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UBA INVESTMENTS LIMITED

開明投資有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 768)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

RESULTS

The board of directors (the “Board”) of UBA Investments Limited (the “Company”) is pleased to announce that the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2011 and the Group’s state of affairs as at that date together with the comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September

	<i>Note</i>	2011 (unaudited) HK\$	2010 (unaudited) HK\$
Turnover	4	60,532,609	164,226,491
Costs of listed securities disposed		(56,680,426)	(144,604,922)
Other revenues	5	505,275	43,508
Other net (loss)/gain	5	(27,338,808)	3,829,542
Administrative and other operating expenses		(1,748,730)	(1,896,268)
Finance costs	6	(19,183)	(30,257)
(Loss)/profit before taxation	7	(24,749,263)	21,568,094
Income tax expense	8	-	-
(Loss)/profit for the period attributable to equity holders of the Company		(24,749,263)	21,568,094
(Loss)/earnings per share			
Basic	9	(2.34) cents	2.04 cents
Diluted	9	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 September

	2011 (unaudited) HK\$	2010 (unaudited) HK\$
(Loss)/profit for the period attribute to equity holders of the Company	<u>(24,749,263)</u>	<u>21,568,094</u>
Other comprehensive loss		
Available-for-sale financial assets:		
Fair value changes during the period	(9,701,744)	841,630
Reclassification adjustments transferred to consolidated income statement		
- Released upon disposal of available-for-sale financial assets	<u>(447,076)</u>	<u>(944,752)</u>
Other comprehensive loss for the period, net of tax	<u>(10,148,820)</u>	<u>(103,122)</u>
Total comprehensive (loss)/income attributable to equity holders of the Company	<u>(34,898,083)</u>	<u>21,464,972</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	30 September 2011 (unaudited) HK\$	31 March 2011 (audited) HK\$
NON-CURRENT ASSETS			
Property, plant and equipment		9,958	11,443
Available-for-sale financial assets	10	<u>32,905,383</u>	<u>44,188,510</u>
		32,915,341	44,199,953
CURRENT ASSETS			
Amounts due from investee companies		7,621,169	8,431,169
Amounts due from related companies		374,526	408,846
Other receivables, prepayments and deposits	11	63,677	69,238
Financial assets at fair value through profit or loss	12	59,276,726	77,730,705
Cash and bank balances		2,852,018	8,872,456
		<u>70,188,116</u>	<u>95,512,414</u>
CURRENT LIABILITIES			
Accruals		212,500	4,158,160
Other payables		1,884,200	1,884,200
Interest-bearing borrowings	13	2,234,833	-
		<u>4,331,533</u>	<u>6,042,360</u>
NET CURRENT ASSETS		<u>65,856,583</u>	<u>89,470,054</u>
NET ASSETS		<u>98,771,924</u>	<u>133,670,007</u>
CAPITAL AND RESERVES			
Share capital		10,597,782	10,597,782
Reserves		88,174,142	123,072,225
TOTAL EQUITY		<u>98,771,924</u>	<u>133,670,007</u>
NET ASSET VALUE PER SHARE	14	<u>0.09</u>	<u>0.13</u>

NOTES ON THE CONDENSED FINANCIAL STATEMENTS

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Uglan House, South Church Street, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies. The principal place of business is 2nd Floor, Wah Kit Commercial Centre, 302 Des Voeux Road Central, Hong Kong. The Company and its subsidiaries are engaged in investment holding and trading of securities.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements do not include all the information and disclosure required in the annual consolidated financial statements, and should be read in conjunction with the Company and its subsidiaries (‘the Group’) annual consolidated financial statements at 31 March 2011.

3. ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis, except for available-for-sale financial assets and financial assets at fair value through profit or loss which are stated at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statement are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31 March 2011, except that in the current period the Group has adopted certain new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) as detailed in note (a) below:

(a) Changes in accounting policy and disclosures

The Group has also adopted the following new and revised HKFRSs issued by the HKICPA. However, the adoption of these new and revised HKFRSs has had no material effect on these financial statements.

HKFRS 1 Amendment	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 Amendment	Amendment to HKAS 32 Financial Instruments: Presentation-Classification of Rights Issues
HK(IFRIC)-Int 14 Amendment	Amendment to HK(IFRIC)-Int 14 Prepayments of a Minimum Funding Requirement

3. ACCOUNTING POLICIES (CONT'D)

(a) Changes in accounting policy and disclosures (cont'd)

HK(IFRIC)-Int 19 Improvements to HKFRSs 2010	Extinguishing Financial Liabilities with Equity Instruments Amendments to a number of HKFRSs*
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* Improvements to HKFRSs 2010 contains amendments to HKFRS 1, HKFRS 3, HKFRS 7, HKAS 1, HKAS 27, HKAS 34 and HK(IFRIC)-Int 13.

(b) Issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendment	Amendment to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ¹
HKFRS 7 Amendment	Amendment to HKFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets ¹
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ⁴
HKFRS 11	Joint Arrangements ⁴
HKFRS 12	Disclosure of Interests in Other Entities ⁴
HKFRS 13	Fair Value Measurement ⁴
HKAS 1 Amendment	Presentation of Items of Other Comprehensive Income ³
HKAS 12 Amendment	Amendment to HKAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets ²
HKAS 19 (2011)	Employee Benefits ⁴
HKAS 27 (2011)	Separate Financial Statements ⁴
HKAS 28 (2011)	Investments in Associates and Joint Ventures ⁴

¹ Effective for annual periods beginning on or after 1 July 2011

² Effective for annual periods beginning on or after 1 January 2012

³ Effective for annual periods beginning on or after 1 July 2012

⁴ Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

4. TURNOVER

	For the six months ended 30 September	
	2011 (unaudited) HK\$	2010 (unaudited) HK\$
Proceeds from sale of available-for-sale financial assets – listed	1,620,296	5,775,304
Proceeds from sale of financial assets at fair value through profit or loss – listed	56,482,196	156,437,091
Dividend income from listed equity securities	1,809,117	1,636,096
Dividend income from unlisted equity securities	621,000	378,000
	<u>60,532,609</u>	<u>164,226,491</u>

No analysis of the Group's turnover and contribution to operating profit for the period set out by principal activities and geographical markets is provided as the Group has only one single business segment, investment holding and all the consolidated turnover and the consolidated results of the Group are attributable to the markets in Hong Kong.

No information about major customers has been disclosed as a substantial portion of the Group's income is derived from the Group's investments and the disclosures of information regarding customers would not be meaningful.

5. OTHER REVENUES AND OTHER NET (LOSS)/GAIN

	For the six months ended 30 September	
	2011 (unaudited) HK\$	2010 (unaudited) HK\$
Other revenues		
Interest income	30,535	43,508
Bad debt recovery	474,740	-
	<u>505,275</u>	<u>43,508</u>
Other net (loss)/gain		
Net unrealised (loss)/gain on financial assets at fair value through profit or loss	(27,304,488)	3,829,542
Net loss from futures trading	(34,320)	-
	<u>(27,338,808)</u>	<u>3,829,542</u>

6. FINANCE COSTS

	For the six months ended	
	30 September	
	2011 (unaudited) HK\$	2010 (unaudited) HK\$
Interest on other borrowings wholly repayable within five years	<u>19,183</u>	<u>30,257</u>

7. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation has been arrived at after charging the following:

	For the six months ended	
	30 September	
	2011 (unaudited) HK\$	2010 (unaudited) HK\$
Depreciation	1,485	452
Investment management fee paid to a related Company	968,844	932,865
Staff costs, including defined contributions of HK\$6,900 (2010: HK\$7,566) to MPF Scheme	180,900	192,969
Minimum lease payments on properties under operating leases	<u>120,000</u>	<u>120,000</u>

8. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits during the period. (2010: No provision for Hong Kong profits tax has been made as the assessable profits of the Group were wholly offset by tax losses brought forward)

9. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share for the six months ended 30 September 2011 is based on the Group's loss attributable to equity holders of the Company for the period of HK\$24,749,263 (Group's profit attributable to equity holders of the Company of HK\$21,568,094 for the six months ended 30 September 2010) and 1,059,778,200 (For the six months ended 30 September 2010: 1,059,778,200) ordinary shares in issue during the period.

No diluted earnings per share for the six months ended 30 September 2011 and 2010 are presented respectively as the Company does not have dilutive potential ordinary shares.

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 September 2011 (unaudited) HK\$	31 March 2011 (audited) HK\$
Unlisted equity securities, at cost	9,471,281	9,471,281
Less: Provision for impairment loss	<u>(6,443,000)</u>	<u>(6,443,000)</u>
	3,028,281	3,028,281
Listed equity securities in Hong Kong	<u>29,877,102</u>	41,160,229
	32,905,383	<u>44,188,510</u>
Market value of listed equity securities	<u>29,877,102</u>	<u>41,160,229</u>

As at the end of the reporting period, all available-for-sale financial assets are stated at fair value except for those unlisted equity securities of which their fair values cannot be measured reliably. Fair values of listed equity securities have been determined by reference to published price quotations in active markets.

11. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	30 September 2011 (unaudited) HK\$	31 March 2011 (audited) HK\$
Other receivables	-	4,044
Prepayments	1,517	3,034
Deposits	<u>62,160</u>	62,160
	63,677	<u>69,238</u>

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2011 (unaudited) HK\$	31 March 2011 (audited) HK\$
Equity securities, - listed in Hong Kong at fair value	<u>59,276,726</u>	<u>77,730,705</u>
Market value of listed equity securities	<u>59,276,726</u>	<u>77,730,705</u>

13. INTEREST BEARING BORROWINGS

The interest-bearing borrowings represent advances from margin accounts due to a related company, Upbest Investment Company Limited, for financing the purchases of listed securities.

The advances are repayable on demand, bearing interest at the effective interest rates at 9.5% per annum (For the financial year ended 31 March 2011: nil).

The loans are secured by certain listed equity securities with market value as follows:

	30 September 2011 (unaudited) HK\$	31 March 2011 (audited) HK\$
Market value of listed equity securities pledged for securing margin loans and facilities	<u>58,528,116</u>	<u>-</u>

14. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of HK\$98,771,924 (31 March 2011: HK\$133,670,007) and 1,059,778,200 (31 March 2011: 1,059,778,200) ordinary shares in issue as at 30 September 2011.

15. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 September 2011 (2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group recorded a net loss attributable to equity shareholders of approximately HK\$24.7 million for the six months ended 30 September 2011. Owing to the continuous price deterioration of listed securities, the loss was caused by an increase in the unrealised loss on financial assets at fair value through profit or loss. Our turnover decreased by 63.1% to 60.5 million from HK\$164.2 million during the period. The net asset value decreased by 26.1% to HK\$98.8 million from HK\$133.7 million.

In the first half of 2011, the global major stock markets have different performance. The US and European stock indices recorded an increase due to the rise in corporate profits, strong economic data, coupled with loose monetary policy of the US. Hong Kong stock index also increased slightly because investors are optimistic about the prospects of corporate earnings and market sentiment. However, the mainland stock index has dropped, as the market worried about the mainland government might tighten the monetary policy to control inflation.

In the third quarter of 2011, the US sovereign credit rating was downgraded by Standard & Poor's, making the world's largest US bond market lost the highest rating of AAA which triggered the crash of stock market and risk aversion. Subsequently, US Federal Reserve announced the implementation of economic policy - "Operation Twist" by selling its existing holding of short-dated treasuries to purchase US\$400 billion longer-dated maturities. The US showed a poor market response as the market expectations of third round of quantitative easing fell through.

In Europe, the sovereign debt crisis repeated in Greek and was extended to Italy and Spain. The market also questioned the ability of those countries to resolve the debt problem, resulting in a rise of the yield on their bonds to a record high since the establishment of the eurozone. European Central Bank was forced to rescue the bond markets in Italy and Spain by purchasing newly issued bonds, driving down bond yields and thus stabilizing the bond market. As of 30 September 2011, Hang Seng Index slumped by 28.1% to 17,592 from the peak of 24,468 at the mid of April 2011. Owing to fluctuations in market conditions, the Group's net asset value per share decreased by 30.8% to HK\$0.09 from HK\$0.13, which is similar to the Hang Seng Index.

Prospects

We expect the global stock market will be continually affected by the European sovereign debt problem. The growth prospects in eurozone might be influenced since European countries has adopted fiscal tightening measures to control their deficit. In addition, the concerns of the mainland's monetary tightening measures and private loans will also affect the market prospect in Mainland and other Asian countries.

Given the above factors, the Group will adopt a positive and pragmatic investment strategy to closely monitoring the portfolio's performance and take swift and efficient action whenever necessary, and to grasp the investment opportunities amid changes of global and local economies in order to enhance shareholder value.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 September 2011, the Group had bank balances and cash of HK\$2,852,018 (31 March 2011: HK\$8,872,456). The Board believes that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

As at 30 September 2011, part of the listed equity securities of the Group and the Company had been pledged to secure margin facilities by a related company.

Gearing Ratio

As at 30 September 2011, the amount of total borrowings was HK\$2,234,833 (31 March 2011: nil). The gearing being equal to approximately 2% (31 March 2011: nil) of the net assets of HK\$98,771,924 (31 March 2011: HK\$133,670,007).

Dividend

The Board has resolved not to recommend a payment of interim dividend.

Capital Structure

There was no change to the Group's capital structure for the six months ended 30 September 2011.

Capital commitment and contingent liabilities

As at 30 September 2011, the Group had no material capital commitment and contingent liabilities.

Foreign currency fluctuation

The Board believes that the foreign exchange risk is minimal as the Group mainly uses Hong Kong dollars to carry out its business transactions.

Share Options

The Group does not adopt any share option scheme.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited condensed accounts for the six months ended 30 September 2011 before recommending them to the Board for approval.

The Committee comprises three independent non-executive directors, namely Mr. CHAN Chung Yee, Alan, Dr. FUNG Lewis Hung and Mr. TANG Hon Bui, Ronald.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("Code") throughout the six months ended 30 September 2011, with deviations from code provisions A.4.1 of the Code only in respect of the service term of directors.

None of the independent non-executive directors of the Company were appointed for a specific term. But all the directors of the Company are subject to retirement by rotation according to the provisions under article 157 of the Articles of Association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2011, the Group employed a total of 4 full-time employees (2010: 4), including the executive directors of the Group. Employees' remuneration are fixed and determined with reference to the market rate.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, the percentage of the Company's shares which are in the hands of the public exceeds 25% of the Company's total number of issued shares.

REMUNERATION COMMITTEE

The Remuneration Committee was set up on 22 July 2005 and the members comprised of independent non-executive directors, Mr. CHAN Chung Yee, Alan, Dr. FUNG Lewis Hung and Mr. TANG Hon Bui, Ronald and executive director, Mr. CHENG Wai Lun, Andrew. During the past one year, the remuneration committee had one meeting.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2011, there was no repurchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the period.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Stock Exchange's website (<http://www.hkex.com.hk>) and the Company's website (<http://www.uba.com.hk>). The 2011 interim report will be dispatched to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

By order of the Board
UBA INVESTMENTS LIMITED
CHAU Wai Hing
Chairman

Hong Kong, 17 November 2011

As at the date of this announcement, the Board of the Company consists of Mr. CHAU Wai Hing as chairman and executive director, Mr. CHENG Wai Lun, Andrew and Dr. WONG Yun Kuen as executive directors; Mr. CHAN Chung Yee, Alan, Dr. FUNG Lewis Hung and Mr. TANG Hon Bui, Ronald as independent non-executive directors.

* For identification only