016 as disclosed in the announcement dated 26 January 2016, the fifth supplemental agreements dated 25 January 2019 as disclosed in the announcement dated 25 January 2019 and the sixth

supplemental agreements dated 26 January 2022 as disclosed in the announcement dated 26 January 2022) in respect of the provision of securities margin financing services by UICL to the UBA Group at an interest rate of 4.25% above prime rate per annum.

On 22 January 2025, each of UBA, UBA Financial and Super Idea had separately entered into the 2025 Financial Assistance Supplemental Agreements with UICL in relation to the provision of securities margin financing services by UICL to UBA Group. According to the 2025 Financial Assistance Supplemental Agreements, (i) UICL and each of UBA, UBA Financial and Super Idea agreed that the respective relevant original agreement will be extended for a period commencing from 1 April 2025 to 31 March 2028 and is subject to renewal by written supplemental agreements between the contract parties; and (ii) UICL and UBA agreed that, subject to notice being given to UICL, UBA may assign all or part of its rights or benefits under the agreement entered into between UBA and UICL dated 15 November 2002 (including any supplemental agreements) to any of its wholly owned subsidiaries.

Save as disclosed above, the relevant original agreements regarding the securities margin financing services shall in all respects remain and continue in full force and effect.

## HISTORICAL DATA

Upbest Group had previously provided financing services to UBA Group including (i) securities margin financing service; and (ii) initial public offer financing service pursuant to the relevant agreements for securities margin financing service and initial public offer financing service.

The maximum amounts at a particular point of time of securities margin loans advanced by Upbest Group to UBA Group during each of the three years ended 31 March 2024 and the nine months ended 31 December 2024 are shown below:

	During the Financial Year ended 31 March 2022 (HK\$'000)	During the Financial Year ended 31 March 2023 (HK\$'000)	During the Financial Year ended 31 March 2024 (HK\$'000)	During the nine months ended 31 December 2024 (HK\$'000)
Securities margin loans Maximum amounts (approximately)	NIL	NIL	NIL	NIL

The amounts of securities margin loans advanced by Upbest Group to UBA Group as at 31 March 2022, 31 March 2023, 31 March 2024 and 31 December 2024 are shown below:

	As at 31 March 2022 (HK\$'000)	As at 31 March 2023 (HK\$'000)	As at 31 March 2024 (HK\$'000)	As at 31 December 2024 (HK\$'000)
Securities margin loans (approximately)	NIL	NIL	NIL	NIL

The maximum amounts of initial public offer financing advanced by Upbest Group to UBA Group during each of the three years ended 31 March 2024 and the nine months ended 31 December 2024 are shown below:

	During the Financial Year ended 31 March 2022 (HK\$'000)	During the Financial Year ended 31 March 2023 (HK\$'000)	During the Financial Year ended 31 March 2024 (HK\$'000)	During the nine months ended 31 December 2024 (HK\$'000)
<b>Initial public offer financing Maximum amounts (approximately)</b>	NIL	NIL	NIL	NIL

### **CAP AMOUNT FOR FINANCIAL ASSISTANCE**

The historical annual caps for the financial assistance under the 2022 Financial Assistance Supplemental Agreements for each of the three years ending 31 March 2025 were set at HK\$46,000,000.

The Upbest Board and UBA Board respectively proposed that the annual cap for the financial assistance under the 2025 Financial Assistance Supplemental Agreements for each of the three Financial Years ending 31 March 2028 should be HK\$18,000,000. The above annual cap was determined with reference to (i) the increase in the UBA Group's investment in relatively high yield and stable listed securities as well as the increase in the UBA Group's bank deposit for generating stable dividend and bank interest; (ii) the expectation of the higher utilisation rate of the financial assistance given the expected improvement of the global economy and the stock market after the end of COVID-19 and the US interest rate hike, while the financial assistance can provide the UBA Group a reasonable buffer to cater for the anticipated growth in investment and trading activities to allow flexibility ; and (iii) the number of listed securities the UBA Group currently invested in with similar amount of fund.

In addition, the majority of the market practitioners expect the market of Hong Kong initial public offerings will boost in 2025 and beyond. As Hong Kong has been one of the top-ranked initial public offering market in the world for a prolonged period and has been considered as a fundraising hub for international companies, the Company expects that it may engage in the subscription of shares under the initial public offering of the high potential companies in the near future.

### **III. THE 2025 INVESTMENT MANAGEMENT AGREEMENT**

As disclosed in the 2022 Joint Announcement, Upbest Group has been providing assets management services to UBA since December 2000 and on 26 January 2022, UAML and UBA entered into the 2022 Investment Management Agreement pursuant to which UAML provided assets management services to UBA for a period commencing from 1 April 2022 to 31 March 2025.

On 22 January 2025, UAML and UBA entered into the 2025 Investment Management Agreement, pursuant to which UAML will provide assets management services to UBA for a period commencing from 1 April 2025 to 31 March 2028. For the avoidance of doubt, the 2022 Investment Management Agreement will remain in full force and effect until and upon the 2025 Investment Management Agreement becoming effective.

As consideration for UAML's provisions of assets management services to UBA pursuant to the 2025 Investment Management Agreement, UAML is entitled to the Management Fee and the Performance Fee. The terms in respect of the Management Fee and the Performance Fee for 2025 Investment Management Agreement in respect of the assets management services were the same as the 2022 Investment Management Agreement.

#### *Management Fee*

The monthly Management Fee is payable by UBA in advance and amounts to 1.5% per annum of the Net Asset Value 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.

#### *Performance Fee*

In addition to the Management Fee, provided that the Net Asset Value (as Adjusted, as defined below) as at the end of the relevant Financial Year exceeds the higher (the "**High Watermark**") of:

- (a) the Net Asset Value as at the end of the Reference Year; and
- (b) the Net Asset Value as at the end of the most recent Financial Year after the Reference Year and in which the Performance Fee was paid,

UBA will pay UAML the Performance Fee for the relevant Financial Year in Hong Kong dollars equal to 20% of the amount by which the Net Asset Value as at the end of the relevant Financial Year exceeds the High Watermark.

Such Performance Fee shall be payable by UBA as soon as practicable after the publication of the audited financial results of UBA for the relevant Financial Year on the websites of UBA and the Stock Exchange, and in any event not later than 180 calendar days after the publication of the same.

For the purpose of calculating the Performance Fee, the Net Asset Value and, where applicable, the High Watermark shall be adjusted ("**Adjusted**") in a fair and reasonable manner as UBA and UAML shall agree so as to:

- (a) take account of any adjustments to the share capital of UBA during any relevant Financial Year;
- (b) take account of any buy-back or redemption of the shares of UBA during any relevant Financial Year; and
- (c) take no account of (that is, include in the calculation of the Net Asset Value as if such distributions or fees had never been made or paid) any distributions or dividends made by UBA or any fees paid to UAML pursuant to the 2025 Investment Management Agreement during any relevant Financial Year(s).

In the unlikely event that the aggregate amount (the “**Aggregate Amount**”) of the Management Fee and Performance Fee payable by UBA to UAML for any Financial Year under the 2025 Investment Management Agreement is greater than the relevant annual caps (the “**Annual Caps**”) to be approved by the UBA Independent Shareholders and Upbest Independent Shareholders (if applicable), UBA and UAML shall negotiate in good faith and take such necessary action(s) to comply with the relevant Listing Rules.

## HISTORICAL DATA

Upbest Group had previously provided assets management services to UBA Group. The approximate amounts of the Management Fee and Performance Fee paid by UBA to UAML for each of the three years ended 31 March 2024 and the nine months ended 31 December 2024 are shown below:

	For the Financial Year ended 31 March 2022 (HK\$'000)	For the Financial Year ended 31 March 2023 (HK\$'000)	For the Financial Year ended 31 March 2024 (HK\$'000)	For the nine months ended 31 December 2024 (HK\$'000)
Management Fee	1,569	1,414	1,295	988
Performance Fee	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>
<b>Total</b>	<b>1,569</b>	<b>1,414</b>	<b>1,295</b>	<b>988</b>

## CAP AMOUNT FOR MANAGEMENT FEE AND PERFORMANCE FEE

The historical annual caps for the Management Fee and the Performance Fee under the 2022 Investment Management Agreement for each of the three years ending 31 March 2025 were set at HK\$6,100,000, HK\$6,200,000 and HK\$6,300,000 respectively.

The Upbest Board and UBA Board respectively proposed that the annual cap for the Management Fee and the Performance Fee under the 2025 Investment Management Agreement for each of the Financial Years up to 31 March 2028 shall be as follows:

	For the Financial Year ending 31 March 2026 (HK\$'000)	For the Financial Year ending 31 March 2027 (HK\$'000)	For the Financial Year ending 31 March 2028 (HK\$'000)
Management Fee	1,500	1,600	1,700
Performance Fee	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
<b>Total (approximately)</b>	<b>2,500</b>	<b>2,600</b>	<b>2,700</b>

The proposed annual caps for Management Fee and the Performance Fee are determined by reference to:

- (i) an annualized Management Fee based on the unaudited interim results for the six months ended 30 September 2024 and unaudited management accounts for the nine months ended 31 December 2024 of the UBA Group, with an estimated annual growth rate of 7%;

- (ii) the annual caps of the Performance Fee calculated by the estimated Performance Fee of the Financial Year 2028 under the 2025 Investment Management Agreement, and based on the net asset value of the UBA Group with an estimated annual growth rate of 7% ; and
- (iii) the general performance and fluctuations in the stock market, the global economy and the UBA's performance in the past years,

which both the Upbest Board and UBA Board consider to be reasonable.

The Management Fee and the Performance Fee under the 2025 Investment Management Agreement were determined with reference to (i) the historical Management Fee at 1.5% per annum of the relevant Net Asset Value and (ii) other similar fee arrangement of the other investment companies in the market listed under Chapter 21 of the Listing Rules.

In the ordinary and usual course of business, UAML provides assets management services to UBA on normal commercial terms. As the investment manager of UBA, UAML is a connected person of UBA pursuant to Rule 14A.08 of the Listing Rules. As such, the transactions contemplated by the 2025 Investment Management Agreement constitutes continuing connected transactions of UBA under Chapter 14A of the Listing Rules. Although the proposed annual caps for the Management Fee and the Performance Fee under the 2025 Investment Management Agreement for each of the three years ending 31 March 2028 is less than HK\$10,000,000, one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) on the part of UBA is more than 25%. Thus, the transactions contemplated under the 2025 Investment Management Agreement on the part of UBA are subject to the approval by the UBA Independent Shareholders at the UBA EGM. As all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) on the part of Upbest are less than 25%, the transactions contemplated under the 2025 Investment Management Agreement are considered to be de minimis transactions for Upbest pursuant to Rule 14A.76 of the Listing Rules, and is exempted from the circular and shareholders' approval requirements on the part of Upbest.

#### **IV. 2025 SECURITIES BROKERAGE SUPPLEMENTAL AGREEMENTS**

USCL, a wholly-owned subsidiary of Upbest, has also provided securities brokerage services to the UBA Group under various agreements.

<b>Service Provider</b>	<b>Service Receiver</b>	<b>Date of original agreement</b>
USCL	UBA	12 July 2000
USCL	UBA Financial	18 July 2001
USCL	Super Idea	22 June 1999
USCL	Lucky Joy	3 November 2016
USCL	Marine Assets	24 November 2016
USCL	Blaze Light	3 May 2019
USCL	Loyal Grace	24 August 2020



The above agreements have the same principal terms as follows:

- Payment term : Cash payment on the settlement date (the second business day after the transaction)
- Commission : Commission charged at 0.25% on each securities transaction value

Each of UBA, UBA Financial and Super Idea had entered into supplemental agreement with USCL dated 1 November 2007 to extend the period to 31 March 2010, second supplemental agreement dated 11 February 2010 to extend the period to 31 March 2013, third supplemental agreement dated 28 January 2013 to extend the period to 31 March 2016, fourth supplemental agreement dated 26 January 2016 to extend the period to 31 March 2019, fifth supplemental agreement dated 25 January 2019 to extend the period to 31 March 2022 and sixth supplemental agreement dated 26 January 2022 to extend the period to 31 March 2025 for the securities brokerage services provided by USCL to each of UBA, UBA Financial and Super Idea.

Each of Lucky Joy and Marine Assets had entered into supplemental agreement with USCL dated 3 November 2016 and 24 November 2016 respectively to extend the period to 31 March 2017, the second supplemental agreement dated 31 March 2017 to extend the period to 31 March 2018, the third supplemental agreement dated 31 March 2018 to extend the period to 31 March 2019, the fourth supplemental agreement dated 25 January 2019 to extend the period to 31 March 2022 and the fifth supplemental agreement dated 26 January 2022 to extend the period to 31 March 2025 for the securities brokerage services provided by USCL to each of Lucky Joy and Marine Assets.

Blaze Light had entered into a first supplemental agreement with USCL dated 3 May 2019 to agree that the original securities brokerage services agreement dated 3 May 2019 is subject to annual renewal, the second supplemental agreement dated 31 March 2020 to extend the period to 31 March 2021, the third supplemental agreement dated 31 March 2021 to extend the period to 31 March 2022 and the fourth supplemental agreement dated 26 January 2022 to extend the period to 31 March 2025.

Loyal Grace had entered into a first supplemental agreement with USCL dated 24 August 2020 to agree that the original securities brokerage services agreement dated 24 August 2020 is subject to annual renewal, the second supplemental agreement dated 31 March 2021 to extend the period to 31 March 2022 and the third supplemental agreement dated 26 January 2022 to extend the period to 31 March 2025.

On 22 January 2025, each of UBA, UBA Financial, Super Idea, Lucky Joy, Marine Assets, Blaze Light and Loyal Grace had entered into the 2025 Securities Brokerage Supplemental Agreements with USCL in relation to the securities brokerage services provided by USCL to the UBA Group. According to the 2025 Securities Brokerage Supplemental Agreements, (i) USCL and each of UBA, UBA Financial, Super Idea, Lucky Joy, Marine Assets, Blaze Light and Loyal Grace agreed that the original agreements will be further extended for the period from 1 April 2025 to 31 March 2028 and is subject to renewal by written supplemental agreement between the contract parties and (ii) UBA and USCL agreed that, subject to notice being given to USCL, UBA may assign all or part of its rights or benefits under the agreement entered into between UBA and USCL dated 12 July 2000 (including any supplemental agreement) to any of its wholly owned subsidiaries.

Save as disclosed above, the original agreements regarding the securities brokerage services shall in all respects remain and continue in full force and effect.

## HISTORICAL DATA

The amounts of securities brokerage commission paid by UBA Group to USCL for each of the three years ended 31 March 2024 and the nine months ending 31 December 2024 respectively are shown below:

	<b>For the Financial Year ended 31 March 2022 (HK\$'000)</b>	<b>For the Financial Year ended 31 March 2023 (HK\$'000)</b>	<b>For the Financial Year ended 31 March 2024 (HK\$'000)</b>	<b>For the nine months ended 31 December 2024 (HK\$'000)</b>
<b>Securities brokerage commission</b>	33	101	12	160

## CAP AMOUNT FOR SECURITIES BROKERAGE COMMISSION

In the ordinary and usual course of business, USCL provides securities brokerage service, which charges brokerage commission rate at 0.25%, the prevailing market rate, on the value of the transactions. The securities brokerage commission is charged when transaction is concluded.

The annual securities brokerage commission paid by UBA Group to USCL for each of the three years ended 31 March 2024 and the nine months ending 31 December 2024 is not more than HK\$3,000,000 and all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) were less than 5%. The Upbest Board and UBA Board respectively proposed that the annual cap for the securities brokerage commission payable by UBA Group to USCL for each of the three years ending 31 March 2028 should be set at HK\$800,000. The above annual cap was determined with reference to (i) the historical figures of the brokerage commission paid by UBA Group from 1 April 2016 to 31 March 2019 and for the nine months ended 31 December 2024 (the historical figures from 1 April 2019 to 31 March 2024 are not taken into account given the negative impact from the rare event of the COVID-19 pandemic and U.S. interest rate hike); (ii) an expected estimated annual growth rate of 7%; and (iii) the expectation that the Hong Kong economy will improve in the future upon the end of the COVID-19 pandemic and the US interest rate hike.

The proposed annual caps for the brokerage commission in respect of the 2025 Securities Brokerage Supplemental Agreements are less than HK\$3,000,000 per annum and all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) are less than 5% on the part of Upbest. Thus, transactions contemplated under the 2025 Securities Brokerage Supplemental Agreements on the part of Upbest are considered to be de minimis transactions pursuant to Rule 14A.76 of the Listing Rules and is exempted from annual review, all disclosure and shareholders' approval requirements. As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) on the part of UBA is more than 5% but less than 25%, the transactions contemplated under 2025 Securities Brokerage Supplemental Agreements on the part of UBA is subject to annual review and announcement requirement but exempt from the circular and shareholders' approval requirements.

## **V. INFORMATION OF UPBEST AND UBA**

The principal activity of Upbest is investment holding. Its subsidiaries are principally engaged in securities broking, futures broking, securities margin financing, money lending, corporate finance advisory, assets management, and precious metal trading and property investment. Each of UAML, USCL and UICL is a wholly owned subsidiary of Upbest.

UBA is an investment company listed under Chapter 21 of the Listing Rules and its principal activities are investment in listed securities and unlisted securities for their potential earnings growth and capital appreciation. Each of UBA Financial, Super Idea, Lucky Joy, Marine Assets, Blaze Light and Loyal Grace is a wholly-owned subsidiary of UBA.

## **VI. REASONS FOR THE TRANSACTIONS**

Upbest Group has been providing assets management services to UBA since December 2000. Upbest Group also provides securities margin financing services since the commencement of business of UBA Group in year 2000. Upbest Group also provides the securities brokerage services since the commencement of business of UBA Group. In view of the long-term business relationship, the Upbest Board and the UBA Board consider the entering into of the 2025 Financial Assistance Supplemental Agreements, the 2025 Investment Management Agreement and the 2025 Securities Brokerage Supplemental Agreements will benefit Upbest Shareholders and UBA Shareholders as a whole. In view of the long-term business relationship since then and operational convenience brought to Upbest Group and UBA Group, each of the Upbest Board and UBA Board considers them to be in the best interests of Upbest Shareholders and UBA Shareholders to continue to engage Upbest Group to provide assets management services, securities margin financing services and securities brokerage services for UBA Group.

The Upbest Board (including the independent non-executive directors) and the UBA Board (including the independent non-executive directors) are of the view that terms of the CCT Agreements are on normal commercial terms and are fair and reasonable and that the entering into of the transactions are in the interests of both Upbest, UBA, Upbest Shareholders and UBA Shareholders as a whole and in the ordinary and usual course of business of Upbest Group and UBA Group.

## **VII. CONTINUING CONNECTED TRANSACTIONS**

For the reasons stated above, the transactions contemplated under the CCT Agreements are considered as continuing connected transactions under the Listing Rules.

Save for Mr. Cheng and Ms. Cheng, no other directors of Upbest has material interest in the CCT Agreements and the transactions contemplated thereunder. Mr. Cheng and Ms. Cheng have abstained from voting on the Upbest Board resolutions approving the CCT Agreements and the transactions contemplated thereunder.

Save for Mr. Cheng, no other directors of UBA has material interest in the CCT Agreements and the transactions contemplated thereunder. Mr. Cheng has abstained from voting on the UBA Board resolutions approving the CCT Agreements and the transactions contemplated thereunder.

As all the applicable percentage ratios (other than the profits ratio) of the proposed annual cap of the Financial Assistance for each of the three years ending 31 March 2028 to be provided by Upbest Group to UBA Group on the part of Upbest are less than 5%, such transactions are subject to annual review and announcement requirement but exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules. Since the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the proposed annual cap of the Financial Assistance for each of the three years ending 31 March 2028 to be provided by Upbest Group to UBA Group on the part of UBA is more than 25%, according to Rule 14A.54 of the Listing Rules, such transactions are subject to the approval by the UBA Independent Shareholders at UBA EGM. **Fung Fai and its associates will abstain from voting in the UBA EGM to be convened for the approval of, inter alia, the transactions contemplated under the 2025 Financial Assistance Supplemental Agreements.**

Although the proposed annual caps for the Management Fee and the Performance Fee under the 2025 Investment Management Agreement for each of the three years ending 31 March 2028 are less than HK\$10,000,000, one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) on the part of UBA is more than 25%. Thus, the transactions contemplated under the 2025 Investment Management Agreement on the part of UBA are subject to the approval by the UBA Independent Shareholders at the UBA EGM. **Fung Fai and its associates will abstain from voting in the UBA EGM to be convened for the approval of, inter alia, the transactions contemplated under the 2025 Investment Management Agreement.** As the proposed annual caps for the Management Fee and the Performance Fee under the 2025 Investment Management Agreement for each of the three years ending 31 March 2028 are less than HK\$10,000,000 and all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) on the part of Upbest are less than 25%, the transactions contemplated under the 2025 Investment Management Agreement are subject to annual review and announcement requirement but exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

The proposed annual caps for the brokerage commission in respect of the 2025 Securities Brokerage Supplemental Agreements are less than HK\$3,000,000 per annum and all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) are less than 5% on the part of Upbest. Thus, the transactions contemplated under the 2025 Securities Brokerage Supplemental Agreements on the part of Upbest are considered to be a de minimis transactions pursuant to Rule 14A.76 of the Listing Rules and is exempted from annual review, all disclosure and shareholders' approval requirements. As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) on the part of UBA is more than 5% but less than 25%, the transactions contemplated under 2025 Securities Brokerage Supplemental Agreements on the part of UBA are subject to annual review and announcement requirement but exempt from the circular and shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

UBA Independent Board Committee comprising three independent non-executive directors having no material interest in these transactions, namely, Ms. Kwok Yuen Lam, Sophia, Mr. TANG Hon Bui, Ronald and Mr. KWOK Ming Fai, has been formed to advise the UBA Independent Shareholders in relation to the Financial Assistance and the transactions contemplated under the 2025 Investment Management Agreement.

UBA will convene the UBA EGM for the approval of the relevant transactions. UBA has appointed Vinco Financial Limited as the independent financial adviser to advise the UBA Independent Board Committee on the terms of the relevant agreements and the relevant cap amounts in respect of the continuing connected transactions which require approval from the UBA Independent Shareholders.

A circular of UBA containing, amongst other things, a notice convening the UBA EGM and further details relating to the transactions which require approvals by the UBA Independent Shareholders and a letter from the independent financial adviser to advise the UBA Independent Board Committee, and the UBA Independent Shareholders on the transactions are expected to be despatched to the UBA Shareholders in compliance with the Listing Rules on or before 7 March 2025.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meaning:

“2022 CCT Agreements”	collectively the 2022 Financial Assistance Supplemental Agreements, the 2022 Investment Management Agreement and the 2022 Securities Brokerage Supplemental Agreements
“2022 Financial Assistance Supplemental Agreements”	the supplemental agreements entered into between each of UBA, UBA Financial and Super Idea with UICL dated 26 January 2022 in relation to the provision of securities margin financing and initial public offer financing by Upbest Group to UBA Group
“2022 Investment Management Agreement”	the investment management agreement entered into between UAML and UBA dated 26 January 2022 in relation to the provision of assets management services by UAML
“2022 Joint Announcement”	the joint announcement by Upbest and UBA dated 26 January 2022
“2022 Securities Brokerage Supplemental Agreements”	the supplemental agreements entered into by each of UBA, UBA Financial, Super Idea, Lucky Joy, Marine Assets, Blaze Light and Loyal Grace with USCL dated 26 January 2022 in relation to the securities brokerage services provided by USCL to UBA Group

“2025 Financial Assistance Supplemental Agreements”	the supplemental agreements entered into between each of UBA, UBA Financial and Super Idea with UICL dated 22 January 2025 in relation to the provision of securities margin financing and initial public offer financing by Upbest Group to UBA Group
“2025 Investment Management Agreement”	the investment management agreement entered into between UAML and UBA dated 22 January 2025 in relation to the provision of assets management services by UAML
“2025 Securities Brokerage Supplemental Agreements”	the supplemental agreements entered into by each of UBA, UBA Financial, Super Idea, Lucky Joy, Marine Assets, Blaze Light and Loyal Grace with USCL dated 22 January 2025 in relation to the securities brokerage services provided by USCL to UBA Group
“2025 Supplemental Agreements”	collectively the 2025 Financial Assistance Supplemental Agreements and the 2025 Securities Brokerage Supplemental Agreements
“Articles”	at any time the memorandum and articles of association of UBA in force at that time
“associate”	has the meaning ascribed to it in the Listing Rules
“Blaze Light”	Blaze Light Investment Limited, a company incorporated in British Virgin Islands with limited liability, is a wholly owned subsidiary of UBA
“CCAA”	CCAA Group Limited, an investment holding company, holds approximately 74.29% interest in Upbest as at the date of this announcement
“CCT Agreements”	collectively the 2025 Financial Assistance Supplemental Agreements, the 2025 Investment Management Agreement and the 2025 Securities Brokerage Supplemental Agreements
“Cheng’s Family Trust”	a trust of which the discretionary objects are family members of Ms. Cheng and Mr. Cheng
“Circular”	namely the circular of UBA dated 4 April 2022

“Financial Assistance”	the loan advanced of securities margin financing and initial public offer financing, as disclosed in the section headed “II. Supplemental agreements in relation to securities margin financing and initial public offer financing services” of this announcement
“Financial Year”	financial year of Upbest and UBA, both being the twelve (12) months commencing from 1 April and up to 31 March in the next year
“Fung Fai”	Fung Fai Growth Limited, an investment holding company, holds approximately 26.74% interest of UBA as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Investment Management Agreements”	collectively, the 2022 Investment Management Agreement, the 2025 Investment Management Agreement and the previous agreements entered into between the Upbest Group and the UBA Group in relation to the provision of assets management services by the Upbest Group to the UBA Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loyal Grace”	Loyal Grace Investments Limited, a company incorporated in British Virgin Islands with limited liability and a wholly owned subsidiary of UBA.
“Lucky Joy”	Lucky Joy Investments Limited, a company incorporated in British Virgin Islands with limited liability and a wholly owned subsidiary of UBA
“Management Fee”	the management fee payable by UBA to UAML under the Investment Management Agreements from time to time
“Marine Assets”	Marine Assets Holding Limited, a company incorporated in British Virgin Islands with limited liability and a wholly owned subsidiary of UBA
“Mr. Cheng”	Mr. CHENG Wai Lun, Andrew
“Ms. Cheng”	Ms. CHENG Wai Ling, Annie

“Net Asset Value”	the net asset value of UBA calculated in accordance with the provisions of the Articles and where applicable, as adjusted in accordance with the terms of the 2025 Investment Management Agreement
“Performance Fee”	the performance fee payable by UBA to UAML under the Investment Management Agreements from time to time
“Reference Year”	the Financial Year ending 31 March 2022
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Super Idea”	Super Idea International Limited, a company incorporated in British Virgin Islands with limited liability and a wholly owned subsidiary of UBA
“UAML”	Upbest Assets Management Limited, a company incorporated in Hong Kong with limited liability, is registered under the SFO and is principally engaged in the provision of type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities. Upbest Assets Management Limited is a wholly owned subsidiary of Upbest
“UBA”	UBA Investments Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange
“UBA Board”	the board of directors, including the independent non-executive directors, of UBA
“UBA EGM”	the extraordinary general meeting of UBA to be convened and held to consider the continuing connected transactions, details of which are set out in this announcement
“UBA Financial”	UBA Financial Trading Limited, a company incorporated in Hong Kong with limited liability, is a wholly owned subsidiary of UBA
“UBA Group”	UBA and its subsidiaries
“UBA Independent Board Committee”	the independent board committee of UBA composing Ms. Kwok Yuen Lam, Sophia, Mr. TANG Hon Bui, Ronald and Mr. KWOK Ming Fai, independent non-executive directors of UBA



“UBA Independent Shareholders”	UBA Shareholders other than Fung Fai and its associates
“UBA Shareholders”	Shareholders of UBA
“UICL”	Upbest Investment Company Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of Upbest, is registered under the SFO and is principally engaged in the provision of type 8 (securities margin financing) regulated activities
“USCL”	Upbest Securities Company Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of Upbest, is registered under the SFO and is principally engaged in the provision of type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities
“Upbest”	Upbest Group Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange
“Upbest Board”	the board of directors, including the independent non-executive directors, of Upbest
“Upbest Group”	Upbest and its subsidiaries
“Upbest Independent Shareholders”	Upbest Shareholders other than CCAA and its associates
“Upbest Shareholders”	Shareholders of Upbest
“Valuation Date”	the last dealing day on the Stock Exchange in each calendar month or such other dealing day as considered appropriate by the UBA Board for the purpose of calculating the Net Asset Value

**By order of the Board**  
Upbest Group Limited  
Ip Man Tin, David  
Chairman and Non-executive Director

**By order of the Board**  
UBA Investments Limited  
WONG Yun Kuen  
Chairman and Executive Director

Hong Kong, 22 January 2025

*\* For identification purpose only*

*As at the date of this announcement, Upbest Board consists of Mr. IP Man Tin, David as chairman and non-executive director, Dr. SZE Ping Fat as non-executive director, Ms. CHENG Wai Ling, Annie and Mr. CHENG Wai Lun, Andrew as executive directors and Mr. CHAN Tsun Choi, Arnold, Mr. POON Kai Tik and Mr. HUI Man Ho, Ivan as independent non-executive directors.*

*As at the date of this announcement, UBA Board consists of Dr. WONG Yun Kuen as chairman and executive director, Mr. CHENG Wai Lun, Andrew and Mr. CHAU Wai Hing as executive directors; Mr. TANG Hon Bui, Ronald, Mr. KWOK Ming Fai and Ms. KWOK Yuen Lam, Sophia as independent non-executive directors.*