
SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. Because this is only a summary, it does not contain all the information that may be important to you. You should consider carefully all information set out in this prospectus and, in particular, pay attention to the risks set out in the section headed “Risk Factors” on pages 12 to 17 in this prospectus before you decide or invest in the Company.

Terms used herein bear the same meanings as given to them in the section headed “Definitions” on pages 8 to 11 of this prospectus.

The Company

The Company is an investment company incorporated with limited liability as an exempted company in the Cayman Islands on 5th December, 2001. The Company has not commenced operation or business since its incorporation.

Investment objective

The investment objective of the Company is to achieve earnings in the form of short to medium term (i.e. less than one year to five years) capital appreciation mainly through investments in a diversified portfolio of listed and unlisted companies in Hong Kong and/or the PRC.

Investment policies

A substantial portion of the Company’s assets will be invested in equity securities, convertible notes, preference shares, options, warrants, futures contracts and debt securities issued by listed and unlisted companies in Hong Kong and/or the PRC, or such other types of investments in accordance with the investment objectives and policies adopted by the Company from time to time and the requirements of the Memorandum, the Articles, the Listing Rules and the Investment Management Agreement. There is no restriction as to the proportion of investment in listed and unlisted companies under the investment policies.

The Directors are responsible for the approval of all investment decisions and the formulation of the Company’s investment objectives and policies and in particular, all investment and divestment strategies and guidelines.

The Investment Limit exercisable by the Investment Manager for any single investment is the lower of 20% of the Net Asset Value or HK\$10,000,000 or such other amount as may be resolved by the Board from time to time.

The Company will not invest more than 50% of its assets outside Hong Kong and the PRC.

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Investment Manager	Upbest Assets Management Limited, a company incorporated in Hong Kong with limited liability on 16th June, 1999 and an investment adviser registered under the Securities Ordinance, is responsible for the provision of investment management services to the Company but not general administrative services.
Custodian	Wing Hang Bank, Limited, an independent third party, will provide custodian services to the Company pursuant to the Custodian Agreement. The Custodian is responsible for the safe custody and physical settlement of the securities in the investment portfolio of the Company and the collection of dividends and other entitlements in respect of such securities.
Net proceeds	The net proceeds from the New Issue are estimated to be approximately HK\$25 million, after deduction of fees, commissions and other expenses.
Use of proceeds	It is presently intended that the net proceeds of the New Issue will be applied in investments according to the investment policies and objectives of the Company adopted by the Company from time to time and the requirements of the Memorandum, the Articles, the Listing Rules and the Investment Management Agreement. Any proceeds not deployed will be placed on bank deposits in any currency, bonds or treasury securities in accordance with the policies set out in the paragraph headed “Investment objectives and policies” under the section headed “Information on the Company” in this prospectus.
Dividends	The financial year of the Company is from 1st January to 31st December each year. All income received by the Company will be used first to meet expenses. The Investment Manager will then assess whether it is reasonable to make provision for future expenses and/or any possible diminution in value of investments, and will consider the amount of cash required to be retained by the Company for future investments. Any surplus will be distributed by way of dividend to the extent permitted by applicable laws, the Memorandum and the Articles. Dividends will only be declared and paid to the extent that they are covered by net income received from underlying investments. Distributions (if any) will be made annually after the annual accounts of the Company are approved by the Shareholders, but interim distributions may be made from time to time to the Shareholders if it appears to the Board to be justified by the financial position of the Company and permissible by the Memorandum, the Articles and the applicable laws. Distributions will be made in Hong Kong dollars.
Net Asset Value publication	The Company will calculate and publish the Net Asset Value as at the Valuation Date within 15 days after the end of each month.

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New Issue 30,000,000 New Shares will be issued at the New Issue Price of HK\$1.00 per New Share, payable in full on application. The New Issue has been fully underwritten by the Underwriter and is subject to the conditions set out in the paragraph headed “Conditions of the New Issue” under the section headed “Structure of the New Issue”.

Listing and dealing Application has been made to the Listing Committee of the Stock Exchange for granting of the approval of the listing of, and permission to deal in, the Shares in issue and the New Shares to be issued as mentioned herein.

Dealing in the Shares on the Stock Exchange is expected to commence on Friday, 7th June, 2002. The Shares will be traded in board lots of 10,000 Shares. The price of the Shares will be quoted on the Stock Exchange in Hong Kong dollars.

Fees and expenses The Investment Manager is entitled to a monthly investment management fee payable in Hong Kong dollars at 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 for a period of three years. No other type of fee is payable to the Investment Manager.

The Board is of the view that the fee scale is in line with the prevailing market rates. Details of the Investment Manager’s fees and the Custodian’s fees are set out in the paragraphs headed “The Investment Manager” and “Custodian” respectively under the section headed “Investment management”.

Conflict of interest Certain situations of potential conflict of interest are set out in the paragraph headed “Potential conflict of interest” under the section headed “Investment management”.

**Shareholders and their
shareholding immediately
after the New Issue**

Name	Shareholding
Typical Success Limited*	25%
Endless Wealth Limited**	25%
The public	50%
Total	<u>100%</u>

* Wholly-owned and controlled by Mr. Tsang Cheuk Lau, the chairman and one of the five executive directors of Upbest Group Limited.

** Wholly-owned and controlled by Mr. Chin Melvyn Michael, a third party independent to the Investment Manager.

Note: Typical Success Limited and Endless Wealth Limited are neither connected parties to each other nor parties acting in concert.

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Directors

Executive Directors

Mr. Choi Wai Yin

Mr. Choi has over 18 years of experience in finance and fund management. From 1992 to 1994, he was a manager of the assessing department of BOCI Direct Investment Management Limited, managing direct investment funds of approximately US\$120 million. From 1994 to 1998, he was an executive director of CEF New Asia Partners Limited managing two direct investment funds of approximately US\$180 million on behalf of independent third parties. Mr. Choi is currently an executive director of Success Talent Investments Limited which is the investment manager of an investment company listed on the Stock Exchange, Earnest Investments Holdings Limited (as at 28th February, 2002, the unaudited consolidated net asset value was approximately HK\$38 million). He is an investment adviser registered under the Securities Ordinance.

Ms. Chow Siu Fan

Ms. Chow has over 10 years of experience in finance, direct investment, corporate management, project management and strategic planning. She was the chief executive officer and an executive director of Lamex Holdings Limited and participated in analyzing the potential of the investment projects, budgeting, fund arrangement and making investment decisions.

Mr. Chan Nap Kee, Joseph

Mr. Chan has over 18 years of experience in corporate finance and fund management. He has been the director of Oriental Patron Asia Limited since 1994 where he provides investment and advisory services to listed and unlisted companies as well as to individuals in and outside of Hong Kong which include advisory services on public offering of securities, mergers and acquisitions and debt financing exercises. Since 1996, he has been a managing member of Oriental Patron Capital Growth Fund, a fund of approximately HK\$10 million for independent third parties which mainly focuses on medium and small cap listed companies in Hong Kong. Mr. Chan is a dealer and an investment adviser registered under the Securities Ordinance. Currently he is also an executive director of AVANTA Investment (International) Limited which is the investment manager of an investment company listed on the Stock Exchange, Everest International Investments Limited (as at 28th February, 2002, the unaudited consolidated net asset value was approximately HK\$59 million). In addition, since 2000, he has been a director of Pacific Crown Investment Fund Limited, a fund of approximately US\$62 million for independent third parties.

Note: Please refer to pages 33 to 34 for further details of the executive Directors.

Independent Non-executive Directors

Mr. Kong Tze Wing

Mr. Siu Siu Ling, Robert

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Shareholder of the Investment Manager

Name	Beneficial ownership
Upbest Financial Holdings Limited (<i>Note</i>)	100%

Note: Upbest Financial Holdings Limited is wholly and beneficially owned by Upbest Group Limited, a company listed on the Main Board of the Stock Exchange. Upbest Group Limited is 75% beneficially owned by the family trust of Mr. Cheng Kai Ming, Charles and 25% held by the public.

Executive directors of the Investment Manager

Mr. Cheng Kai Ming, Charles

Mr. Cheng has over 20 years experience in the investment advisory and securities business. Currently, he is managing UBA and six investment portfolios for institutional clients with a total assets value of over HK\$860 million. He is an investment adviser and a dealer registered under the Securities Ordinance.

Mr. Li Kwok Cheung, George

Mr. Li joined the investment advisory and securities industry in 1995 and has been providing investment advice and tailor making investment portfolios for clients. Currently, he is managing UBA and six investment portfolios for institutional clients with a total assets value of over HK\$860 million. He is an investment adviser and a dealer registered under the Securities Ordinance.

Note: Please refer to pages 36 to 37 for further details of the executive directors of the Investment Manager.

Risk factors

Although the investment objective of the Company is to achieve short to medium term (i.e. less than one year to five years) capital appreciation, investors should note the special risks associated with investing in the Company as referred to in the section headed “Risk factors”. Investing in the Company may only be suitable for sophisticated investors who are aware of the risks involved in the investments of the Company.

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The Directors consider that the Company is subject to a number of risk factors which can be summarised as follows:

Risks relating to the Company

- Risks associated with the Company's investments
- Illiquidity of investments in the PRC
- No prior market for the Shares
- Negotiated issue price
- No profit track record
- Risks associated with fees payable to the Investment Manager and the Custodian
- Potential conflicts of interest of the Investment Manager
- Lack of statutory control over investee companies
- No comparable market values of the shares of the investee companies

Risks relating to Hong Kong

- Political factors
- Economic factors
- Devaluation of the Hong Kong dollar
- Risk relating to wars and terrorism

Risks relating to the PRC

- Political and economic considerations
- Government control of currency conversion and exchange rate risks
- Legal system
- PRC securities markets
- Accounting, auditing and financial reporting standards
- PRC's accession to World Trade Organisation

NEW ISSUE STATISTICS

New Issue Price per New Share (*Note 1*) HK\$1.00

Market capitalization (*Note 2*) HK\$60 million

Pro forma net tangible asset value per Share (*Note 3*) HK\$0.92

Notes:

1. The New Issue Price of HK\$1.00 per New Share is set at a premium of approximately 8.7% over the pro forma net tangible asset value of HK\$0.92 per Share.
2. The market capitalisation is calculated on the basis of 60,000,000 Shares in issue.

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3. The pro forma net tangible asset value per Share is arrived at after the adjustments referred to in the paragraph headed "Pro forma net tangible asset value" under the section headed "Financial Information" and on the basis of 60,000,000 Shares in issue immediately following completion of the New Issue, but taking no account of any Shares which may be allotted or issued or repurchased by the Company pursuant to the general mandates for allotment and issue or repurchase of Shares referred to in the paragraph headed "Written resolutions of the sole shareholder of the Company passed on 26th March, 2002" in Appendix III to this prospectus.

The net proceeds from the New Issue are estimated to be approximately HK\$25 million, after deduction of fees, commissions and other expenses. Commission and listing fee, together with the SFC transaction levy and Stock Exchange trading fee, legal and professional fees, and printing and other expenses relating to the New Issue, are estimated to amount to approximately HK\$5 million.

RULE 21.04(4) OF THE LISTING RULES

Potential investors are reminded that under Rule 21.04(4) of the Listing Rules, at the time of listing, no person shall control 30% (or such other percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the votes exercisable at any general meeting of the Company. For these purposes, the interests of all the associates of a Shareholder and any persons acting in concert (within the meaning of the Takeovers Code) with that Shareholder will be aggregated.