
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****Menlo Capital Limited**

A letter from the Independent Board Committee is set out on page 16 of this circular. A letter from Menlo Capital Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders of UBA is set out on pages 17 to 28 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at 2nd Floor, Wah Kit Commercial Centre, 302 Des Voeux Road Central, Hong Kong, on 30th March, 2010 at 2:30 p.m. is set out on pages 34 to 36 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 2nd Floor, Wah Kit Commercial Centre, 302 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 extraordinary general meeting 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*

15th March, 2010

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DEFINITIONS

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

“associate”	has the meaning ascribed to it in the Listing Rules
“CCAA”	CCAA Group Limited, an investment holding company, holds approximately 73.65% interest in Upbest as at the Latest Practicable Date
“Cheng’s Family Trust”	a trust of which the discretionary objects are members of Mr. Cheng’s family
“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 Supplemental Agreements
“EGM” or “UBA EGM”	the extraordinary general meeting of the Company to be convened and held to consider the continuing connected transactions, details of which are set out in this circular
“Financial Assistance”	the loan advanced of securities margin and initial public offer financing and precious metal margin financing
“Financial Assistance Supplemental Agreements”	the supplemental agreements entered into between each of UBA, UBA Financial and Super Idea dated 11th February, 2010 with UICL and the supplemental agreement dated 11th February, 2010 between UBA Gold and UGL in relation to the provision of Financial Assistance by Upbest Group to UBA Group
“First Investment Management Agreement”	the investment management agreement entered into between UAML and UBA dated 6th November, 2000 in relation to the provisions of assets management services by UAML
“First Supplemental Investment Management Agreement”	the supplemental agreement entered into between UAML and UBA dated 31st March, 2006 in relation to the provisions of assets management services by UAML to UBA
“Fung Fai”	Fung Fai Growth Limited, an investment holding company, holds approximately 32.08% interest of UBA as at the Latest Practicable Date
“Financial Year”	financial year of the Upbest and UBA, both being the twelve (12) months from 1st April to 31st March in the next year

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Investment Management Agreements”	collectively the Second Investment Management Agreement and the supplemental agreements to it from time to time (including the First Supplemental Investment Management Agreement, the Second Supplemental Investment Management Agreement and the Third Supplemental Investment Management Agreement)
“Latest Practicable Date”	12th March, 2010 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
“Menlo” or “UBA Independent Financial Adviser” or “Independent Financial Adviser”	Menlo Capital Limited, the independent financial adviser to advise the UBA Independent Board Committee
“Mr. Andrew Cheng”	Mr. CHENG Wai Lun, Andrew
“Mr. Cheng”	Mr. CHENG Kai Ming, Charles
“Ms. Cheng”	Ms. CHENG Wai Ling, Annie
“Performance Fee”	the performance fee payable by UBA to UAML under the Investment Management Agreements
“Securities Brokerage Supplemental Agreements”	the supplemental agreements entered into by each of UBA, UBA Financial and Super Idea with USCL dated 11th February, 2010 in relation to the securities brokerage services provided by USCL to UBA Group
“Second Investment Management Agreement”	the investment management agreement entered into by UAML and UBA dated 31st March, 2003 in relation to the provisions of assets management services by UAML to UBA
“Second Supplemental Investment Management Agreement”	the supplemental agreement entered into between UAML and UBA dated 2nd May, 2008 in relation to the provisions of assets management services by UAML to UBA
“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 UBA

DEFINITIONS

“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, is a wholly owned subsidiary of UBA
“Supplemental Agreements”	together the Financial Assistance Supplemental Agreements, the Third Supplemental Investment Management Agreement and the Securities Brokerage Supplemental Agreements
“Third Supplemental Investment Management Agreement”	the supplemental agreement entered into between UAML and UBA dated 11th February, 2010 in relation to the provisions of assets management services by UAML to UBA
“UAML”	Upbest Assets Management Limited, a company incorporated in Hong Kong with limited liability, is registered under the Securities and Futures Ordinance and is principally engaged in the provision of type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities. Upbest Assets Management Limited is a wholly owned subsidiary of Upbest
“UBA Board” or “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 Gold”	UBA Gold Investment Limited, a company incorporated in Samoa 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 Dr. FUNG Lewis Hung and Mr. TANG Hon Bui, Ronald and both of them are independent non-executive directors of UBA
“UBA Independent Shareholders” or “Independent Shareholders”	UBA Shareholders other than Fung Fai together with its respective associates
“UBA Shareholders” or “Shareholders”	shareholders of UBA
“UGL”	Upbest Gold Limited, a company incorporated in Hong Kong with limited liability, is principally engaged in the provision of bullion dealing and precious metal margin financing service. Upbest Gold Limited is a 75% owned subsidiary of Upbest

DEFINITIONS

“UICL”	Upbest Investment Company Limited, a company incorporated in Hong Kong with limited liability, is registered under the Securities and Futures Ordinance and is principally engaged in the provision of type 8 (securities margin financing) regulated activities. Upbest Investment Company Limited is a wholly owned subsidiary of Upbest
“USCL”	Upbest Securities Company Limited, a company incorporated in Hong Kong with limited liability, is registered under the Securities and Futures Ordinance and is principally engaged in the provision of type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities. Upbest Securities Company Limited is a wholly owned subsidiary of Upbest
“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 EGM”	the extraordinary general meeting of Upbest to be convened and held to consider the Continuing Connected Transactions
“Upbest Group”	Upbest and its subsidiaries
“Upbest Independent Board Committee”	the independent board committee of Upbest composing Mr. PANG Cheung Hing, Alex and Mr. FUK Ho Kai and both of them are independent non-executive directors of Upbest
“Upbest Independent Financial Adviser”	AisaVest Partners Limited, the independent financial adviser to advise the Upbest Independent Board Committee
“Upbest Independent Shareholders”	Upbest Shareholders other than CCAA together with its respective 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 BOARD



UBA INVESTMENTS LIMITED

開明投資有限公司*

(incorporated in Cayman Islands with limited liability)

(Stock Code: 768)

Executive Directors:

Mr. Chau Wai Hing, Jeff
Mr. Cheng Wai Lun, Andrew
Dr. Wong Yun Kuen

Independent non-executive Directors:

Mr. Chan Chung Yee, Alan
Dr. Fung Lewis Hung
Mr. Tang Hon Bui, Ronald

Registered office:

Ugland House
South Church Street
P.O. Box 309
George Town
Grand Cayman
Cayman Islands
British West Indies

Principal place of business in

Hong Kong:

2nd Floor, Wah Kit Commercial Centre
302 Des Voeux Road Central
Hong Kong

15th March, 2010

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 11th February, 2010 in relation to, among others, the entering into of the Supplemental Agreements on 11th February, 2010 by various members of the Upbest Group and the UBA Group.

The entering into of the Supplemental Agreements constitutes continuing connected transactions on the part of both Upbest and the Company under Chapter 14A of the Listing Rules. Since the annual caps of the (i) Financial Assistance provided by Upbest Group to UBA Group and (ii) Management Fee plus Performance Fee payable by UBA Group to Upbest Group will exceed HK\$10 million in respect of each of the proposed annual caps, according to Rules 14A.35 of the Listing Rules, such transactions are subject to the approval by the Upbest Independent Shareholders and UBA Independent Shareholders at Upbest EGM and UBA EGM respectively.

* For identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to (1) provide the Shareholders with information on the said Supplemental Agreements and their respective annual caps for the three Financial Years ending 31st March, 2011, 2012 and 2013 respectively; (2) 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 Continuing Connected Transactions; (3) set out the advice letter from Menlo which contains its recommendation to the Independent Board Committee and the Independent Shareholders on the terms and conditions of the Continuing Connected Transactions; and (4) give a notice to the Shareholders on convening the EGM.

II. BACKGROUND OF THE CONTINUING CONNECTED TRANSACTIONS

Reference is made to the joint announcements by Upbest and UBA dated 5th November, 2007 and 2nd May, 2008 respectively and the circular of each of Upbest and UBA dated 23rd May, 2008, in relation to, among others, the continuing connected transactions on the part of the Upbest Group with the UBA Group.

As disclosed in the above announcements and the circular, UAML, a wholly owned subsidiary of Upbest, has been retained by the UBA Group to provide investment advices on investments in listed and unlisted securities, initial public offerings subscriptions, futures contracts dealing and precious metal trading since December 2000. In furtherance of such investment advices, UBA Group has entered into contracts for securities dealing, futures contracts dealing, margin financing and precious metal margin financing pursuant to which Upbest Group will provide Financial Assistance to UBA Group for carrying out trading of Hong Kong listed securities, initial public offerings subscriptions, and precious metal trading. USCL, a wholly owned subsidiary of Upbest, has also provided securities brokerage services to the UBA Group under various agreements as disclosed in the joint announcement made by Upbest and UBA dated 5th November, 2007.

Various agreements have been entered into between Upbest Group and UBA Group relating to the provision of assets management services, securities margin financing services, precious metals margin financing services and securities brokerage services.

As disclosed in the joint announcements mentioned above, on 2nd May, 2008, UBA Group and Upbest Group have entered into various supplemental agreements, inter alia, extending the terms of the provision of the assets management services, securities margin financing service and precious metals margin financing services. The entering into of those supplemental agreements constituted continuing connected transactions on the part of the Upbest Group and UBA Group and had been duly approved by each of the Upbest Independent Shareholders and the UBA Independent Shareholders at each of the respective extraordinary general meeting of Upbest and UBA held on 10th June, 2008.

UAML and UBA have entered into the Third Supplemental Investment Management Agreement on 11th February, 2010 to extend the engagement of UAML for provision of assets management services. The Financial Assistance Supplemental Agreements are also entered into between members of the Upbest Group and members of the UBA Group on 11th February, 2010 relating to the extension of the term for provision of securities margin financing services and precious metals margin financing services. USCL, a wholly owned subsidiary of Upbest, has also entered into the Securities Brokerage Supplemental Agreements on 11th February, 2010 with members of the UBA Group to renew the service period for provision of securities brokerage services to the UBA Group.

LETTER FROM THE BOARD

As at the Latest Practicable Date, CCAA holds approximately 73.65% interest in Upbest. Fung Fai holds approximately 32.08% 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 Mr. Cheng, Ms. Cheng and Mr. Andrew Cheng and each of Ms. Cheng and Mr. Andrew Cheng is a director of Upbest. Mr. Andrew Cheng is also a director of UBA. Moreover, UAML, the investment manager of UBA, is regarded as a connected person of UBA under Rule 21.13 of the Listing Rules.

Further details of the Supplemental Agreements are set out below.

III. SUPPLEMENTAL AGREEMENTS IN RELATION TO SECURITIES AND PRECIOUS METAL MARGIN FINANCING SERVICES

(a) *Securities margin financing service*

Each of UBA, UBA Financial and Super Idea first entered into an agreement separately with UICL respectively on 15th November, 2002, 13th March, 2003 and 22nd June, 1999 (as supplemented by the supplemental agreements dated 2nd May, 2008 as disclosed in the announcement dated 2nd May, 2008) 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 11th February, 2010, each of UBA, UBA Financial and Super Idea had separately entered into the Financial Assistance Supplemental Agreements with UICL in relation to the provision of securities margin financing services by UICL to UBA Group. According to the supplemental agreements, 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 1st April, 2010 to 31st March, 2013 and is subject to renewal by written supplemental agreements between the contract parties. 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.

(b) *Precious metal margin financing service*

UBA Gold first entered into an agreement with UGL on 22nd February, 2007 (as supplemented by the supplemental agreement dated 2nd May, 2008 as disclosed in the announcement dated 2nd May, 2008) in respect of the provision of precious metal margin financing services by UGL to the UBA Gold.

On 11th February, 2010, UGL had entered into a Financial Assistance Supplemental Agreement with UBA Gold in relation to the provision of precious metal margin financing service by UGL to UBA Gold. According to the Financial Assistance Supplemental Agreement, UGL and UBA Gold agreed that the relevant original agreement will be extended for a period commencing from 1st April, 2010 to 31st March, 2013 and is subject to renewal by written supplemental agreement between the contract parties. The supplemental agreement also provided that the interest rate for the precious metal margin financing service will be from the range of 0.5% to 1% per annum above the borrowing costs of UGL. Save as disclosed above, the relevant original agreement regarding the precious metal margin financing service shall in all respects remain and continue in full force and effect.

LETTER FROM THE BOARD

Historical Data

Upbest Group had previously provided financing services to UBA Group including (i) securities margin financing services, (ii) precious metal margin financing service, and (iii) initial public offer financings pursuant to the relevant original agreements for securities margin financing service and precious metal margin financing service.

(i) *Financial Assistance provided by Upbest Group to UBA Group*

The maximum amounts of margin loans advanced by Upbest Group to UBA Group during each of the three years ended 31st March, 2007, 31st March, 2008, 31st March, 2009 and the ten months ended 31st January, 2010 are shown below:

	During the Financial Year ended 31st March, 2007 (HK\$)	During the Financial Year ended 31st March, 2008 (HK\$)	During the Financial Year ended 31st March, 2009 (HK\$)	During the ten months ended 31st January, 2010 (HK\$)
Margin loans				
Maximum amounts (approximately)	17,906,303	18,101,230	5,198,061	6,011,467

The amounts of margin loans advanced by Upbest Group to UBA Group as at 31st March, 2007, 31st March, 2008, 31st March, 2009 and 31st January, 2010 are shown below:

	As at the Financial Year ended 31st March, 2007 (HK\$)	As at the Financial Year ended 31st March, 2008 (HK\$)	As at the Financial Year ended 31st March, 2009 (HK\$)	As at the ten months ended 31st January, 2010 (HK\$)
Margin loans (approximately)	164,280	0	3,942,081	3,345,850

LETTER FROM THE BOARD

The maximum amounts of initial public offer financing advanced by Upbest Group to UBA Group during each of the three years ended 31st March, 2007, 31st March, 2008, 31st March, 2009 and the ten months ended 31st January, 2010 are shown below:

	During the Financial Year ended 31st March, 2007 (HK\$)	During the Financial Year ended 31st March, 2008 (HK\$)	During the Financial Year ended 31st March, 2009 (HK\$)	During the ten months ended 31st January, 2010 (HK\$)
Initial Public Offer Financing				
Maximum amounts (approximately)	143,726,306	119,453,643	0	54,935,965

Cap amount for the Financial Assistance

Based on the above maximum amounts of margin loans during the period from 1st April, 2007 to 31st January, 2010, the Upbest Board and UBA Board respectively proposed that the annual cap for the Financial Assistance for each of the Financial Year up to 31st March, 2013 should be set at HK\$150,000,000 per annum.

The payment term of the Financial Assistance shall be as follows:

Precious Metal Margin Financing

Payment term : Payment on demand

Interest : Interest rate of 0.50% to 1.00% per annum on the borrowing costs of UGL

Securities Margin Financing

Payment term : Payment on demand

Interest : Interest rate of 4.25% above prime rate per annum and calculated on daily balances with monthly interest.

IV. THIRD SUPPLEMENTAL INVESTMENT MANAGEMENT AGREEMENT

(a) Background

On 6th November, 2000, UAML and UBA first entered into the First Investment Management Agreement pursuant to which UAML provided assets management services to UBA for a term of three years up to 30th November, 2003. Reference is made to the announcement of UBA dated 6th November, 2000.

LETTER FROM THE BOARD

Prior to the expiration of the First Investment Management Agreement, the same parties entered into the Second Investment Management Agreement dated 31st March, 2003 for a term of three years up to 31st March, 2006. Reference is made to the announcement of UBA and Upbest dated 31st March, 2003 and 4th April, 2003 respectively.

Upon the expiration of the Second Investment Management Agreement, the same parties again on 31st March, 2006 entered into the First Supplemental Investment Agreement for further extending the term of the Second Investment Management Agreement for another 3 years to 31st March, 2009. Reference is made to the joint announcements by Upbest and UBA dated 4th April, 2006.

UAML and UBA have on 2nd May, 2008 entered the Second Supplemental Investment Management Agreement whereby (i) the term of the Second Investment Management Agreement will be extended to 31st March, 2010; and (ii) in addition to the Management Fee, subject to the approval by their respective independent shareholders at UBA EGM and Upbest EGM respectively, the Performance Fee payable in Hong Kong dollars equivalent to 20% of net profit of UBA Group before taxation and before deduction of the Management Fee payable under the Investment Management Agreements shall be paid to UAML for each Financial Year. Please refer to the joint announcement by Upbest and UBA dated 2nd May, 2008 for further details of the Second Supplemental Investment Management Agreement. The Second Supplemental Investment Management had been approved by the respective independent shareholders at the extraordinary general meetings of Upbest and UBA respectively held on 10th June, 2008.

As consideration for UAML's provisions of assets management services to UBA pursuant to the Investment Management Agreements, UAML is entitled to the Management Fee, which amounts to 1.5 per cent per annum of the net asset value of UBA Group 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.

(b) The Third Supplemental Investment Agreement dated 11th February, 2010

UAML and UBA have on 11th February, 2010 entered the Third Supplemental Investment Management Agreement whereby the term of the Second Investment Management Agreement will be extended for a period commencing from 1st April, 2010 to 31st March, 2013. Save and except as amended by the Third Supplemental Investment Management Agreement dated 11th February, 2010, the Second Investment Management Agreement, as extended by the Second Supplemental Investment Management Agreement, will remain in full force and effect.

LETTER FROM THE BOARD

Cap amount of Management Fee and Performance Fee

To comply with Rule 14A.35(2) of the Listing Rules, it is required to specify an annual cap in respect of the Management Fee and Performance Fee payable by UBA to the UAML under the Investment Management Agreements (as extended and supplemented by the Third Supplemental Investment Management Agreement), which is proposed as follows:

	For the Financial Year ended 31st March, 2011 (HK\$)	For the Financial Year ended 31st March, 2012 (HK\$)	For the Financial Year ended 31st March, 2013 (HK\$)
Management Fee & Performance Fee	11,148,000	13,378,000	16,054,000

The proposed annual caps for Management Fee and Performance Fee are determined by reference to an annualized Management Fee and Performance Fee based on the interim result of 2009 with an estimated annual growth rate of 20%, which both the Upbest Board and UBA Broad consider to be reasonable.

The payment term for the Management Fee and Performance Fee shall be as follows:

Management Fee

Payment term : Monthly payment

Management Fee : 1.5 per cent per annum of the net asset value of UBA Group 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

Payment term : Yearly payment

Performance Fee : 20% of net profit of UBA Group before taxation and before deduction of the Management Fee payable

LETTER FROM THE BOARD

V. SECURITIES BROKERAGE SUPPLEMENTAL AGREEMENTS

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

Service Provider	Service Receiver	Date of original agreement
USCL	UBA	12th July, 2000
USCL	UBA Financial	18th July, 2001
USCL	Super Idea	22nd June, 1999

The above agreements have the same principal terms as follows:

Payment term : Cash payment on the settlement date (the second business day after the transaction)

Commission : Commission charged at 0.25% on each securities transaction value

Each of UBA, UBA Financial and Super Idea had entered into supplemental agreement with USCL dated 5th November, 2007 in relation to extend the period to 31st March, 2010 for the securities brokerage services provided by USCL to UBA Group.

In order to comply with the requirement set out in Rule 14A.35(1) of the Listing Rules, on 11th February, 2010, each of UBA, UBA Financial and Super Idea had entered into the Securities Brokerage Supplemental Agreements with USCL in relation to the securities brokerage services provided by USCL to UBA Group. According to the Securities Brokerage Supplemental Agreements entered into on 11th February, 2010, USCL and each of the UBA, UBA Financial and Super Idea agreed that the original agreement will be extended from the period of 1st April, 2010 to 31st March, 2013 and is subject to renewal by written supplemental agreement between the contract parties. Save as disclosed above, the original agreements regarding the securities brokerage services shall in all respects remain and continue in full force and effect.

In the ordinary and usual course of business, USCL provides securities brokerage service, which charges brokerage commission rate at 0.25%, the prevailing market rate, on the value of the transactions. The securities brokerage commission is charged when transaction is concluded and will be payable by the UBA Group. It is expected that the annual brokerage commission will be less than HK\$1,000,000 per annum.

VI. INFORMATION OF UPBEST AND THE COMPANY

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, asset management, and precious metal trading and property investment.

Each of UAML, USCL and UICL is a wholly owned subsidiary of Upbest and UGL is a 75% owned subsidiary of Upbest.

LETTER FROM THE BOARD

The Company 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.

VII. REASONS FOR THE CONTINUING CONNECTED 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 and precious metal dealing service since year 2007. In view of the long term business relationship and the good performance of UBA during the past financial years, the Upbest Board and the UBA Board consider the entering into of the supplemental agreement in relation to securities and precious margin financing services and the Investment Management Agreements will benefit Upbest Shareholders and UBA Shareholders as a whole. In view of the long term business relationship since then and operational convenience brought to Upbest Group and UBA Group, each of the Upbest Board and UBA Board considers them to be in the best interests of Upbest Shareholders and UBA Shareholders to continue to engage USCL to provide securities brokerage services for UBA Group.

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

VIII. LISTING RULES IMPLICATION

As disclosed above, the Continuing Connected Transactions are considered as continuing connected transactions on the part of the Company under Listing Rules. Since the annual caps of the (i) Financial Assistance provided by Upbest Group to UBA Group and (ii) Management Fee plus Performance Fee payable by UBA Group to Upbest Group will exceed HK\$10 million in respect of each of the proposed annual caps, according to Rules 14A.35 of the Listing Rules, such transactions are subject to the approval by the Upbest Independent Shareholders and UBA Independent Shareholders at Upbest EGM and UBA EGM respectively. CCAA and its associates will abstain from voting in Upbest EGM to be convened for the approval of, inter alia, the Continuing Connected Transactions. Fung Fai and its associates will abstain from voting in the EGM to be convened for the approval of, inter alia, the Continuing Connected Transactions.

As at the Latest Practicable Date, CCAA holds approximately 73.65% interest in Upbest. Fung Fai holds approximately 32.08% 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 Mr. Cheng, Ms. Cheng and Mr. Andrew Cheng and each of Ms. Cheng and Mr. Andrew Cheng is a director of Upbest. Mr. Andrew Cheng is also a director of UBA. Moreover, UAML, the investment manager of UBA, is regarded as a connected person of UBA under Rule 21.13 of the Listing Rules. Fung Fai and its associates, being connected persons of UBA and have a material interest in the aforesaid Continuing Connected Transactions, will abstain from voting in the UBA EGM to be convened for the approval of, inter alia, the Continuing Connected Transactions.

LETTER FROM THE BOARD

Mr. Chan Chung Yee, Alan, an independent non-executive director of both Upbest and UBA, is considered to have a conflict of interest in these Continuing Connected Transactions for his dual role and therefore is not appointed as a member of the UBA Independent Board Committee and is also required to be abstained from voting at the Upbest EGM and the UBA EGM respectively.

IX. THE INDEPENDENT BOARD COMMITTEE

UBA Independent Board Committee, comprising of two independent non-executive directors of UBA having no material interest in these Continuing Connected Transactions, namely, Dr. FUNG Lewis Hung and Mr. TANG Hon Bui, Ronald, has been formed to advise the UBA Independent Shareholders in relation to Financial Assistance, Performance Fee and Management Fee. Menlo has been appointed as the Independent Financial Adviser to the UBA Independent Board Committee and the UBA Independent Shareholders on the terms in relation to the Continuing Connected Transactions.

X. EGM

Set out on pages 34 to 36 is a notice convening the EGM to be held at 2nd Floor, Wah Kit Commercial Centre, 302 Des Voeux Road Central, Hong Kong on 30th March, 2010 at 2:30 p.m. at which relevant resolution(s) will be proposed to the Shareholders to consider and if thought fit, approve the 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 2nd Floor, Wah Kit Commercial Centre, 302 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.

XI. RECOMMENDATION

The UBA Board considers that the terms of the Continuing Connected Transactions and their respective annual cap 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(s) 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 page 16 of this circular; and (ii) the letter of advice from Menlo set out on pages 17 to 28 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transactions.

The Independent Board Committee, having taken into account the advice of Menlo, 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.

LETTER FROM THE BOARD

XII. ADDITIONAL INFORMATION

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

By order of the Board
UBA Investments Limited
CHAU Wai Hing, Jeff
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



UBA INVESTMENTS LIMITED

開明投資有限公司*

(incorporated in Cayman Islands with limited liability)

(Stock Code: 768)

15th March, 2010

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 15th March, 2010 (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 Board as members to form the Independent Board Committee and to advise you the terms of the Continuing Connected Transactions and the respective annual caps, whether such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole and how to vote on the resolution(s) regarding the Continuing Connected Transactions.

Menlo Capital Limited 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 Continuing Connected Transactions 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 17 to 28 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 5 to 15 of the Circular and the additional information set out in the appendix of the Circular.

Having considered the terms of the Continuing Connected Transactions and the advice of Menlo, we are of the opinion that the Continuing Connected Transactions and the annual caps are on normal commercial terms and the terms of the Continuing Connected Transactions 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(s) to be proposed at the EGM to approve the Continuing Connected Transactions and the annual caps.

Yours faithfully,
Independent Board Committee of
UBA Investments Limited

Dr. FUNG Lewis Hung
Independent non-executive Director

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

* For identification purpose only

LETTER OF ADVICE FROM MENLO

The following is the full text of the letter from Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in connection with the proposed continuing connected transactions which has been prepared for the purpose of inclusion in this circular:



Menlo Capital Limited

Menlo Capital Limited
17/F, Asia Standard Tower
Queen's Road Central, Hong Kong

15th March, 2010

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

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on whether (i) the continuing connected transactions contemplated under the Supplemental Agreements are in the interest of the Company and the Shareholders as a whole; (ii) the continuing connected transactions are in the ordinary and usual course of businesses of the Company; (iii) the Supplemental Agreements are entered into on normal commercial terms; and (iv) the terms and the respective annual caps proposed under the Supplemental Agreements are fair and reasonable so far as the Company and the Independent Shareholders are concerned, details of which are set out in the "Letter from the Board" in this circular issued by the Company to the Shareholders dated 15th March, 2010 (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 11th February, 2010, various members of the Upbest Group and the UBA Group have entered into the Supplemental Agreements to extend the engagement of the Upbest Group to provide the assets management services, securities margin financing services, precious metal margin financing services and securities brokerage services to the UBA Group.

The entering into of the Supplemental Agreements constitutes continuing connected transactions to the UBA Group under the Listing Rules. Since the annual caps of the (i) Financial Assistance provided by Upbest Group to UBA Group and (ii) Management Fee plus Performance Fee payable by UBA Group to Upbest Group will exceed HK\$10 million in respect of each of the proposed annual caps, according to the Listing Rules, such transactions are subject to the approval by the Independent Shareholders at the EGM respectively.

LETTER OF ADVICE FROM MENLO

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Circular which have been provided to us by the Board and which the Board considers to be complete and relevant, and have assumed that the statements made are true, accurate and complete at the time they were made and continue to be true on the date of the Circular. We have also assumed that all statements of belief, opinion and intention made by the Board in the Circular are reasonably made after due and careful enquiry and are based on honestly-held opinions. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Board and we have been advised by the Board that no material facts have been omitted from the information and representations provided in and referred to in the Circular.

We consider that we have received sufficient information to enable us to reach an informed view and to justify our reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our view and recommendation. We have no reason to suspect that any material information has been withheld by the Company or by the Board. We have not, however, carried out any independent investigation into the business and affairs of UBA Group. We have taken all reasonable steps pursuant to rule 13.80 of the Listing Rules which include the following:

1. obtaining all information and documents relevant to the assessment of the fairness and reasonableness of the continuing connected transactions contemplated under Supplemental Agreements, including but not limited to, the Supplemental Agreements, the annual report of the UBA for the years ended 31st March, 2007, 31st March, 2008, ended 31st March, 2009, the unaudited financial information provided by the Board for the six months ended 30th September, 2009 and the Letter from the Board;
2. reviewing the information of UBA Group as well as the reasons and the background of entering into the Supplemental Agreements;
3. reviewing the terms of the Supplemental Agreements; and
4. confirming that no third party expert provides any opinion relevant to the Supplemental Agreements.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders on the terms of the Supplemental Agreements and the annual caps, we have considered the following principal factors and reasons:

I. Background and Reasons for the Supplemental Agreements

Information on the UBA Group

The UBA Group is an investment company listed under Chapter 21 of the Listing Rule and its principal activities are investment in listed securities and unlisted securities for their potential earnings growth and capital appreciation.

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Information on Upbest

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, asset management, and precious metal trading and property investment.

Reasons for and benefits of the continuing connected transactions

UAML, a wholly owned subsidiary of Upbest, 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 and precious metal dealing service since year 2007. In view of the long term business relationship and the good performance of UBA during the past financial years, the Board considers the entering into of the supplemental agreements in relation to securities and precious metal margin financing services and the Investment Management Agreements will benefit UBA Shareholders as a whole. In view of the long term business relationship since then and operational convenience brought to UBA Group, the Board considers it is in the best interests of UBA Shareholders to continue to engage USCL to provide securities brokerage services for UBA Group.

We are of the view that it is in the interests of UBA Shareholders for UBA to continue the engagement of UAML to provide the assets management services to ensure the service provider has (i) the full understanding of the investment policy of the Board; (ii) the consistence in the standard of identifying investment opportunities and the corresponding risks for UBA Group; and (iii) the continuous provision of the design, operation and monitoring of suitable internal controls to mitigate and control the risks for the UBA Group provided by UAML.

We are also of the view that it is in the interests of UBA Shareholders for UBA to enter into the supplemental agreements in relation to (i) the securities and precious margin financing services to ensure the availability of the financing from Upbest Group; and (ii) the securities brokerage services provided by USCL, in order to ensure operational convenience.

Having considered that the principal activities of UBA Group are investing in listed securities and unlisted securities, we are of the view that it is in the ordinary and usual course of business of the UBA Group to continue the engagement of the assets management services, the securities and precious metal margin financing services and the securities brokerage services, in particular, to continue these services with which the Upbest Group have provided to UBA Group for years.

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II. The Supplemental Agreements

SUPPLEMENTAL AGREEMENTS IN RELATION TO SECURITIES AND PRECIOUS METAL MARGIN FINANCING SERVICES

(a) *Securities margin financing service*

Each of UBA, UBA Financial and Super Idea first entered into an agreement separately with UICL respectively on 15th November, 2002, 13th March, 2003 and 22nd June, 1999 (as supplemented by the supplemental agreement agreements dated 2nd May, 2008 as disclosed in the announcement dated 2nd May, 2008) 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 11th February, 2010, each of UBA, UBA Financial and Super Idea had separately entered into the Financial Assistance Supplemental Agreements with UICL in relation to the provision of securities margin financing service by UICL to UBA Group. According to the supplemental agreements, 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 1st April, 2010 to 31st March, 2013 and is subject to renewal by written supplemental agreements between the contract parties. Save as disclosed above, the relevant original agreements regarding the securities margin financing service shall in all respects remain and continue in full force and effect.

(b) *Precious metal margin financing service*

UBA Gold first entered into an agreement with UGL on 22nd February, 2007 (as supplemented by the supplemental agreement agreements dated 2nd May, 2008 as disclosed in the announcement dated 2nd May, 2008) in respect of the provision of precious metal margin financing services by UGL to the UBA Gold.

On 11th February, 2010, UGL had entered into a supplemental agreement with UBA Gold in relation to the provision of precious metal margin financing service by UGL to UBA Gold. According to the supplemental agreement, UGL and UBA Gold agreed that the relevant original agreement will be extended for a period commencing from 1st April, 2010 to 31st March, 2013 and is subject to renewal by written supplemental agreement between the contract parties. The supplemental agreement also provided that the interest rate for the precious metal margin financing service will be from the range of 0.5% to 1% per annum above the borrowing costs of UGL. Save as disclosed above, the relevant original agreement regarding the precious metal margin financing service shall in all respects remain and continue in full force and effect.

HISTORICAL DATA

Upbest Group had previously provided financing services to UBA Group including (i) securities margin financing service, (ii) precious metal margin financing service, and (iii) initial public offer financings pursuant to the relevant original agreements for securities margin financing service and precious metal margin financing service.

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(i) *Financial Assistance provided by Upbest Group to UBA Group*

The maximum amounts of margin loans advanced by Upbest Group to UBA Group during each of the three years ended 31st March, 2007, 31st March, 2008, 31st March, 2009 and the ten months ended 31st January, 2010 are shown below:

	During the Financial Year ended 31st March, 2007 (HK\$)	During the Financial Year ended 31st March, 2008 (HK\$)	During the Financial Year ended 31st March, 2009 (HK\$)	During the ten months ended 31st January, 2010 (HK\$)
Margin loans				
Maximum amounts (approximately)	17,906,303	18,101,230	5,198,061	6,011,467

The amounts of margin loans advanced by Upbest Group to UBA Group as at 31st March, 2007, 31st March, 2008, 31st March, 2009 and 31st January, 2010 are shown below:

	As at the Financial Year ended 31st March, 2007 (HK\$)	As at the Financial Year ended 31st March, 2008 (HK\$)	As at the Financial Year ended 31st March, 2009 (HK\$)	As at 31st January, 2010 (HK\$)
Margin loans (approximately)	164,280	0	3,942,081	3,345,850

The maximum amounts of initial public offer financing advanced by Upbest Group to UBA Group during each of the three years ended 31st March, 2007, 31st March, 2008, 31st March, 2009 and the ten months ended 31st January, 2010 are shown below:

	During the Financial Year ended 31st March, 2007 (HK\$)	During the Financial Year ended 31st March, 2008 (HK\$)	During the Financial Year ended 31st March, 2009 (HK\$)	During the ten months ended 31st January, 2010 (HK\$)
Initial Public Offer Financing				
Maximum amounts (approximately)	143,726,306	119,453,643	0	54,935,965

Cap amount for the Financial Assistance

Based on the above maximum amounts of margin loans during the period from 1st April, 2007 to 31st March, 2009 the Board proposed that the annual cap for the Financial Assistance for each of the Financial Year up to 31st March, 2013 should be set at HK\$150,000,000.

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We have reviewed the records of the historical amounts of the margin loans and the initial public offer financing of the Company and noted that the aggregated maximum amount of the margin loans together with the initial public offer financing advanced by Upbest Group to UBA Group were slightly below HK\$150,000,000 during each of the years ended 31st March, 2007 and 31st March, 2008. The Directors advised that the lower utilization of the initial public offer financing advanced by Upbest Group during the year ended 31st March, 2009 and the ten months ended 31st January, 2010 was mainly related to the economic turmoil happened by late 2008. The Directors further advise that the utilization of the initial public offer financing advanced by Upbest Group in the coming three years, if available, is expected to be back to the level similar to the years ended 31st March, 2007 and 31st March, 2008. Accordingly, we are of the view that the annual cap for the Financial Assistance for each of the Financial Year up to 31st March, 2013 to be set at HK\$150,000,000 is sufficient and fair and reasonable so far as the Company and the Independent Shareholders are concerned.

The payment term of the Financial Assistance are as follows:

Precious Metal Margin Financing

Payment term : Payment on demand

Interest : Interest rate of 0.50% to 1.00% per annum on the borrowing costs of UGL

Securities Margin Financing

Payment term : Payment on demand

Interest : Interest rate of 4.25% above prime rate per annum and calculated on daily balances with monthly interest.

We have reviewed the Financial Assistance Supplemental Agreements. No extra-ordinary terms are noted. Accordingly, we are of the view that the Financial Assistance Supplemental Agreements are entered into on normal commercial terms.

We have also reviewed the metal margin financing offers and the securities margin financing offers available to the Company (including the Financial Assistance provided by Upbest Group). We have noted that the interest rates under the Financial Assistance are in line with the interest rates offered by the independent third parties. The Executive Directors confirm that no preferential treatment towards the Financial Assistance. Accordingly, we are of the view that the terms of the Financial Assistance Supplemental Agreements, including the interest rates of the Financial Assistance, are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

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THIRD SUPPLEMENTAL INVESTMENT MANAGEMENT AGREEMENT

(a) *Background*

On 6th November, 2000 UAML and UBA first entered into the First Investment Management Agreement pursuant to which UAML provided investment management services to UBA for a term of three years up to 30th November, 2003. Reference is made to the announcement of UBA dated 6th November, 2000.

UAML and UBA have on 2nd May, 2008 entered the Second Supplemental Investment Management Agreement whereby (i) the term of the Second Investment Management Agreement will be extended to 31st March, 2010; and (ii) in addition to the Management Fee, subject to the approval by their respective independent shareholders at UBA EGM and Upbest EGM respectively, the Performance Fee payable in Hong Kong dollars equivalent to 20% of net profit of UBA Group before taxation and before deduction of the Management Fee payable under the Investment Management Agreements shall be paid to UAML for each Financial Year. Reference is made to the joint announcements by Upbest and UBA dated 2nd May, 2008.

As consideration for UAML's provisions of investment management service to UBA pursuant to the Investment Management Agreements, UAML is entitled to the Management Fee, which amounts to 1.5 per cent per annum of the net asset value of UBA Group 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.

(b) *The Third Supplemental Investment Agreement dated 11th February, 2010*

UAML and UBA have on 11th February, 2010 entered the Third Supplemental Investment Management Agreement whereby the term of the Second Investment Management Agreement will be extended for a period commencing from 1st April, 2010 to 31st March, 2013. Save and except as amended by the Third Supplemental Investment Management Agreement dated 11th February, 2010, the Second Investment Management Agreement, as extended by the Second Supplemental Investment Management Agreement, will remain in full force and effect.

Cap amount of Management Fee and Performance Fee

To comply with the Listing Rules, it is required to specify an annual cap in respect of the Management Fee and Performance Fee payable by UBA to the UAML under the Investment Management Agreements (as extended and supplemented by the Third Supplemental Investment Management Agreement), which is proposed as follows:

	For the Financial Year ended 31st March, 2011 (HK\$)	For the Financial Year ended 31st March, 2012 (HK\$)	For the Financial Year ended 31st March, 2013 (HK\$)
Management Fee & Performance Fee	11,148,000	13,378,000	16,054,000

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The proposed annual caps for Management Fee and Performance Fee are determined by reference to the annual growth rate of 20%, which the Broad considers to be reasonable.

We have reviewed the historical amounts of the Management Fee and Performance Fee of UBA Group during each of the three years ended 31st March, 2007, 31st March, 2008, 31st March, 2009 and the six months ended 30th September, 2009 as well as the projected amount of the HK\$9,290,000 for the year ending 31st March, 2010 with the assumptions provided by the Board. We are of the view that the projected amount for the year ending 31st March, 2010 and the proposed annual caps for Management Fee and Performance Fee being determined with reference to the above six months projection and the annual growth rate of 20% are sufficient and fair and reasonable so far as the Company and the Independent Shareholders are concerned.

The payment term for the Management Fee and Performance Fee shall be as follows:

Management Fee

Payment term : Monthly payment

Management Fee : 1.5 per cent per annum of the net asset value of UBA Group 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

Payment term : Yearly payment

Performance Fee : 20% of net profit of UBA Group before taxation and before deduction of the Management Fee payable

We have reviewed and included, so far as we are aware, all the management fee packages based on asset value and performance fee packages based on the excess of net asset value/net profit (the “Comparables”) published during the last 12 months by the investment companies listed under Chapter 21 of the Listing Rules on the Main Board of the Stock Exchange. We consider that the comparison of these packages could provide a general reference for the reasonableness of the Management Fee and Performance Fee and that they are appropriate and relevant, which are summarized as below:

Company name (Stock Code)	Management fee	Performance fee
Prosperity Investment Holdings Limited (0310)	1.9% per annum of the net asset value	Not available
Shanghai International Shanghai Growth Investment Limited (0770)	0.5% per quarter (equivalent to 2% per annum) of the net asset value of the group	15% of the excess amount by which 115% of the net asset value of the group as at the immediate preceding year

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Company name (Stock Code)	Management fee	Performance fee
Mastermind Capital Limited (0905)	0.375% per quarter (equivalent to 1.5% per annum) of the net asset value of the group	Not available
China Innovation Investment Limited (1217)	HK\$300,000 per annum	10% of the profit before tax
Garron International Limited (1226)	2% per annum of the net asset value of the group	10% of the surplus net asset value
SHK Hong Kong Industries Limited (666)	0.375% of the Gross NAV for each quarter (equivalent to 1.5% per annum), calculated as the arithmetical average of the published Gross NAV	20% of the amount by which the audited consolidated net asset value of the Company (calculated as at the end of each respective Financial Year) exceeds the High Watermark as at the relevant Financial Year
Harmony Asset Limited (428)	1.5% per annum of the net asset value of the Company	10% of the audited net profit of the Company in the financial year before the accrual of the incentive fee
New Capital International Investment Limited (1062)	HK\$400,000 per annum	Not available
Earnest Investments Holdings Limited (339)	HK\$360,000 per annum	Not available
Unity Investment Holdings Limited (913)	HK\$60,000 per month (equivalent to 720,000 per annum)	Not available
OP Financial Investments Limited (1140)	1.5% per annum of the net asset value of the Company	10% of the increase of the net asset value
Sunshine Capital Investments Group Limited (721)	1% per quarter (equivalent to 4% per annum) of the market value of the portfolio	10% of the increase of the market value of portfolio exceeds 10% per annum
China Financial Leasing Group Limited (2312)	HK\$55,000 per month (equivalent to 660,000 per annum)	15% of the increase of the net asset value

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Company name (Stock Code)	Management fee	Performance fee
China Assets (Holdings) Limited (170)	2.75% per annum on the aggregate cost of investments (less any provisions in respect thereof); and 1% per annum on the value of the uninvested net assets	(a) Nil on the first 10%; (b) 15% x (net profit after tax minus 10% of the net assets); (c) 20% x (net profit after tax minus 20% of the net assets). Additional 20% of the net capital gains if the net asset value equals to or greater than 100% of the aggregate of the original subscription price of remaining shares.
Opes Asia Development Limited (810)	HK\$360,000 per annum	Not available
Radford Capital Investment Limited (901)	HK\$40,000 per month (equivalent to 480,000 per annum)	Not available
The Company	1.5% per annum of the net asset value of UBA Group as at the immediately preceding Valuation Date	20% of net profit of UBA Group before taxation and before deduction of the Management Fee for each Financial Year

Source: The Stock Exchange website, the respective announcements, circulars and annual reports in relation to the Comparables

As noted from the above table,

- the management fees of the Comparables are mostly based on the net asset value of the investment companies, with a few exceptions on a fixed fee per annum, ranged from 1.5% to 4% (the “Management Fee Range”). The Management Fee, being 1.5% per annum, falls within and on the low side of the Management Fee Range of the Comparables; and
- the performance fees per annum of the Comparables ranged from 10% to 20% (the “Performance Fee Range”). The Performance Fee, being 20%, falls within and on the high side of the Performance Fee Range of the Comparables.

We note that (i) the Management Fee falls within the Management Fee Range of the Comparables; and (ii) the Performance Fee falls within the Performance Fee Range of the Comparables. Accordingly, we are of the view the Management Fee and the Performance Fee are in line with the packages of the Comparables as well as being fair and reasonable so far as the Company and the Independent Shareholders are concerned.

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SECURITIES BROKERAGE SUPPLEMENTAL AGREEMENTS

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

Service Provider	Service Receiver	Date of original agreement
USCL	UBA	12th July, 2000
USCL	UBA Financial	18th July, 2001
USCL	Super Idea	22nd June, 1999

The above agreements have the same terms as follows:

Payment term : Cash payment on the settlement date (the second business day after the transaction)

Commission : Commission charged at 0.25% on each securities transaction value

In order to comply with the requirement set out in the Listing Rules, on 11th February, 2010, each of UBA, UBA Financial and Super Idea had entered into supplemental agreement with USCL in relation to the securities brokerage service provided by USCL to UBA Group. According to the supplemental agreements entered into on 11th February, 2010, USCL and each of the UBA, UBA Financial and Super Idea agreed that the original agreement will be will be extended from the period of 1st April, 2010 to 31st March, 2013 and is subject to renewal by written supplemental agreement between the contract parties. Save as disclosed above, the original agreements regarding the securities brokerage service shall in all respects remain and continue in full force and effect.

The payment term for the securities brokerage shall be as follows:

Payment term : Cash payment on the settlement date (the second business day after the transaction)

Commission : Commission charged at 0.25% on each securities transaction value

We are of the view that it is in the ordinary and usual course of business, USCL provides securities brokerage service. We are also of the view that the brokerage commission rate charges at 0.25% is at the prevailing market rate for which are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

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RECOMMENDATION

The Supplemental Agreements and the annual caps thereunder are subject to the Independent Shareholders approval. We are of the view that the entering into the Supplemental Agreements and the continuing connected transactions are in the ordinary and usual course of business, on normal commercial terms and in the interests of the Company and the Shareholders as a whole and that the terms of the Supplemental Agreements, the continuing connected transactions and the annual caps are fair and reasonable so far as the interests of the Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the terms of the Supplemental Agreements, the continuing connected transactions and the annual caps.

Yours faithfully,
For and on behalf of
Menlo Capital Limited
Michael Leung
Executive Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the issuer. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein 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 Shareholder	Nature of Interest	Number of Shares	Approximate percentage or attributable percentage of shareholding
Mr. Cheng Wai Lun, Andrew (<i>Note</i>)	Corporate/Long position	340,000,000	32.08%

Note: The shares are held by Fung Fai Growth Limited, an associated corporation (within the meaning of Part XV of the SFO) of the Company. 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 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	32.08%
Kingswell Holdings Group Limited (<i>Note 2</i>)	Beneficial Owner/Long Position	192,000,000	18.12%

Note 1: The shares are held by Fung Fai Growth Limited, an associated corporation (within the meaning of Part XV of the SFO) of the Company. 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.

Note 2: The entire issued share capital of Kingswell Holdings Group Limited is owned by Mr. Janusz Mieczyslaw Stempnowski. Mr. Janusz Mieczyslaw Stempnowski 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 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 Group.

3. DIRECTORS' SERVICE CONTRACTS

None of the Directors has any existing or proposed service contracts with the Company or any member of the Group which does not expire or is not determinable by the 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
Menlo	A licensed corporation for Type 6 regulated activities under the SFO

As at the Latest Practicable Date, Menlo is not interested in any Shares or shares in any member of the Group nor does it have any right 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 Group.

Menlo has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 15th March, 2010 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 themselves or their respective associates had any interests in a business which competes or may compete with the business of the Group or any other conflicts of interests with the Group.

6. LITIGATION

As at the Latest Practicable Date, no member of the 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 Group.

7. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31st March, 2009, being the date to which the latest published audited financial statements of the Group was made up.

8. MISCELLANEOUS

- (a) No contract or arrangement of significance in relation to the 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 at the Latest Practicable Date.
- (b) None of Menlo 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 31st March, 2009, the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.

- (c) The registered office of the Company is at Ugland House, South Church Street, P. O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies and the head office and principal place of business of the Company in Hong Kong is at 2nd Floor, Wah Kit Commercial Centre, 302 Des Voeux Road Central, Hong Kong.
- (d) The principal share registrar in the Cayman Islands of the Company is Butterfield Fulcurm Group (Cayman) Limited, Grand Cayman Island, Cayman Islands, British West Indies.
- (e) The branch share registrar of the Company in Hong Kong is Tricor Standard Limited at 26th Floor, Tesbury Centre 28 Queen's Road East, Wanchai, Hong Kong.
- (f) The company secretary of the Company is Mr. Tse Hon Kwan, Max.
- (g) The English text of this circular and the proxy form shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company at 2nd Floor, Wah Kit Commercial Centre, 302 Des Voeux Road Central, Hong Kong during normal business hours on any weekday other than public holidays, from the date of this circular up to and including 30th March, 2010:

- (a) the memorandum and articles of association of the Company;
- (b) the First Investment Management Agreement and the First Supplemental Investment Management Agreement;
- (c) the Second Investment Management Agreement and the Second Supplemental Investment Management Agreement;
- (d) the agreements entered into between UBA, UBA Financial and Super Idea and UICL respectively dated 15th November, 2002, 13th March, 2003 and 22nd June, 1999 respectively in relation to the Financial Assistance;
- (e) the agreements between UBA Gold and UGL dated 22nd February, 2007 and 2nd May, 2008 in relation to the Financial Assistance;
- (f) the securities brokerage agreements between USCL as service provided and UBA, UBA Financial and Super Idea respectively dated 12th July, 2000, 18th July, 2001 and 22nd June, 1999 respectively;
- (g) the Supplemental Agreements;

- (h) the letter from the Independent Board Committee, the text of which is set out on page 16 of this circular;
- (i) the written consent from the expert referred to in the paragraph headed “Qualification and consent of expert” in this appendix; and
- (j) the letter of advice from Menlo to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 17 to 28 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 2nd Floor, Wah Kit Commercial Centre, 302 Des Voeux Road Central, Hong Kong, on 30th March, 2010 at 2:30 p.m. for the purpose of considering and, if thought fit, passing the following resolution with or without amendments as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the supplemental agreement dated 11th February, 2010 entered into between UBA Financial and UICL in relation to the provision of securities margin financing service 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 and confirmed;
- (b) the supplemental agreement dated 11th February, 2010 entered into between Super Idea and UICL in relation to the provision of securities margin financing service 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 and confirmed;
- (c) the supplemental agreement dated 11th February, 2010 entered into between UBA and UICL in relation to the provision of securities margin financing service 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 and confirmed;
- (d) the supplemental agreement dated 11th February, 2010 entered into between UGL with UBA Gold in relation to the provision of precious metal margin financing services by UGL to UBA Gold (a copy of which has 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 and confirmed;

* For identification purpose only

NOTICE OF EGM

- (e) the Third Supplemental Management Agreement (as defined in the circular of the Company dated 15th March, 2010 (the “**Circular**”)) dated 11th February entered into between the Upbest Group and the UBA Group in relation to the provision of investment management services by UAML to UBA (a copy of which has been produced at the Meeting marked “E” 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 and confirmed;
- (f) the supplemental agreements entered into by each of UBA, UBA Financial and Super Idea with USCL dated 11th February, 2010 in relation to the securities brokerage services provided by USCL to UBA Group (a copy of which has been produced at the Meeting marked “F” 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 and confirmed;
- (g) the annual caps for the Financial Assistance (as defined in Circular) for the financial years ending 31st March, 2011, 31st March, 2012 and 31st March, 2013 be and are hereby approved;
- (h) the annual caps for the Management Fee and Performance Fee (as defined in Circular) for the financial years ending 31st March, 2011, 31st March, 2012 and 31st March, 2013 be and are hereby approved; and
- (i) any one director of the Company be and is hereby authorised to do all such things and acts as he may in his discretion consider as necessary, expedient or desirable for the purpose of or in connection with the implementation of the Supplemental Agreements and the transactions contemplated thereunder, including but not limited to the execution all such documents under seal where applicable, as he considers necessary or expedient in his/her opinion to implement and/or give effect to the Continuing Connected Transactions and transactions contemplated thereunder.”

By order of the Board
UBA Investments Limited
CHAU Wai Hing, Jeff
Executive Director

Hong Kong, 15th March, 2010

NOTICE OF EGM

Registered office:

Ugland House
South Church Street
P.O. Box 309
George Town
Grand Cayman
Cayman Islands
British West Indies

Head office and principal place of business

in Hong Kong:
2nd Floor, Wah Kit Commercial Centre
302 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 needs 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 2nd Floor, Wah Kit Commercial Centre, 302 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 above meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.