

有Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## 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 2017

#### 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 2017 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>	<b>2017 (unaudited) HK\$</b>	<b>2016 (unaudited) HK\$</b>
Gross proceeds from disposal of trading securities		<u>75,264,344</u>	<u>162,442,988</u>
<b>Revenue</b>	5	<b>6,934,244</b>	(2,825,504)
Other revenues	6	7	107,618
Administrative and other operating expenses		<b>(2,491,400)</b>	(2,699,467)
Finance costs	7	<u>(102,522)</u>	<u>(26,948)</u>
<b>Profit/(loss) before taxation</b>	8	<b>4,340,329</b>	(5,444,301)
Income tax expense	9	-	-
<b>Profit/(loss) for the period attributable to equity holders of the Company</b>		<u><b>4,340,329</b></u>	<u>(5,444,301)</u>
<b>Earnings/(Loss) per share</b>			
Basic and diluted	10	<u><b>0.41cents</b></u>	<u>(0.51)cents</u>

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

	<b>2017</b> <b>(unaudited)</b> <b>HK\$</b>	2016 (unaudited) HK\$
<b>Profit/(loss) for the period attributable to equity holders of the Company</b>	<u><b>4,340,329</b></u>	<u>(5,444,301)</u>
<b>Other comprehensive loss</b> <i>Items that may be reclassified subsequently to profit or loss</i>		
Available-for-sale financial assets: Fair value changes during the period and other comprehensive loss for the period, net of tax	<u><b>(1,550,950)</b></u>	<u>(1,325,818)</u>
<b>Total comprehensive income/(loss) attributable to equity holders of the Company</b>	<u><u><b>2,789,379</b></u></u>	<u><u>(6,770,119)</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	<b>30 September 2017 (unaudited) HK\$</b>	31 March 2017 (audited) HK\$
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		1,863	3,123
Available-for-sale financial assets	11	<u>26,824,355</u>	<u>28,375,207</u>
		<b>26,826,218</b>	<b>28,378,330</b>
<b>CURRENT ASSETS</b>			
Amounts due from investee companies		2,737,382	2,737,382
Amounts due from related companies		3,670,244	3,531,724
Deposits		66,060	66,060
Financial assets at fair value through profit or loss	12	133,751,806	125,786,563
Cash and bank balances		6,694,028	12,539,728
		<u>146,919,520</u>	<u>144,661,457</u>
<b>CURRENT LIABILITIES</b>			
Accruals		80,000	2,163,428
		<u>80,000</u>	<u>2,163,428</u>
<b>NET CURRENT ASSETS</b>			
		<u>146,839,520</u>	<u>142,498,029</u>
<b>NET ASSETS</b>			
		<u>173,665,738</u>	<u>170,876,359</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		10,597,782	10,597,782
Reserves		163,067,956	160,278,577
<b>TOTAL EQUITY</b>			
		<u>173,665,738</u>	<u>170,876,359</u>
<b>NET ASSET VALUE PER SHARE</b>	13	<u>0.164</u>	<u>0.161</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 P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business is Flat B, 16th Floor, Wah Kit Commercial Centre, 300 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 unaudited 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 2017.

### 3. NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material impact on the Group’s results and financial position for the current or prior periods have been prepared or presented.

### 4. 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 unaudited condensed consolidated financial statement are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31 March 2017. The HKICPA has issued the following amendments and new or amended standards which are not yet effective in these financial statements and the Group have not been early adopted in these consolidated financial statements:

HKFRS 9	<i>Financial Instruments</i> <sup>1</sup>
HKFRS 15	<i>Revenue from Contracts with Customers</i> <sup>1</sup>
HKFRS 16	<i>Leases</i> <sup>2</sup>
Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>

#### 4. ACCOUNTING POLICIES (CONT'D)

- <sup>1</sup> Effective for annual periods beginning on or after 1<sup>st</sup> January, 2018  
<sup>2</sup> Effective for annual periods beginning on or after 1<sup>st</sup> January, 2019  
<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

The Group has been evaluating the impact of these new or revised standards and amendments. So far, the Group considers that these new or revised standards and amendments are unlikely to have a significant impact on the Group's result of operations and financial position..

#### 5. REVENUE

	For the six months ended 30 September	
	2017 (unaudited) HK\$	2016 (unaudited) HK\$
Net realised and unrealised gain on financial assets at fair value through profit or loss	2,973,598	(5,866,769)
Dividend income from listed equity securities	3,960,646	3,041,265
	<u>6,934,244</u>	<u>(2,825,504)</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.

Certain figures in revenue and other revenue have been reclassified to better present the operation result of the Group.

#### 6. OTHER REVENUES

	For the six months ended 30 September	
	2017 (unaudited) HK\$	2016 (unaudited) HK\$
Other revenue		
Interest income	7	8
Other income	-	107,610
	<u>7</u>	<u>107,618</u>

## 7. FINANCE COSTS

	For the six months ended 30 September	
	2017 (unaudited) HK\$	2016 (unaudited) HK\$
Interest on other borrowings wholly repayable within five years	<u>102,522</u>	<u>26,948</u>

## 8. PROFIT /(LOSS) BEFORE TAXATION

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

	For the six months ended 30 September	
	2017 (unaudited) HK\$	2016 (unaudited) HK\$
Depreciation	1,260	3,451
Investment management fee paid to a related company	1,241,246	1,199,640
Staff costs, including defined contributions of HK\$10,500 (2016: HK\$10,200) to MPF Scheme	295,200	283,200
Minimum lease payments on properties under operating leases	<u>132,000</u>	<u>132,000</u>

## 9. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made for the period ended 30 September 2017 and 30 September 2016 as the Group did not generate any assessable profits during the period.

## 10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings per share for the six months ended 30 September 2017 is based on the Group's profit attributable to equity holders of the Company for the period of HK\$4,340,329 (For the six months ended 30 September 2016: loss HK\$5,444,301) and 1,059,778,200 (For the six months ended 30 September 2016: 1,059,778,200) ordinary shares in issue during the period.

The Company does not have dilutive potential ordinary shares for the six months ended 30 September 2017 and 2016 respectively.

## 11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<b>30 September 2017 (unaudited) HK\$</b>	31 March 2017 (audited) HK\$
Unlisted equity and debt securities, at cost	<b>14,663,513</b>	14,663,513
Less: Provision for impairment loss	<b>(8,634,000)</b>	(8,634,000)
	<u><b>6,029,513</b></u>	<u>6,029,513</u>
Listed equity securities in Hong Kong	<u><b>20,794,842</b></u>	<u>22,345,694</u>
	<u><b>26,824,355</b></u>	<u>28,375,207</u>
Market value of listed equity securities	<u><b>20,794,842</b></u>	<u>22,345,694</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 and debt 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.

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 September 2017 (unaudited) HK\$</b>	31 March 2017 (audited) HK\$
Equity securities, - listed in Hong Kong at fair value	<b>127,736,310</b>	119,718,160
Derivative financial instruments at fair value	<b>765,496</b>	818,403
Unlisted convertible debt securities at fair value	<u><b>5,250,000</b></u>	<u>5,250,000</u>
	<u><b>133,751,806</b></u>	<u>125,786,563</u>
Market value of listed equity securities	<u><b>127,736,310</b></u>	<u>119,718,160</u>

Derivative financial assets represent financial instruments for trading of precious metals with a financial institution. These are categorised as financial assets at fair value through profit or loss unless they are designated as hedges.

## 13. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of HK\$173,665,738 (31 March 2017: HK\$170,876,359) and 1,059,778,200 (31 March 2017: 1,059,778,200) ordinary shares in issue as at 30 September 2017.

## 14. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 September 2017 (2016: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group recorded a net profit attributable to equity shareholders of approximately HK\$ 4.3 million for the six months ended 30 September 2017 as compared to the net loss of approximately HK\$5.5 million in the corresponding period of previous year. The turnaround from net loss to net profit was mainly due to realized and unrealized gain on financial assets at fair value through profit or loss of approximately HK\$3 million, as compared with realized and unrealized loss of HK\$5.9 million in the last corresponding period. Gross proceeds from disposal of trading securities significantly decreased 54% from HK\$162 million to HK\$75 million compared with the corresponding period of last year, as the Group has started to invest more in unlisted shares since last year and expecting to bring better returns than trading in listed securities. Therefore, it is not in line with the increasing transaction volume in Hang Seng Index compare with the same period. Moreover, the Group maintains cash and bank balances of approximately HK\$6.7 million and HK\$12.5 million for six month periods ended 30 September 2017 and year ended 31 March 2017 respectively. The decreased in cash and bank balances were mainly due to payment for performance fee for last year. Although the cash and bank balance decreased as at this period end, it is still healthy and maintains good liquidity. The net asset value increased by 1.6% from HK\$ 170.9 million to HK\$173.7 million, which is inline with the Hang Seng Index (“HSI”) increase during this period.

During the corresponding period, the global and local equity markets had experienced an uptrend. This uptrend was mainly due to the effect of no further interest rate increase by the Chief of Federal Reserve (the “Fed”) in U.S. as well as good economic data, the valuation of RMB going strong and stable political scene in PRC.

Entered into the second quarter, the U.S. stock market was supported by good economic data, with low inflation and the stabilizing force of strong earnings growth. In addition, the persistently low interest rates and no further rate hike as of at the end of third quarter by the Fed , the U.S. equity market has advanced in recent month to yet another string of all-time highs. Although the Fed announced in September 2017 to start its balance sheet normalization process in October, from a balance sheet drawdown of around \$10 billion per month, possibly up to around \$50 billion per month if the conditions warrant in the future, which may result in interest rate rise in the near future. The framework of this process is consistent with the expectation of market participants who viewed the process to be very slow and uneventful, so this negative effect is immaterial to the overall market. Therefore, the Dow Jones Index rised 8% from 20,663 at end of March 2017 to 22,341 at the end of September 2017.

Meanwhile, the China stock market sentiment was similar to the US and European equities markets. The metrics such as Chinese GDP and the China Purchasing Manufacturing Managers’ Index (“PMI”) gave the impression that things are going well. The GDP is projected at 6.8% this period and the PMI reaching the record high at 52.4 at the end of September 2017. Although the tightening monetary policies and enhancing the risk management on equities and debts by the Chinese government may have negative impact, the economic data and the valuation of the RMB are still going strong. In addition, the dialogue between the PRC and U.S. help to assuage diplomatic relations with the U.S. regarding the protectionist trade policies. All these positive effects outweighed the negative impacts and has stimulated the Shanghai Composite Index to rise 3.9% from 3,222 at end of March to 3,349 at the end of September 2017.



Hong Kong equity market was sensitive to the news on the global economic situation, especially the positive effect from frozen interest rate hike in U.S. up to the end of this period. Good stock market sentiment from PRC and the positive effect of Shanghai-Hong Kong Stock Connect Programme and Shenzhen- Hong Kong Stock Connect Programme attracted more capital inflow to Hong Kong and China. As a result of those good impacts, the HSI increased 14.28% from 24,111 in March to 27,554 at the end of September 2017.

### **Prospects**

With the increase likelihood of interest rate hike by the Fed before the end of year 2017, the impact from balance sheet normalization process in U.S., the risk from North Korea stepping up its nuclear and ballistic missile tests leading to a nuclear war and the effect of Spain's Catalonia Crisis on a referendum on independence, we expect the global stock markets to be full of challenges in the coming few months. These bring a ripple effect to the worldwide investors and reduce their investment desire. Due to these reasons, the Group will continue to adopt and maintain a conservative but proactive investment approach so as to bring better returns for our shareholders.

## **FINANCIAL REVIEW**

### **Liquidity and Financial Resources**

As at 30 September 2017, the Group had bank balances and cash of HK\$6,694,028 (31 March 2017: HK\$12,539,728). The Board believes that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

As at 30 September 2017, part of the listed equity securities of the Group and the Company had been pledged to secure margin facilities provided by a related company.

### **Gearing Ratio**

Gearing ratio had not been presented (2017: nil) as there was no debt as at 30 September 2017 (31 March 2017: HK\$ nil).

### **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 2017.

### **Capital commitment and contingent liabilities**

As at 30 September 2017, the Group had no material capital commitment and contingent liabilities.

### **Material Acquisition and Disposal**

During the Period, the Group had not made any material acquisition or disposal of subsidiaries and associates.

### **Exposure to foreign currency fluctuation and related hedges**

The Board believes that the foreign exchange risk is minimal as the Group mainly uses Hong Kong dollars to carry out its business transactions. Therefore, there was no material foreign exchange exposure to the Group.

### **Share Option**

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 2017 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 complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the “CG Code”) throughout the six months ended 30 September 2017, except for the following.

### **Code Provision A.4.1**

Under the code provision A.4.1, non-executive directors should be appointed for a specific term and subject to re-election. None of the independent non-executive directors of the Company were appointed for a specific term. None of the non-executive directors has entered or proposed to enter into any service contracts with the Company or its subsidiaries. But all directors of the Company are subject to the retirement by rotation according to the provisions under article 157 of the Articles of Association of the Company. As such, the Board considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the CG Code.

## **EMPLOYMENT AND REMUNERATION POLICIES**

As at 30 September 2017, the Group employed a total of 3 full-time employees (2016: 3), 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 three independent non-executive directors, Mr. CHAN Chung Yee, Alan, Dr. FUNG Lewis Hung and Mr. TANG Hon Bui, Ronald and one executive director, Mr. CHENG Wai Lun, Andrew. The Remuneration Committee has adopted the terms of reference in conformity with the CG Code. During the past one year, the remuneration committee had one meeting.

## **NOMINATION COMMITTEE**

The Nomination Committee was set up on 21 March 2012, the members comprised of three independent non-executive directors, Mr. CHAN Chung Yee, Alan, Dr. FUNG Lewis Hung and Mr. TANG Hon Bui, Ronald and one executive director, Mr. CHENG Wai Lun, Andrew. The Nomination Committee has adopted the terms of reference in conformity with the CG Code.

## **REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the six months ended 30 September 2017, 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 2017 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**  
**WONG Yun Kuen**  
*Chairman*

Hong Kong, 21 November 2017

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

*\* For identification only*