
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in UBA Investments Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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UBA INVESTMENTS LIMITED

開明投資有限公司*

(incorporated in Cayman Islands with limited liability)

(Stock code: 768)

CONTINUING CONNECTED TRANSACTIONS

**Independent financial adviser to the Independent Board Committee
and Independent Shareholders**

VINCO 榮高

Vinco Financial Limited

A letter from the Independent Board Committee is set out on pages 19 to 20 of this circular. A letter from Vinco Financial Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 21 to 48 of this circular.

A notice convening the EGM of the Company to be held at 16th Floor, Wah Kit Commercial Centre, 300 Des Voeux Road Central, Hong Kong on Tuesday, 25 March 2025 at 4:00 p.m. is set out on pages 54 to 56 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed.

Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company’s principal place of business at Flat B, 16th Floor, Wah Kit Commercial Centre, 300 Des Voeux Road Central, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting if you so wish.

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2022 CCT Agreements”	collectively the 2022 Financial Assistance Supplemental Agreements and the 2022 Investment Management Agreement
“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
“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
“Articles”	at any time the memorandum and articles of association of the Company in force at that time
“associate”	has the meaning ascribed to it in the Listing Rules
“CCAA”	CCAA Group Limited, an investment holding company, holds approximately 74.29% interest in Upbest as at the Latest Practicable Date
“CCT Agreements”	collectively the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement
“Company” or “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
“Continuing Connected Transactions”	the continuing connected transactions as contemplated under the CCT Agreements

DEFINITIONS

“Cheng’s Family Trust”	a trust of which the discretionary objects are family members of Ms. Cheng and Mr. Cheng
“Director(s)”	the director(s) of the Company
“EGM” or “UBA EGM”	the extraordinary general meeting of the Company to be convened and held to consider the relevant Continuing Connected Transactions, details of which are set out in this circular
“Financial Assistance”	the loan advanced or to be advanced of securities margin financing and initial public offer financing as disclosed under the section “III. Supplemental agreements in relation to securities margin and initial public offer financing services” of the letter from the UBA Board in this circular
“Financial Year”	financial year of Upbest and UBA, both being the twelve (12) months commencing from 1 April 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 Latest Practicable Date
“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
“Latest Practicable Date”	21 February 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Fee”	the management fee payable by UBA to UAML under the Investment Management Agreements from time to time
“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

DEFINITIONS

“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)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“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 (assets management) regulated activities. Upbest Assets Management Limited is a wholly-owned subsidiary of Upbest
“UBA Board”	the board of directors, including the independent non-executive directors, of UBA
“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” or “Independent Board Committee”	the independent board committee of UBA composing Mr. TANG Hon Bui, Ronald and Mr. KWOK Ming Fai and Ms. KWOK Yuen Lam, Sophia independent non-executive directors of UBA
“UBA Independent Financial Adviser” or “Independent Financial Adviser” or “Vincio Financial”	Vincio Financial Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser of the Company appointed to advise the UBA Independent Board Committee and the UBA Independent Shareholders in relation to the terms of the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement and the transactions contemplated thereunder and the respective annual caps

DEFINITIONS

“UBA Independent Shareholders” or “Independent Shareholders”	UBA Shareholders other than Fung Fai and its associates
“UBA Shareholders” or “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 (assets 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
“%”	per cent.

LETTER FROM THE UBA BOARD



UBA INVESTMENTS LIMITED

開明投資有限公司*

(incorporated in Cayman Islands with limited liability)

(Stock code: 768)

Executive Directors:

Dr. Wong Yun Kuen

Mr. Cheng Wai Lun, Andrew

Mr. Chau Wai Hing

Independent non-executive Directors:

Mr. Tang Hon Bui, Ronald

Mr. Kwok Ming Fai

Ms. Kwok Yuen Lam, Sophia

Registered office:

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

Principal place of business in

Hong Kong:

Flat B, 16th Floor

Wah Kit Commercial Centre

300 Des Voeux Road Central

Hong Kong

26 February 2025

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

I. INTRODUCTION

Reference is made to the joint announcement of the Company and Upbest dated 22 January 2025 in relation to, among others, the entering into of the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement on 22 January 2025 by various members of the Upbest Group and the UBA Group.

The transactions contemplated under the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement constitute continuing connected transactions under 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.

* For identification purpose only

LETTER FROM THE UBA BOARD

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.

The purpose of this circular is to (i) provide the Shareholders with information on the CCT Agreements and their respective annual caps for the three Financial Years ending 31 March 2026, 2027 and 2028 respectively; (ii) set out the letter from the Independent Board Committee which contains its recommendation to the Independent Shareholders as regards on voting on the approval of the relevant Continuing Connected Transactions; (iii) set out the advice letter from the Independent Financial Adviser which contains its recommendation to the Independent Board Committee and the Independent Shareholders on the terms and conditions of the relevant Continuing Connected Transactions; and (iv) give a notice to the Shareholders on convening the EGM.

II. BACKGROUND OF THE CONTINUING CONNECTED TRANSACTIONS

References are made to (i) the 2022 Joint Announcement; and (ii) 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 Announcement 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 Announcement, 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, assets 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 were subject to and had been duly approved by the UBA Independent Shareholders at the extraordinary general meeting of UBA held on 29 April 2022.

LETTER FROM THE UBA BOARD

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.

As at the Latest Practicable Date, 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:

III. SUPPLEMENTAL AGREEMENTS IN RELATION TO SECURITIES MARGIN 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 of the Company dated 2 May 2008, the second supplemental agreements dated 11 February 2010 as disclosed in the announcement of the Company dated 11 February 2010, the third supplemental agreements dated 28 January 2013 as disclosed in the announcement of the Company dated 28 January 2013, the fourth supplemental agreements dated 26 January 2016 as disclosed in the announcement of the Company dated 26 January 2016, the fifth supplemental agreements dated 25 January 2019 as disclosed in the announcement of the Company dated 25 January 2019 and the sixth supplemental agreements dated 26 January 2022 as disclosed in the announcement of the Company 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.

LETTER FROM THE UBA BOARD

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.

The payment term of securities margin financing services shall be as follows:

Payment term	:	Payment on demand
Collateral term	:	Pledge of any acceptable security interest by way of security for loans or advances
Interest rate	:	4.25% above prime rate per annum, calculated on daily balances charged on a monthly basis. Such interest rate was determined with reference to (i) the terms and conditions offered by UICL to other majority of independent customers of UICL and (ii) the terms and conditions offered by other independent service providers to the UBA Group in the market.

The payment term of initial public offer financing services shall be as follows:

Payment term	:	Payment on demand
Collateral term	:	Pledge of any acceptable security interest by way of security for loans or advances
Interest rate	:	0.20% to 1.50% above the borrowing costs per annum, calculated on daily balances charged on a monthly basis. Such interest rate was determined with reference to (i) the terms and conditions offered by UICL to other majority of independent customers of UICL and (ii) the terms and conditions offered by other independent service providers to the UBA Group in the market.

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.

LETTER FROM THE UBA BOARD

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 <i>(HK\$'000)</i>	During the Financial Year ended 31 March 2023 <i>(HK\$'000)</i>	During the Financial Year ended 31 March 2024 <i>(HK\$'000)</i>	During the nine months ended 31 December 2024 <i>(HK\$'000)</i>
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Securities margin loans

Maximum amounts (approximately)	NIL	NIL	NIL	NIL
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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 <i>(HK\$'000)</i>	As at 31 March 2023 <i>(HK\$'000)</i>	As at 31 March 2024 <i>(HK\$'000)</i>	As at 31 December 2024 <i>(HK\$'000)</i>
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Securities margin loans (approximately)	NIL	NIL	NIL	NIL
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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 <i>(HK\$'000)</i>	During the Financial Year ended 31 March 2023 <i>(HK\$'000)</i>	During the Financial Year ended 31 March 2024 <i>(HK\$'000)</i>	During the nine months ended 31 December 2024 <i>(HK\$'000)</i>
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**Initial public offer
financing**

Maximum amounts (approximately)	NIL	NIL	NIL	NIL
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LETTER FROM THE UBA BOARD

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.

The average net asset value of UBA for the three financial years ended 31 March 2022 to 2024 and the interim period ended 30 September 2024 is approximately HK\$90 million. Pursuant to Chapter 21 of the Listing Rules, the Company may invest in shares issued by a listed company for a value not exceeding 20% of the net asset value of the Company (i.e. HK\$18 million) when the Company makes such investment. As at 30 September 2024, the Company has two investment in shares issued by companies listed on the Stock Exchange using its own fund, in which the market value of those shares slightly below 20% of the net asset value of the Company at the time the Company made the investment. The UBA Board considers and expects the Company is reasonable to invest one more listed securities with similar value in the future for trading purpose if the opportunity arise. Therefore the Company would like to maintain the flexibility with margin financing facility available to prepare for upcoming investment opportunities. In addition, UBA Board would like to maintain sufficient cashflow to generate interest income from bank deposit as another source of income. As at 30 September 2024, the Company has approximately HK\$10,000,000 fixed deposit. Moreover, having considered that the UBA Group may have focus on different type of transactions depending on the market trend under the Financial Assistance, the UBA Board considers that it would be more beneficial for the Company not to set a cap for each type of the transactions under the Financial Assistance so as to allow more flexibility for UBA Group to capitalise on the investment opportunities. Based on the foregoing, the UBA Board considers that the basis for determining the annual caps for the Financial Assistance for each of the three years ending 31 March 2028 is fair and reasonable.

LETTER FROM THE UBA BOARD

Internal Control Procedures

In order to ensure that the interest rates offered under each of the 2025 Financial Assistance Supplemental Agreements are fair and reasonable, on normal commercial terms and are no less favourable than those offered by independent third parties, the financial controller of the Company will gather and compare the interest rates for each of the securities margin financing and initial public offering financing offered by Upbest Group to UBA Group against those offered by at least two independent service providers. For securities margin financing, the review on the interest rates will be conducted on a regular half-year basis, while the review for the interests rates for initial public offering financing will be conducted whenever the UBA Group will engage in an investment in relation to initial public offering, so as to determine if the interest rates offered by Upbest Group are on normal commercial terms and on terms which are no less favourable to UBA Group than those offered by other independent service providers. The financial controller of the Company will then summarise the relevant findings and report to the management immediately in case of any irregularity.

Also, the financial controller of the Company will review the transaction amounts under the relevant continuing connected transactions on a monthly basis so as to ensure that the annual cap for the Financial Assistance having been approved by the Independent Shareholders will not be exceeded.

Furthermore, the independent non-executive Directors and the auditors of the Company will conduct annual review of the relevant continuing connected transactions to confirm, among others, that such transactions are carried out in accordance with the terms of the relevant agreements governing the transactions and in accordance with Rule 14A.55 and Rule 14A.56 of the Listing Rules.

For the avoidance of doubt, UBA is not obligated to use the services provided by the Upbest Group under each of the 2025 Financial Assistance Supplemental Agreements and UBA can engage other service provider(s) in the event that the other service provider(s) would provide better services and terms.

Based on the above, the Directors consider that the Company has adopted sufficient internal control measures to ensure that the interest rates offered under each of the 2025 Financial Assistance Supplemental Agreements are fair and reasonable, on normal commercial terms and are no less favourable than those offered by independent third parties for each of the transactions under the Financial Assistance.

IV. 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.

LETTER FROM THE UBA BOARD

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).

LETTER FROM THE UBA BOARD

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	NIL	NIL	NIL	NIL
Total	1,569	1,414	1,295	988

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	1,000	1,000	1,000
Total (approximately)	2,500	2,600	2,700

LETTER FROM THE UBA BOARD

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 according to the estimated Performance Fee of the Financial Years ending 31 March 2026, 31 March 2027 and 31 March 2028 respectively with a buffer of approximately HK\$1,000,000 for each of the relevant Financial Years under the 2025 Investment Management Agreement 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 and the coming three 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.

The UBA Board noted that a high watermark provision is included in a number of assets management agreements entered into between some other issuers listed under Chapter 21 of the Listing Rules with their respective investment managers. The UBA Board considers that the High Watermark in the 2025 Investment Management Agreement will remain as the Net Asset Value as at 31 March 2022 or will become a higher amount, it therefore ensures that the Company will not have to pay any Performance Fee to Upbest Group if the performance of Upbest Group for a relevant Financial Year does not meet the benchmark of the High Watermark. Considering the negative impact of the U.S. interest rate hike and COVID-19 on the market condition in the past three years and the expectation that the Hong Kong economy will gradually stabilize and the performance of the stock market may gradually improve, upon arm's length negotiation between the Company and the Upbest Group, it is agreed that the financial year ended 31 March 2022 should be kept as the Reference Year for the determination of the High Watermark in the 2025 Investment Management Agreement. In the case that the Net Asset Value after the first year (i.e. the year ending 31 March 2026) exceeds that of the Reference Year, Upbest Group has to perform better for getting the Net Asset Value above the High Watermark before it could receive Performance Fee in the following two Financial Years. As such, the UBA Board considers the High Watermark provision is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Company is of the view that the negative effect from COVID-19 and the U.S. rate hike were the contributing factors to the unstable global economy and the fluctuating stock market over the past three years. The Company expects the global economy and stock market will improve in the coming three years as the U.S. has been reducing interest rate since the third quarter of 2024. In order to provide incentive for Upbest Group to perform better for the benefit of the Company under the High Watermark provision, the Company has set the same performance fee for each of the three financial years ending 31 March 2028.

LETTER FROM THE UBA BOARD

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.

V. INFORMATION OF THE COMPANY AND 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 and Super Idea, is a wholly-owned subsidiary of UBA. UBA Financial is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. Super Idea is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

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 and UICL is a wholly-owned subsidiary of Upbest. UAML is a company incorporated in Hong Kong with limited liability and is a licensed corporation under the SFO and principally engaged in the provision of type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (assets management) regulated activities. UICL is a company incorporated in Hong Kong with limited liability and is a licensed corporation under the SFO and principally engaged in the provision of type 8 (securities margin financing) regulated activities.

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 UBA Board consider the entering into of the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement will benefit the Company and UBA Shareholders as a whole. In view of the long term business relationship since then and operational convenience brought to the UBA Group, the UBA Board considers them to be in the best interests of the UBA Shareholders to continue to engage Upbest Group to provide assets management services and securities brokerage services for UBA Group.

LETTER FROM THE UBA BOARD

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 UBA, and UBA Shareholders as a whole and in the ordinary and usual course of business of UBA Group. The UBA Board also considers that the entering into the CCT Agreements and the transactions contemplated thereunder has no disadvantage to the 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, 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.

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.

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.

As at the Latest Practicable Date, Fung Fai holds 340,000,000 Shares, representing approximately 26.74% of the issued share capital of UBA and had control or entitled to exercise control over the voting rights in respect of these Shares. The ultimate beneficial owner of 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. **Therefore, Fung Fai and its associates shall 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 and the 2025 Investment Management Agreement. Save for Fung Fai and its associates, no other Shareholders will abstain from voting in the UBA EGM.**

UBA will convene the UBA EGM for the approval of the relevant transactions. UBA has appointed Vinco Financial as the independent financial adviser to advise the UBA Independent Board Committee and the UBA Independent Shareholders 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.

LETTER FROM THE UBA BOARD

VIII. THE INDEPENDENT BOARD COMMITTEE

UBA Independent Board Committee comprising three independent non-executive Directors having no material interest in these transactions, namely, Mr. TANG Hon Bui, Ronald, Mr. KWOK Ming Fai and Ms. Kwok Yuen Lam, Sophia, 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.

IX. EGM

Set out on pages 54 to 56 is a notice convening the EGM to be held at 16th Floor, Wah Kit Commercial Centre, 300 Des Voeux Road Central, Hong Kong on Tuesday, 25 March 2025 at 4:00 p.m. at which relevant resolution(s) will be proposed to the Shareholders to consider and if thought fit, approve the relevant Continuing Connected Transactions. The voting on the resolution(s) will be taken by way of poll.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the principal place of business of the Company in Hong Kong at Flat B, 16th Floor, Wah Kit Commercial Centre, 300 Des Voeux Road Central, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

The register of members of the Company will be closed, for the purpose of determining Shareholders' entitlement to attend and vote at the meeting, from Thursday, 20 March 2025 to Tuesday, 25 March 2025 (both days inclusive), during this period no transfer of shares will be registered. In order to attend and vote at the meeting, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration, not later than 4:30 p.m. on Wednesday, 19 March 2025.

X. RECOMMENDATION

The UBA Board considers that the terms of the Continuing Connected Transactions and their respective annual caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the UBA Board recommends the Independent Shareholders to vote in favour of the ordinary resolution as set out in the notice of the EGM.

Your attention is also drawn to (i) the letter from the Independent Board Committee set out on pages 19 to 20 of this circular; and (ii) the letter from Vinco Financial set out on pages 21 to 48 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the relevant Continuing Connected Transactions.

LETTER FROM THE UBA BOARD

The Independent Board Committee, having taken into account the advice of Vinco Financial, considers that the terms of the Continuing Connected Transactions are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

XI. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

By order of the UBA Board
UBA Investments Limited
Dr. Wong Yun Kuen
Chairman and Executive Director



UBA INVESTMENTS LIMITED

開明投資有限公司*

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

26 February 2025

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 26 February 2025 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the UBA Board as members to form the Independent Board Committee and to advise you the terms of the 2025 Financial Assistance Supplemental Agreements and the terms of the 2025 Investment Management Agreement and the transactions contemplated thereunder and the respective annual caps, whether such terms are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and how to vote on the resolutions approving the Financial Assistance, the 2025 Investment Management Agreement and the transactions contemplated thereunder and the relevant annual caps.

Vinco Financial has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Financial Assistance provided by Upbest Group to UBA Group and the terms of the 2025 Investment Management Agreement are fair and reasonable so far as the Independent Shareholders are concerned, whether such terms are in the interests of the Company and the Shareholders as a whole. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, is set out on pages 21 to 48 of the Circular.

Your attention is also drawn to the letter from the UBA Board set out on pages 5 to 18 of the Circular and the additional information set out in the appendix of the Circular.

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Financial Assistance, the terms of the 2025 Investment Management Agreement and the advice of Vinco Financial Limited, we are of the opinion that the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement and the transactions contemplated thereunder, and the respective annual caps are on normal commercial terms and the terms of the Financial Assistance and the 2025 Investment Management Agreement are in the ordinary and usual course of business of the UBA Group and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Financial Assistance, the 2025 Investment Management Agreement and the transactions contemplated thereunder, and the respective annual caps.

Yours faithfully,
Independent Board Committee of
UBA Investments Limited

Mr. TANG Hon Bui, Ronald
*Independent non-executive
Director*

Mr. KWOK Ming Fai
*Independent non-executive
Director*

Ms. KWOK Yuen Lam, Sophia
*Independent non-executive
Director*

LETTER FROM VINCO FINANCIAL

The following is the text of a letter of advice from Vinco Financial setting out its advice to the Independent Board Committee and the Independent Shareholders prepared in respect of the terms of 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement and the transactions contemplated thereunder and the respective annual caps, which has been prepared for the purpose of incorporation in this circular:



26 February 2025

*To the Independent Board Committee and
the Independent Shareholders of **UBA Investments Limited***

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

A. INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement and the transactions contemplated thereunder and the respective annual caps, details of which are set out in the letter from the board (the “**Letter from the Board**”) contained in the Circular issued by the Company to the Shareholders dated 26 February 2025 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

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 had separately 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 (“**IPO financing services**”) by Upbest Group to UBA Group for a period commencing from 1 April 2025 to 31 March 2028; and
- (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.

LETTER FROM VINCO FINANCIAL

Implications under Listing Rules

For the reasons set out in the Letter from the Board of the Circular, the transactions contemplated under the CCT Agreements are considered as continuing connected transactions under the Listing Rules. 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. 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.

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 at the Latest Practicable Date, Fung Fai holds 340,000,000 Shares, representing approximately 26.74% of the issued share capital of UBA and had control or entitled to exercise control over the voting rights in respect of these Shares. The ultimate beneficial owner of 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. Therefore, Fung Fai and its associates shall abstain from voting in the EGM to be convened for the approval of, inter alia, the transactions contemplated under the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement. Save for Fung Fai and its associates, no other Shareholders will abstain from voting in the EGM.

Independent Board Committee

The Independent Board Committee, comprising all the independent non-executive Directors, namely Ms. Kwok Yuen Lam, Sophia, Mr. Tang Hon Bui, Ronald and Mr. Kwok Ming Fai, has been established by the Board to consider and advise the Independent Shareholders as to whether the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement and the transactions contemplated thereunder and the respective annual caps are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the UBA Group and are in the interest of the Company and the Shareholders as a whole. We have been appointed and have been approved by the Independent Board Committee, as the Independent Financial Adviser to advise the UBA Independent Board Committee and the UBA Independent Shareholders in this regard.

LETTER FROM VINCO FINANCIAL

Our Independence

As at the Latest Practicable Date, we are not connected with the directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any member of the UBA Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the UBA Group. We were not aware of any relationships or interests between us and the Company or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Listing Rule to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement and the transactions contemplated thereunder and the respective annual caps.

Apart from normal professional fees payable to us in connection with this appointment, no arrangements exist whereby we had received or will receive any fee or benefit from the UBA Group and its associates. During the past two years, there was no engagement between the UBA Group and us. Also, we are not aware of the existence of or change in any circumstances that would affect our independence. Accordingly, we consider that we are eligible to give independent advice and recommendations on the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement and the transactions contemplated thereunder and the respective annual caps.

B. BASIS OF OUR OPINION AND RECOMMENDATION

In forming our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the directors, management of the Company and its subsidiaries. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading.

We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular and the Independent Shareholders will be notified of any material changes to such statements, information, opinions and/or representations as soon as possible and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries.

LETTER FROM VINCO FINANCIAL

We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed. We have relied on such information and opinions and have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the UBA Group or its future prospect.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have reviewed all currently available information and documents, among others: (i) the annual report of the Company for the year ended 31 March 2024 (the “**Annual Report 2024**”); (ii) the interim report of the Company for the six months ended 30 September 2024 (the “**Interim Report 2024**”); (iii) the original Financial Assistance agreements and their subsequent supplemental agreements, the 2022 Financial Assistance Supplemental Agreements and the 2025 Financial Assistance Supplemental Agreements; (iv) the 2022 Investment Management Agreement and the 2025 Investment Management Agreement; (v) the basis and assumptions in relation to the annual caps of the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement for the three years ending 31 March 2028; and (vi) the internal control procedures governing continuing connected transactions which are made available to us and enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our advice. Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement and the transactions contemplated thereunder and the respective annual caps, as referred to in Rule 13.80 of the Listing Rules (including the notes thereto).

This letter is issued for the information for the UBA Independent Board Committee and the UBA Independent Shareholders solely in connection with their consideration on the continuing connected transactions contemplated and the proposed annual caps under (i) the 2025 Financial Assistance Supplemental Agreements and (ii) the 2025 Investment Management Agreement, respectively, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

LETTER FROM VINCO FINANCIAL

C. PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in relation to the terms of the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement and the transactions contemplated thereunder and the respective annual caps, we have considered the following principal factors and reasons set out below:

1. Information of the UBA Group and the Upbest Group

Information of the UBA Group

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 and Super Idea is a wholly-owned subsidiary of UBA.

Information of Upbest Group

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.

2. Reasons for the transactions of the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement

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. In view of the long-term business relationship, the UBA Board consider the entering into of the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement will benefit its Shareholders as a whole. In view of the long-term business relationship since then and operational convenience brought to UBA Group, the UBA Board considers them to be in the best interests of its Shareholders to continue to engage Upbest Group to provide assets management services and securities margin financing services for UBA Group.

Having considered the above, and particularly, Upbest Group has long been providing Financial Assistance and assets management services to UBA Group since 2000 which in turn ensures a smooth operation of the UBA Group's business. In addition, UBA Group could maximise its ability to capitalise on investment opportunities by using Financial Assistance and assets management services provided by Upbest Group as the Hong Kong stock market is expected to recover and show a potential growth in 2025 after eased of the negative impact of the U.S. interest rate hike and end of COVID-19. We are of the view that entering into the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement are in the ordinary and usual course of business of the UBA Group and in the interests of the Company and its Shareholders as a whole.

LETTER FROM VINCO FINANCIAL

3. The 2025 Financial Assistance Supplemental Agreements

(a) *Background*

Each of Super Idea, UBA, UBA Financial first entered into an agreement with UICL (collectively the “**Contracting Parties**”) separately on 22 June 1999, 15 November 2002 and 13 March 2003 in respect of provision of securities margin financing services and IPO financing services by the Upbest Group to the UBA Group (collectively the “**Original Agreements**”), which were supplemented by the first supplemental agreements dated 2 May 2008, the second supplemental agreements dated 11 February 2010, the third supplemental agreements dated 28 January 2013, the fourth supplemental agreements dated 26 January 2016, the fifth supplemental agreements dated 25 January 2019 and the sixth supplemental agreements dated 26 January 2022.

When we inquired as to whether the Contracting Parties had signed one agreement in respect of securities margin financing and another agreement as regards IPO financing services, the Directors explained that the Original Agreements were uniform margin client’s agreements in respect of the provision of securities margin financing services by UICL to Super Idea, UBA and UBA Financial, which also encompassed the provision of margin-related IPO financing services. Accordingly, the Contracting Parties did not enter into a separate agreement in respect of provision of IPO financing services, as such services were within the scope of the uniform margin client’s agreements.

We reviewed the Original Agreements and noted that each one of them was entitled “Uniform Margin Client’s Agreement” and the terms therein were no different from those in the margin client’s agreements that UICL enters into with other margin clients, a sample copy of which was provided by the Upbest Group to us for review. We also reviewed each of the six supplemental agreements to the Original Agreements, which provided, among other things, that the Contracting Parties had agreed to enter into the supplemental agreements so as to amend and supplement the Original Agreements by extending the service periods in the Original Agreements to the periods as stated in the supplemental agreements and that, save as varied or supplemented by the supplemental agreements, the Original Agreements remained in full force and effect.

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.

LETTER FROM VINCO FINANCIAL

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

(b) Payment terms

The payment terms of the 2025 Financial Assistance Supplemental Agreements are determined on the same bases as their respective Original Agreements, which are set out below.

(i) Securities margin financing services

Payment term:	Payment on demand
Collateral term:	Pledge of any acceptable security interest by way of security for loans and advances
Interest rate:	4.25% above prime rate per annum, calculated on daily balances charged on a monthly basis. Such interest rate was determined with reference to (i) the terms and conditions offered by UICL to other majority of independent customers of UICL and (ii) the terms and conditions offered by other independent service providers to the UBA Group in the market.

(ii) IPO financing services

Payment term:	Payment on demand
Collateral term:	Pledge of any acceptable security interest by way of security for loans and advances
Interest rate:	0.20% to 1.50% above the borrowing costs per annum, calculated on daily balances charged on a monthly basis. Such interest rate was determined with reference to (i) the terms and conditions offered by UICL to other majority of independent customers of UICL and (ii) the terms and conditions offered by other independent service providers to the UBA Group in the market.

LETTER FROM VINCO FINANCIAL

4. Assessment of the 2025 Financial Assistance Supplemental Agreements

We reviewed the terms of the 2025 Financial Assistance Supplemental Agreements and noted that there were no extraordinary items therein as no changes have been made to their 2022 counterparts. The 2025 Financial Assistance Supplemental Agreements are being entered into for the sole purpose of extending the Financial Assistance for another three years.

To assess the fairness and reasonableness of the interest rates for the Financial Assistance, we conducted the following analysis.

(i) *Securities margin financing*

Based on our findings on a best effort basis and as far as we are aware, we have selected and identified an exhaustive list of 19 comparable companies set out in table below with the following selection criteria: the comparable companies are (i) all listed companies in Hong Kong; (ii) providing securities margin financing services; and (iii) disclosed the margin financing interest rates charged to their clients on their official websites. Having considered that (i) selected comparable companies are all listed companies which are under close supervision of the regulators; and (ii) they consist of securities firms, banks and financial institutions with different sizes and background, we consider these selected companies are representative of market conditions for comparison purposes. Their respective securities margin financing interest rates are set out in the table below.

Table 1

Company	Stock code	Securities margin financing interest rate (per annum)
BOCOM International Holdings Company Limited ¹	3329	BOCOM prime rate + 3%
Bright Smart Securities & Commodities Group Limited ²	1428	1 week HIBOR + 4%
Central Wealth Group Holdings Limited ¹	139	Chong Hing Bank prime rate + 6%
GoFintech Innovation Limited ³	290	Prime rate + 6%
China Industrial Securities International Financial Group Limited ³	6058	Prime rate + 3%
CSC Holdings Limited ⁴	235	HSBC prime rate + 3.5%
Cinda International Holdings Limited ⁴	111	BOC prime rate + 3%
CMBC Capital Holdings Limited ³	1141	Prime rate + 3%
Emperor Capital Group Limited ³	717	Prime rate + 3%

LETTER FROM VINCO FINANCIAL

Company	Stock code	Securities margin financing interest rate (per annum)
First Shanghai Investments Limited ¹	227	Standard Chartered prime rate + 3%
Guolian Minsheng Securities Co., Ltd.	1456	8.35%
Guotai Junan International Holdings Limited ³	1788	Prime rate + 1.5%
Innovax Holdings Limited ³	2680	Prime rate + 3%
Orient Securities International Holdings Limited ³	8001	Prime rate + 3%
Shenwan Hongyuan (H.K.) Limited ³	218	Prime rate + 4%
South China Financial Holdings Limited ¹	619	Standard Chartered prime rate + 3%
Southwest Securities International Securities Limited ⁴	812	HSBC prime rate + 3%
Victory Securities (Holdings) Company Limited ³	8540	Prime rate + 3%
Well Link Securities Holdings Limited ²	8350	1 week HIBOR + 3.9%

1. According to their respective company websites, the prime rate of each of Standard Chartered Bank, BOCOM and Chong Hing Bank as at the Latest Practicable Date was 5.50%.
2. According to the information published by the Hong Kong Association of Banks, the 1-week HIBOR as at the Latest Practicable Date was 4.11280%.
3. These companies have not specified on their websites which prime rate that they have adopted.
4. According to their respective company websites, HSBC and BOC prime rates as at the Latest Practicable Date was 5.25%.

We noted from Table 1 above that the margin financing interest rates offered by the comparable companies mainly range from 1.5% to 6% on top of their respective prime rates or HIBOR. We further noted that the comparable companies mainly adopt two prime rates, namely, 5.25% and 5.5%. As informed by the Directors, the Upbest Group uses the prime rate of OCBC Bank (Hong Kong) Limited (“OCBC”) as a reference, which was 5.75% as at Latest Practicable Date since OCBC is the Upbest Group’s principal banker.

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The margin financing interest rate of 4.25% above OCBC's prime rate per annum offered by the Upbest Group is slightly higher than the market average set out in Table 1, the justification is as the followings:

- (a) The margin financing interest rate offered by the Upbest Group to the UBA Group is within the range of margin financing interest rates mentioned above;
- (b) Having reviewed the summary of margin financing interest rates as at 3 January 2025 provided by the Upbest Group, we noted that the Upbest Group offers approximately 27 different margin financing interest rates to its clients, amongst which the margin financing interest rate of 4.25% above prime rate is offered to approximately 61% of its clients, ranked first in terms of the number of clients. As a result, we are of the view that the margin financing interest rate offered under the 2025 Financial Assistance Supplemental Agreements in relation to securities margin financing services is a normal market rate offered by the Upbest Group to its clients;
- (c) With reference to the standard industry practice, the broker firms may close the clients' margin positions without notice once the minimum maintenance margin requirements have not been fulfilled. As confirmed by the Directors, the UBA Group is allowed relatively more time to replenish the minimum margin requirement after the margin calls has been triggered. This is a more flexible arrangement to the UBA Group as the Upbest Group and the UBA Group have long-term business relationship and effective communication, which could justify the slightly higher interest rate offered by the Upbest Group; and
- (d) The original securities margin financing agreements entered into by the Upbest Group and the UBA Group were based on the standard contracts provided by Upbest Group and the supplemental agreements thereafter were entered into for the sole purpose of extending the service periods. Therefore, we are of the view that the terms of the securities margin financing services provided by the Upbest Group to the UBA Group are on normal commercial terms.

For the above reasons, we concur with the Directors' view that the terms of the securities margin financing services are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

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(ii) IPO financing

After inquiring with the Upbest Group, the Directors confirmed that the Upbest Group determines the interest rates of its IPO financing services on a case-by-case basis after considering a number of factors, including, but not limited to, (i) popularity of individual IPOs in terms of subscriptions, (ii) price competitiveness; and (iii) other benefits brought to the Upbest Group.

We conducted independent research on the prevailing market practice concerning IPO financing and noted that, given the unique risk profiles and different funding needs of IPO projects, interest rates for IPO financing are mostly determined on a case-by-case basis. Thus, no directly comparable interest rates could be found. Notwithstanding the limited information on market rates, we are of the view that the interest rates and terms proposed under the 2025 Financial Assistance Supplemental Agreements in relation to IPO financing services are fair, reasonable and in the interest of the Company and Shareholders as whole, for the following reasons:

- (a) As confirmed by the Upbest Group, which was relayed to the Directors, the Upbest Group had not entered into any IPO financing agreements with other clients in the past 3 years and when there is an IPO in the market, the interest rate offered to clients would be within this fixed spread of 0.20%-1.50% above the borrowing costs, with the actual rate to be determined by market circumstances at the time and on a case-by-case basis, but not beyond this range.

We have reviewed the Company's circulars issued in respect of the continuing connected transactions arising from the Contracting Parties entering into the Original Agreements and successive supplemental agreements and noted that the interest rates in respect of IPO financing services provided by the Upbest Group to the UBA Group had been slightly adjusted in a narrow range. However, the spread of 0.20%-1.50% above the borrowing costs of the Upbest Group from OCBC has been in use since April 2016 and remains the same under the 2025 Financial Assistance Supplemental Agreements.

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To determine the fairness and reasonableness of the interest rates offered in IPO financing services under the 2025 Financial Assistance Supplemental Agreements, we reviewed the Company's internal control ("IC") policies and procedures in relation to IPO financing. We noted that interest rate of IPO financing offered in the market is mostly determined on a case-by-case basis when there is an IPO in the market, the financial controller of the Company (the "FC") is required to (i) gather and compare the interest rates for IPO financing offered by the Upbest Group to the UBA Group against those offered by (ii) at least two independent service providers ("ISPs") (iii) on every transaction, so as to determine if the interest rate offered by the Upbest Group is on normal commercial terms and on terms which are no less favourable to UBA Group than those offered by other ISPs from time to time. The FC will then summarise the relevant findings and report to the management immediately in case of any irregularity. The Company may also consider (iv) engaging other ISPs to provide IPO financing services if they would be able to provide better terms to it than the Upbest Group.

In the view of the reasons mentioned in above, the actual interest rate of the provision of IPO financing services would be within the fixed spread of 0.20% to 1.50% of the Upbest Group's borrowing costs, we are of the view that the interest rates offered in IPO financing services under the 2025 Financial Assistance Supplemental Agreements is fair and reasonable, and the Company's IC policies and procedures could ensure that the IPO financing services offered by the Upbest Group will be on normal commercial terms and on terms which are no less favourable to UBA Group than those offered by other ISPs from time to time.

- (b) As confirmed by the Directors, there was no IPO financing advanced to the Company by the Upbest Group for the two years ended 31 March 2024 and for the nine months ended 31 December 2024. However, the IPO financing services are solely engaged to provide flexibility for the Company if there are instant market opportunities or a sudden shortage of internal resources. Therefore, even the IPO financing services have not been actively used by the Company, we are of the view that the Shareholders' interest can be benefited in the long run as IPO financing services could provide flexibility to the Company when it is readily in place.
- (c) The original agreement on IPO financing services entered into by the Upbest Group and the UBA Group were on standard terms provided by the Upbest Group, and the supplemental agreements concluded thereafter were for the sole purpose of extending the service periods. Therefore, we are of the view that the terms of the IPO financing services provided by the Upbest Group to the UBA Group are on normal commercial terms.

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(iii) Internal control procedures

To ensure that the interest rates offered under each of the 2025 Financial Assistance Supplemental Agreements are fair and reasonable, on normal commercial terms and on terms which are no less favourable to the UBA Group than those offered by other ISPs, the following personnel/parties of the Company are tasked with different duties under the Company's IC policies and procedures.

The FC will (i) gather and compare the interest rates for securities margin financing offered by the Upbest Group to the UBA Group with those offered by at least two ISPs on a regular half-year basis, and interest rate of IPO financing services on every transaction so as to determine if the interest rates offered by the Upbest Group are on normal commercial terms and on terms which are no less favourable to UBA Group than those offered by other ISPs. As the fixed interest rates for the securities margin financing offered in the market has been relatively stable in the past three years with reference to the comparable companies analysis in below, the Company considered that comparing the interest rates on a half-year basis is sufficient; and (ii) review and monitor the transaction amounts under the relevant continuing connected transactions on a monthly basis so as to ensure that the annual caps for the Financial Assistance approved by the Independent Shareholders will not be exceeded.

The independent non-executive Directors and the auditors of the Company will conduct annual reviews of the relevant continuing connected transactions to confirm, among others, that such transactions are carried out in accordance with the terms of the relevant agreements governing the transactions and in accordance with Rules 14A.55 and Rule 14A.56 of the Listing Rules. In addition, while the UBA Group and the Upbest Group have enjoyed a long-term business relationship, the Company is not obligated to use the services provided by the Upbest Group as a matter of course. Other ISPs will be considered for engagement if they could provide better terms and services than the Upbest Group.

We conducted the following measures to evaluate the adequacy and effectiveness the Company's IC policies and procedures. First, we compared the securities margin rates of the comparable companies referred to in Table 1 above with that of the comparable companies set out on pages 32 and 33 of the independent financial adviser letter included in the Company's circular dated 4 April 2022 (the "**2022 IFA letter**") (Central China International Capital Limited, acted as the independent financial adviser to advise the Independent Board Committee and Independent Shareholders regarding the continuing connected transactions in relation to the 2022 Financial Assistance Supplemental Agreements), and found that 15 comparable companies listed in the current IFA letter had also been included in the 2022 IFA letter, and noted that 11 out of 15 of these comparable companies had not changed their securities margin interest rates during this 3-year period except for the prime rate which was following the market trends. Given the relative stability of the fixed securities margin rates of these 11 comparable companies in the market, we are of the view that the comparison of interest rates for securities margin financing services on a half-year basis is appropriate and sufficient.

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Second, with regard to the comparison of interest rate of IPO financing services with that of two ISPs on every transaction by the FC, we noted that since (i) the Company has viewed subscription for shares in IPOs as a complementary equity investment activity; and has not used IPO financing services since its financial year ended 31 March 2012; and (ii) the IPO interest rate is determined on a case by case basis when there is an IPO in the market and the spread of 0.20%–1.50% above the borrowing costs of the Upbest Group is fixed, we consider that it would be fair and reasonable that, when there is an IPO in the market, the FC should gather and compare the interest rate for IPO financing services offered by the Upbest Group to the UBA Group against those offered by at least two ISPs on every transaction so as to determine if such interest rate being offered by Upbest Group is on normal commercial terms and on terms which are no less favourable to the UBA Group than those offered by other ISPs. Having taken the above steps, we are satisfied with the adequacy and effectiveness of the Company's IC policies and procedures.

Regarding to the reasons stated above, we are of the view that the terms of the 2025 Financial Assistance Agreements are fair, reasonable, on normal commercial terms and in the interests of the Company and the Independent Shareholders as a whole.

5. Basis of the annual caps in relation to the 2025 Financial Assistance Supplemental Agreements

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

Historical annual caps on the 2022 Financial Assistance Supplemental Agreements

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

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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)
Initial public offer financing Maximum amounts (approximately)	NIL	NIL	NIL	NIL

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. As depicted from the tables above, we note that there was no transaction for securities margin financing and IPO financing provided by Upbest Group for the three years ended 31 March 2024 and nine months ended 31 December 2024. After discussing with the Directors, we note that the previous annual caps were not utilised mainly due to the negative effect from COVID-19 and the U.S. rate hike which were the contributing factors to the unstable global economy and the fluctuating stock market over the past three years. In addition, the Company would like to invest more prudently and just invest by its own fund instead of using the securities margin financing services. The UBA Board proposed that the annual cap for the Financial Assistance under the 2025 Financial Assistance Supplemental Agreements for each of the three years ending 31 March 2026 to 2028 be set at HK\$18,000,000. The above annual cap was determined by 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.

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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 markets 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.

The average net asset value of UBA for the three financial years ended 31 March 2022 to 2024 and the interim period ended 30 September 2024 is approximately HK\$90 million. Pursuant to Chapter 21 of the Listing Rules, the Company may invest in shares issued by a listed company for a value not exceeding 20% of the net asset value of the Company (i.e. HK\$18 million) when the Company makes such investment. As at 30 September 2024, the Company has two investments in shares issued by companies listed on the Stock Exchange using its own fund, in which the market value of those shares slightly below 20% of the net asset value of the Company at the time the Company made the investment. The Directors consider and expect the Company is reasonable to invest one more listed securities with similar value in the future for trading purpose if the opportunity arise. Therefore the Company would like to maintain the flexibility with margin financing facility available to prepare for upcoming investment opportunities. In addition, UBA Board would like to maintain sufficient cashflow to generate interest income from bank deposit as another source of income. As at 30 September 2024, the Company has approximately HK\$10,000,000 fixed deposit. Moreover, having considered that the UBA Group may have focus on different type of transactions depending on the market trend under the Financial Assistance, the Directors consider that it would be more beneficial for the Company not to set a cap for each type of the transactions under the Financial Assistance so as to allow more flexibility for UBA Group to capitalise on the investment opportunities. Based on the foregoing, the Directors consider that the basis for determining the annual caps for the Financial Assistance for each of the three years ending 31 March 2028 is fair and reasonable.

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The Company estimated its net asset value (“NAV”) in the years 2026 to 2028 based on its historical NAVs in the previous three financial years and the interim periods, as set out in the table below:

Table 2

Data as at	NAV <i>(HK\$'000)</i> (approximately)
31 March 2022	104,557
30 September 2022	89,581
31 March 2023	90,124
30 September 2023	82,554
31 March 2024	82,715
30 September 2024	88,441
Average NAV	89,662
20% of average NAV	17,932
Proposed Cap (20% of average NAV)	18,000

To assess the fairness and reasonableness of the proposed annual caps and the basis thereof, we (i), as stated above, inquired with the Directors regarding the rationale on which the proposed annual cap amounts were determined and checked the calculation of the proposed annual caps with reference to Table 2; (ii) performed desktop search on the Hong Kong stock market prospects in 2025 and examined online articles published by Hong Kong Business with heading “Hang Seng Index poised for recovery in 2025” (<https://hongkongbusiness.hk/markets-investing/news/hang-seng-index-poised-recovery-in-2025>) and China Daily with heading “HK stocks march into 2025 with an almost 18% gain” (<https://www.chinadailyhk.com/hk/article/601294>); and (iii) performed desktop search on the Hong Kong IPO market prospects in 2025 and examined online articles published by two Big 4 accounting firms, namely, KPMG and Deloitte. For KPMG, its heading is “Chinese Mainland and Hong Kong IPO Markets 2024 Review and 2025 Outlook” (<https://kpmg.com/cn/en/home/insights/2024/12/china-hk-ipo-markets-2024-review-and-2025-outlook.html>); and Deloitte, its heading is “2024 Review and 2025 Outlook for Chinese Mainland & HK IPO markets” (<https://www2.deloitte.com/cn/en/pages/audit/articles/2024-review-and-2025-outlook-for-chinese-mainland-and-hk-ipo-markets.html>).

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Our findings are summarised as follows: (i) the proposed annual caps were based on the 20% of NAV of UBA for the three financial years ended 31 March 2024 and six months ended 30 September 2024 which the limit set under Chapter 21 of the Listing Rules; (ii) our independent desktop research concluded that the Heng Seng Index was boosted by a strong rebound from late September 2024, it is expected to recover and show a potential growth in 2025. Such recovery could provide more investment opportunities as some of the listed securities may be undervalued in current stock market; (iii) our independent desktop research summarised that the Hong Kong IPO market started to pick up in September 2024 with a rebound of newly listing and upon the U.S. Federal Reserve cut its interest rate for the first time in four years and China introduced economic stimulation. Its momentum is expected to pick up further in 2025 when the US makes another interest rate cut, and more Chinese economic stimulation are introduced; and (iv) the annual caps for the Financial Assistance should allow the UBA Group to invest one more listed securities with similar amount to the proposed annual cap in the future for trading purpose.

Based on the above, we are of the view that the Directors made the estimation of the UBA Group's investment needs on a prudent basis and that it has used its best efforts to maximise the UBA Group's ability to capitalise on investment opportunities should they arise in coming Hong Kong stock market. Therefore, we are of the opinion that the proposed annual caps of Financial Assistance for each of the three years ending 31 March 2028 are fair and reasonable.

6. The 2025 Investment Management Agreement

(a) Background

As disclosed in the 2022 Joint Announcement, the 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 provision 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.

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(b) *Payment terms*

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).

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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 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.

7. Assessment of the 2025 Investment Management Agreement

To assess the fairness and reasonableness of the proposed rates of the Management Fee and the Performance Fee in the 2025 Investment Management Agreement, we researched the remuneration packages adopted by investment companies that are listed on the Stock Exchange under Chapter 21 of the Listing Rules (the “**Chapter 21 Companies**”) for their investment advisers, and identified a comprehensive list of 21 such companies (including the Company). Independent Shareholders should note that these companies may not be able to represent a direct comparison to the Company due to the differences in their assets sizes, financial performance, investment objective and portfolio, operation and prospect of these investment companies.

The table below summarises the remuneration packages granted by 10 Chapter 21 Companies (the “**Comparable(s)**”) (including the Company) to their respective investment managers. Not included in Table 3 were 11 Chapter 21 Companies whose information are considered to be no longer relevant because four out of 11 are replaced the investment manager by the board of those Chapter 21 Companies and seven out of 11 are still seeking new investment manager after termination of the existing investment manager.

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Table 3

No.	Company Name	Stock code	Management fee	Performance fee
1	China Merchants China Direct Investments Limited	00133	a management fee of HK\$9.9 million	N/A
2	Prosperity Investment Holdings Limited	00310	a management fee of a fixed amount of HK\$40,000 per month (exclusive of disbursements)	Discretionary bonus shall not be payable unless the adjusted NAV as at the end of each financial year exceeds the higher of: (i) the net asset value for the year ended 31 December 2021; and (ii) the adjusted NAV of the most recent financial year after year 2021 for which Opus Capital is paid a discretionary bonus and the amount of such bonus will be capped at HK\$200,000 for each year.
3	Cocoon Holdings Limited (“ Cocoon Holdings ”)	00428	0.8% per annum on the net asset value as per the management account of the company of the preceding month with the annual cap HK\$660,000	N/A
4	Ding Yi Feng Holdings Group International Limited	00612	a monthly management fee of HK\$230,000	N/A

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No.	Company Name	Stock code	Management fee	Performance fee
5	China Financial International Investments Limited	00721	a management fee is payable monthly in arrears at the rate of 0.75% per annum of the aggregate market value of the portfolio(s) managed by it on the last business day of each calendar month	N/A
6	Shanghai International Shanghai Growth Investment Limited (“Shanghai International”)	00770	0.5% per quarter of the net asset value of the group	20% of the excess amount by which the net asset value of the company as at 31 December of each year exceeding the high watermark
7	China Castson 81 Financial Co. Limited	00810	a monthly management fee of HK\$32,500	N/A
8	China Development Bank International Investment Limited	01062	a management fee of HK\$300,000 per annum	N/A
9	Wealthink AI-Innovation Capital Limited	01140	The management fee for the first and second year of the new investment agreement will be HK\$960,000 for each year	N/A
10	The Company	00768	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	20% of the amount by which the net asset value exceeds the high watermark at the end of the relevant financial year

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It is noted from Table 3 above that there are different structures and criteria to the compensation packages in terms of management fee and performance fee charged by the investment managers of the Comparables, and each investment company may adopt its unique structure of compensation package granted to the respective investment managers to serve its own purpose. We proceeded to analyse the determination of the rates of the Management Fee and the Performance Fee below.

(i) Management Fee

Table 3 shows that there are mainly two bases for determining the management fee amount: (i) as a percentage of NAV; or (ii) by a fixed sum. Out of a total of 10 Comparables, only two of them charge their management fees as a percentage of NAV, similar to the Company. They are (a) Cocoon Holdings (0.8% per annum on the company's NAV); and (b) Shanghai International (0.5% per quarter of the group's NAV). While the 1.5% of NAV per annum Management Fee proposed to be paid by the Company to UAML in the 2025 Investment Management Agreement is higher than that of Cocoon Holdings, it is lower than Shanghai International's management fee of 2%, when calculated on a per annum basis; hence, the Company's 1.5% is within the range of these two Comparables. For over 20 years, this Management Fee rate has not been changed since 2000 after the Upbest Group and the UBA Group entered into the 2000 Investment Management Agreement dated 6 November 2000 and is continued in the 2025 Investment Management Agreement. Hence, we concur with the Directors' view that the rate of the Management Fee in the 2025 Investment Management Agreement is fair and reasonable.

(ii) Performance Fee

It is noted that one out of the nine Comparables in Table 3 have adopted the performance fee structure, namely Shanghai International, with 20% on the amount by which the Company's NAV exceeds the high watermark, similar to the Company. Therefore, the Performance Fee mechanism under the 2025 Investment Management Agreement closely resembles the mechanism adopted by that Comparable. The Company's proposed rate of the Performance Fee at 20% of the amount by which the NAV exceeds the High Watermark at the end of the relevant financial year is equal to that of the Comparable. We also concur with the Company's view that the market is likely to fluctuate in the next three years caused by the U.S.-China relations and potential shifts in policy under new U.S. administration dynamics, the comparatively higher Performance Fee (with High Watermark) mechanism could provide effective incentive for UAML to perform better for the benefit of the Company, thereby aligning the interests of the Company and the investment manager. Hence, we are of the view that the proposed rate for the Performance Fee is fair and reasonable.

For the above reasons, we concur with the Directors' view that the rate of each of the Management Fee and the Performance Fee in the 2025 Investment Management Agreement is fair and reasonable, and is in the interests of the Company and the Shareholders as a whole.

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8. Basis of the annual caps in relation to the 2025 Investment Management Agreement

Historical annual caps on the 2022 Investment Management Agreement

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	NIL	NIL	NIL	NIL
Total	1,569	1,414	1,295	988

Utilisation rate of

Management Fee:

(Approximately) 46% 83% 72% 52%

The historical annual cap for the Management Fee under the 2022 Investment Management Agreement for each of the three years ending 31 March 2025 was set at HK\$1,700,000, HK\$1,800,000 and HK\$1,900,000 respectively. And the historical annual cap for the Performance Fee under the 2022 Investment Management Agreement for each of the three years ending 31 March 2025 was set at HK\$4,400,000. The utilisation rates of Management Fee are approximately 83%, 72% and 52% for the two years ended 31 March 2024 and nine months ended 31 December 2024, respectively. There was no Performance Fee paid for the two years ended 31 March 2024 and nine months ended 31 December 2024. Under the 2022 Investment Management Agreement, Performance Fee would only be paid to UAML if the Company's NAV exceeds the High Watermark (equivalent to 20% of the amount by which the NAV exceeds the High Watermark at the end of the relevant financial year). Accordingly, the reduction in the Company's NAV in past three financial years caused by the negative effects of the U.S. interest rate hike and post COVID-19 on the market condition, could be attributable to no utilisation rate of the previous caps of Performance Fee.

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Proposed annual caps on the 2025 Investment Management Agreement

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	1,000	1,000	1,000
	1,500	1,600	1,700
Total (approximately)	2,500	2,600	2,700

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

- (i) an annualised 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 according to the estimated Performance Fee of the Financial Year ending 31 March 2026, 31 March 2027 and 31 March 2028 respectively with a buffer of approximately HK\$1,000,000 for each of the relevant Financial Years under the 2025 Investment Management Agreement 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 and coming three years,

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

Upon being inquired as to how the Company arrived at the estimated annual growth rate of 7%, the Directors indicated that it had derived this estimated annual growth rate by averaging the combined amounts of (i) the average monthly percentage change in the Company's NAV, the average monthly percentage change in the Hang Seng Index (the "HSI") and the average quarterly percentage change in the turnover of HSI for financial year ended 31 March 2024 and nine months ended 31 December 2024; and (ii) the average quarterly percentage change of Hong Kong's GDP for the year ended 31 March 2024 and nine months ended 31 December 2024, which amounted to 3.5%.

LETTER FROM VINCO FINANCIAL

The above having been said, the Directors considered that the recent period of analysis is more relevant to forecast the annual growth rate in the future. Moreover, since the local stock market is likely to rebound recently due to the end of COVID-19 and U.S. interest rate hike, the Directors estimated the growth rate for each of the financial years ended 31 March 2026 to 2028 to be approximately 7%, after adding a buffer of 3.5% on top of the above-mentioned basis of 3.5% to ensure maximum flexibility on its part.

To analyse the reasonableness of the expected annual growth rate of 7% for the proposed annual caps for the Management Fee and the Performance Fee, we conducted an analysis of the UBA Group's historical NAV trends and return on equity by using the UBA Group's net profit before tax and management fee over its equity. Our independent analysis is based on published financial information of the UBA Group from Annual Report 2024 and Interim Report 2024. We noted that the annual growth rate of UBA Group's historical NAV as at 30 September 2024 compared to that as at 30 September 2023 was approximately 7% which is the same as expected annual growth rate. We also noted that the return on equity of the UBA Group as at 30 September 2024, based on the annualised net profit before tax and management fee for the period from 1 October 2023 to 30 September 2024, was approximately 8% which is slightly higher than expected annual growth rate. Therefore, we are of the view that expected annual growth rate of 7% for the proposed annual caps for the Management Fee and the Performance Fee were fair and reasonable.

The proposed annual caps for Management Fee are HK\$1.5 million, HK\$1.6 million and HK\$1.7 million for the three years ending 31 March 2028, respectively. The estimated Management Fee for the year ending 31 March 2026 is based on the annualised historical amount of Management Fee for the nine months ended 31 December 2024 together with the expected annual growth rate of 7%. The estimated Management Fee for the two years ending 31 March 2028 are based on the expected annual growth rate of 7%. The proposed annual cap for the Performance Fee is HK\$1 million for each of the three years ending 31 March 2028. The estimated Performance Fee for each of the three years ending 31 March 2028 is based on 20% of the difference between the estimated NAV as at 31 March 2028 and the actual NAV as at 31 March 2022 which set as a Reference Year of Performance Fee calculation. The NAV as at 31 March 2026 is estimated based on the actual NAV as at 31 December 2024 with an expected annual growth rate of 7% and the calculation of NAV as at 31 March 2027 and 2028 are also based on the expected annual growth rate of 7%.

LETTER FROM VINCO FINANCIAL

Understanding that the Directors consider that the High Watermark in the 2025 Investment Management Agreement will remain as the NAV as at 31 March 2022 or will become a higher amount, it therefore ensures that the Company will not have to pay any Performance Fee to Upbest Group if the performance of Upbest Group for a relevant Financial Year does not meet the benchmark of the High Watermark. Considering the negative impact of the U.S. interest rate hike and COVID-19 on the market condition in the past three years and the expectation that the Hong Kong economy will gradually stabilise and the performance of the stock market may gradually improve, upon arm's length negotiation between the Company and the Upbest Group, it is agreed that NAV as at 31 March 2022 should be kept as the Reference Year for the determination of the High Watermark in the 2025 Investment Management Agreement. We concur with the Directors' view that NAV as at 31 March 2022 should be kept as the Reference Year, the reason is that the U.S. Federal Reserve had raised interest rates rapidly throughout 2022 and maintained high interest rates during most of 2023 and into early 2024 which would affect investor sentiment negatively. Therefore, the NAV of the UBA Group as at 31 March 2023 and 31 March 2024 may not be reflected the actual performance under such volatile environment. In addition, we reviewed the past NAVs of UBA Group and noted that the NAV of the UBA Group as at 31 March 2022 was the highest amount among to those as at 31 March 2023, 31 March 2024 and 31 December 2024. In other words, UAML was motivated to have a high performance in order to receive the Performance Fee, which is in the interest of the Company and Shareholders as a whole.

After taking into account (i) our independent analysis for the expected annual growth rate of 7%; (ii) actual Management Fee paid for the nine months ended 31 December 2024; and (iii) setting NAV as at 31 March 2022 as the Reference Year due to the U.S. interest rate hike from 2022 to early 2024, we are of the view that the proposed annual caps for the Management Fee and Performance Fee are fair and reasonable and in the interest of the Company and Shareholders as a whole.

LETTER FROM VINCO FINANCIAL

Conclusion

Having taken into the above principal factors and reasons into consideration, we are of the view that the terms of the 2025 Financial Assistance Supplemental Agreements and the 2025 Investment Management Agreement and the transactions contemplated thereunder and the respective annual caps are in the usual and ordinary course of business of the UBA Group, on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interest of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolutions to be proposed at the EGM in this regard.

Yours faithfully,
For and on behalf of
Vinco Financial Limited
Alister Chung
Managing Director

Note: Mr. Alister Chung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Vinco Financial Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong for over 10 years.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are deemed or taken to have under such provisions of the SFO) or which were required pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Name of director	Capacity	Number or attributable number of shares held or short positions	Approximate percentage of shareholding
Mr. Cheng Wai Lun, Andrew (Note)	Corporate/Long position	340,000,000	26.74%

Note: The shares are held by Fung Fai Growth Limited. Mr. Cheng Wai Lun, Andrew and their family members are one of the beneficiaries of the trust which assets include interests in the entire issued share capital of Fung Fai Growth Limited and accordingly, they are deemed to be interested in 340,000,000 shares and the entire issued share capital of Fung Fai Growth under SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executives of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange.

Substantial shareholders' and other persons' interests and short position in shares and underlying shares

As at the Latest Practicable Date, the following persons or entities had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the UBA Group:

Name of Shareholder	Nature of Interest	Number of Shares	Approximate percentage or attributable percentage of shareholding
Fung Fai (<i>Note 1</i>)	Beneficial Owner/ Long Position	340,000,000	26.74%
Kingswell Holdings Group Limited (<i>Note 2</i>)	Beneficial Owner/ Long Position	192,000,000	15.10%

Notes:

- The shares are held by Fung Fai Growth Limited. Mr. Cheng Wai Lun, Andrew and their family members are one of the beneficiaries of the trust which assets include interests in the entire issued share capital of Fung Fai Growth Limited and accordingly, they are deemed to be interested in 340,000,000 shares and the entire issued share capital of Fung Fai Growth Limited under the SFO.
- The entire issued share capital of Kingswell Holdings Group Limited is owned by Mr. Leong Chi Wai. Mr. Leong Chi Wai does not hold any position or role in the UBA Group.

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, no person had an interest or a short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of the Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of any other member of the UBA Group.

3. DIRECTORS' SERVICE CONTRACTS

None of the Directors has any existing or proposed service contracts with the Company or any member of the UBA Group which does not expire or is not determinable by the UBA Group within one year without payment of compensation (other than statutory compensation) as at the Latest Practicable Date.

4. QUALIFICATION AND CONSENT OF EXPERT

The qualification of the expert who has provided its advice as contained in this circular is as follows:

Name	Qualification
Vinco Financial Limited	a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO

As at the Latest Practicable Date, Vinco Financial was not interested in any Shares or shares in any member of the UBA Group nor does it have any rights or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any Shares or shares in any member of the UBA Group.

Vinco Financial Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 26 February 2025 for incorporation in this circular and reference to its name in the form and context in which they appear.

5. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors themselves or their respective associates had any interests in a business which competes or may compete with the business of the UBA Group or any other conflicts of interests with the UBA Group.

6. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial position or trading position of the UBA Group since 31 March 2024, being the date to which the latest published audited financial statements of the UBA Group was made up.

7. LITIGATION

As at the Latest Practicable Date, no member of the UBA Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the UBA Group.

8. MISCELLANEOUS

- (a) No contract or arrangement of significance in relation to the UBA Group's business to which the Company or any of its subsidiaries was a party and in which any of the Directors had a material interest, whether directly or indirectly, subsisted as at the Latest Practicable Date.
- (b) None of the Independent Financial Adviser and the Directors has any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Company or any of its subsidiaries during the period since 31 March 2024, the date to which the latest published audited financial statements of the UBA Group were made up, up to and including the Latest Practicable Date.
- (c) The registered office of the Company is at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and the head office and principal place of business of the Company in Hong Kong is at Flat B, 16th Floor, Wah Kit Commercial Centre, 300 Des Voeux Road Central, Hong Kong.
- (d) The principal share registrar of the Company in the Cayman Islands is Suntera (Cayman) Limited at Suite 3204, Unit 2A, Block 3, Building D, P.O. Box 1586, Gardenia Court, Camana Bay, Grand Cayman, KY1-1100, Cayman Islands.
- (e) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (f) The company secretary of the Company is Mr. LEUNG Man Lai.
- (g) The English text of this circular and the proxy form shall prevail over the Chinese text.

9. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection (i) on the website of the Stock Exchange (www.hkexnews.hk) and (ii) on the website of the Company (www.uba.com.hk) from the date of this circular up to and including the date of the EGM:

- (a) the agreements entered into between UBA, UBA Financial and Super Idea and UICL respectively dated 15th November 2002, 13th March 2003, 22nd June 1999 respectively in relation to the Financial Assistance;
- (b) the 2025 Financial Assistance Supplemental Agreements;
- (c) the 2022 Investment Management Agreement;

- (d) the 2025 Investment Management Agreement;
- (e) the written consent from the expert referred to in the paragraph headed “4. Qualification and consent of expert” in this appendix; and
- (f) the letter from Vinco Financial to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 21 to 48 in this circular.

NOTICE OF EGM



UBA INVESTMENTS LIMITED

開明投資有限公司*

(incorporated in Cayman Islands with limited liability)

(Stock code: 768)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of UBA Investments Limited (the “**Company**”) will be held at 16th Floor, Wah Kit Commercial Centre, 300 Des Voeux Road Central, Hong Kong on Tuesday, 25 March 2025 at 4:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions of the Company. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 26 February 2025 of which the notice convening the Meeting forms part.

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the supplemental agreement dated 22 January 2025 entered into between UBA Financial and UICL in relation to the provision of securities margin financing and initial public offer financing services (the “**Securities Margin Financing**”) by UICL to UBA Financial (copy of which have been produced at the Meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification) and the terms thereof and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the supplemental agreement dated 22 January 2025 entered into between Super Idea and UICL in relation to the provision of the Securities Margin Financing by UICL to Super Idea (copy of which have been produced at the Meeting marked “B” and signed by the chairman of the Meeting for the purpose of identification) and the terms thereof and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (c) the supplemental agreement dated 22 January 2025 entered into between UBA and UICL in relation to the provision of the Securities Margin Financing by UICL to UBA (copy of which have been produced at the Meeting marked “C” and signed by the chairman of the Meeting for the purpose of identification) and the terms thereof and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

* For identification purpose only

NOTICE OF EGM

- (d) the annual caps for the Financial Assistance for the financial years ending 31 March 2026, 31 March 2027 and 31 March 2028 be and are hereby approved; and
- (e) any one director of the Company be and is hereby authorised to do all such things and acts as he/she may in his/her discretion consider as necessary, expedient or desirable for the purpose of or in connection with the implementation of the 2025 Financial Assistance Supplemental Agreements and the transactions contemplated thereunder, including but not limited to the execution of all such documents under seal where applicable, as he/she considers necessary or expedient in his/her opinion to implement and/or give effect to the 2025 Financial Assistance Supplemental Agreements and the transactions contemplated thereunder.”

2. **“THAT**

- (a) the investment management dated 22 January 2025 (the **“2025 Investment Management Agreement”**) entered into between UAML and UBA in relation to the provision of assets management services by UAML to UBA (copy of which have been produced at the Meeting marked “D” and signed by the chairman of the Meeting for the purpose of identification) and the terms thereof and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the annual caps for the 2025 Investment Management Agreement and the transactions contemplated thereunder for the financial years ending 31 March 2026, 31 March 2027 and 31 March 2028 be and are hereby approved; and
- (c) any one director of the Company be and is hereby authorised to do all such things and acts as he/she may in his/her discretion consider as necessary, expedient or desirable for the purpose of or in connection with the implementation of the 2025 Investment Management Agreement and the transactions contemplated thereunder, including but not limited to the execution of all such documents under seal where applicable, as he/she considers necessary or expedient in his/her opinion to implement and/or give effect to the 2025 Investment Management Agreement and the transactions contemplated thereunder.”

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

Hong Kong, 26 February 2025

NOTICE OF EGM

Registered office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Flat B, 16th Floor
Wah Kit Commercial Centre
300 Des Voeux Road Central
Hong Kong

Notes:

1. Any member entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy need not be a member of the Company.
2. A form of proxy for use at the Meeting is enclosed. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, at the principal place of business of the Company at Flat B, 16th Floor, Wah Kit Commercial Centre, 300 Des Voeux Road Central, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the Meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed, for the purpose of determining Shareholders' entitlement to attend and vote at the meeting, from Thursday, 20 March 2025 to Tuesday, 25 March 2025 (both days inclusive), during this period no transfer of shares will be registered. In order to attend and vote at the meeting, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration, not later than 4:30 p.m. on Wednesday, 19 March 2025.