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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)

ANNUAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2018

RESULTS

The Board of directors (the “Board”) of UBA Investments Limited (the “Company”) is pleased to announce that the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March, 2018 with comparative figures for the previous financial year are as follows:

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	<i>Note</i>	2018 HK\$	2017 <i>HK\$</i>
Gross proceeds from disposal of trading securities		124,777,233	286,195,226
Revenue	5	(14,266,023)	16,171,970
Other revenue	6	333,500	236,236
Impairment loss on available-for-sale financial assets		-	(3,462,500)
Administrative and other operating expenses		(5,643,999)	(7,867,357)
Finance costs	7	(103,699)	(249,482)
(Loss)/profit before taxation	8	(19,680,221)	4,828,867
Income tax expense	9	(1,812,180)	-
(Loss)/profit for the year attributable to equity holders of the Company		(21,492,401)	4,828,867
(Loss)/earnings per share			
Basic and diluted	10	(2.03) cents	0.46 cents
Dividend		Nil	Nil

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH, 2018

	2018 <i>HK\$</i>	2017 <i>HK\$</i>
(Loss)/profit for the year attributable to equity holders of the Company	<u>(21,492,401)</u>	<u>4,828,867</u>
Other comprehensive (loss)/income <i>Items that may be reclassified subsequently to profit or loss</i>		
Available-for-sale financial assets:		
- Fair value changes during the year	<u>(3,019,204)</u>	<u>4,883,269</u>
Other comprehensive (loss)/income for the year, net of tax	<u>(3,019,204)</u>	<u>4,883,269</u>
Total comprehensive (loss)/income attributable to equity holders of the Company	<u>(24,511,605)</u>	<u>9,712,136</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH, 2018

	<i>Note</i>	2018 HK\$	2017 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment		1,267	3,123
Available-for-sale financial assets	11	<u>28,272,770</u>	<u>28,375,207</u>
		28,274,037	28,378,330
CURRENT ASSETS			
Amounts due from investee companies		2,737,382	2,737,382
Amounts due from related companies		2,327,582	3,531,724
Deposits		66,060	66,060
Financial assets at fair value through profit or loss	12	104,598,419	125,786,563
Cash and bank balances		10,532,557	12,539,728
		<u>120,262,000</u>	<u>144,661,457</u>
CURRENT LIABILITIES			
Accruals		359,103	2,163,428
		<u>119,902,897</u>	<u>142,498,029</u>
NET CURRENT ASSETS			
		<u>119,902,897</u>	<u>142,498,029</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		<u>(1,812,180)</u>	-
NET ASSETS			
		<u>146,364,754</u>	<u>170,876,359</u>
CAPITAL AND RESERVES			
Share capital		10,597,782	10,597,782
Reserves		<u>135,766,972</u>	<u>160,278,577</u>
TOTAL EQUITY			
		<u>146,364,754</u>	<u>170,876,359</u>
NET ASSET VALUE PER SHARE	13	<u>0.14</u>	<u>0.16</u>

NOTES ON THE CONSOLIDATED 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 of the Company is Flat B, 16th Floor, Wah Kit Commercial Centre, 300 Des Voeux Road Central, Hong Kong.

The Company and its subsidiaries (“the Group”) are engaged in investment holding and trading of securities.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The consolidated financial statements have been prepared under the historical cost convention except that certain available-for-sale financial assets and financial assets at fair value through profit or loss are stated at fair value and on the basis that the Group is a going concern.

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.

4. NEW OR AMENDED HKFRSs THAT HAVE BEEN ISSUED BUT NOT YET EFFECTIVE

Up to the date of approval of these consolidated financial statements, the HKICPA has issued the following new standards, amendments and interpretation which are not yet effective for the accounting period ended 31st March, 2018 and which have not been early adopted in these consolidated financial statements:

4. NEW OR AMENDED HKFRSs THAT HAVE BEEN ISSUED BUT NOT YET EFFECTIVE (CONT'D)

Annual Improvements Project	<i>Annual Improvements 2014-2016 Cycle</i> ¹
HKAS 28 (Amendment)	<i>Investments in Associates and Joint Ventures</i> ¹
HKAS 40 (Amendment)	<i>Transfers of Investment Property</i> ¹
HKFRS 1 (Amendment)	<i>First Time Adoption of HKFRS</i> ¹
HKFRS 2 (Amendment)	<i>Classification and Measurement of Share-based Payment Transactions</i> ¹
HKFRS 4 (Amendment)	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i> ¹
HKFRS 9	<i>Financial Instruments</i> ¹
HKFRS 10 and HKAS 28 (Amendment)	<i>Sales of Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
HKFRS 15	<i>Revenue from Contracts with Customers</i> ¹
HKFRS 16	<i>Leases</i> ²
HKFRS 17	<i>Insurance Contract</i> ³
HK(IFRIC) 22	<i>Foreign Currency Transactions and Advance Consideration</i> ¹
HK(IFRIC) 23	<i>Uncertainty over Income Tax Treatments</i> ²

¹ Effective for annual periods beginning on or after 1st January, 2018

² Effective for annual periods beginning on or after 1st January, 2019

³ Effective for annual periods beginning on or after 1st January, 2021

⁴ Effective for annual periods beginning on or after a date to be determined

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The directors are currently assessing the impact of the new or amended HKFRSs upon initial application. So far, the directors have preliminarily concluded that the initial application of these HKFRSs will not result in material financial impact on the consolidated financial statements. Information on new or amended HKFRSs that are expected to have an impact on the Group's accounting policies is provided below.

HKFRS 9 Financial Instruments

HKFRS 9 will replace HKAS 39 Financial Instruments: Recognition and Measurement. HKFRS 9 introduces new requirements for classification and measurement of financial asset, new rules for hedge accounting and a new impairment model for financial assets.

Based on an analysis of the Group's financial assets and financial liabilities as at 31st March, 2018 on the basis of the facts and circumstances that exist at that date, the directors of the Company have assessed the impact of HKFRS 9 to the Group's consolidated financial statements as follows:

a) Classification and measurement

HKFRS 9 contains three principal classification categories for financial assets: measured at amortised costs, fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI"). Classification is driven by the entity's business model for managing the debt instruments and their contractual cash flow characteristics.

Based on the preliminary assessment, the Group expects that investment currently measured at fair value through profit or loss will continue with their classification and measurements upon the adoption of HKFRS 9.

4. NEW OR AMENDED HKFRSs THAT HAVE BEEN ISSUED BUT NOT YET EFFECTIVE (CONT'D)

a) Classification and measurement (Cont'd)

The financial assets currently held by the Group include listed and unlisted equity currently classified as available-for-sale financial assets at fair value and at cost less impairment. The Group has reviewed the intention and situation of each of the investment held as available-for-sale-financial assets and will reclassify these investments to measured at FVOCI in the coming year.

b) Hedge accounting

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationship might be eligible for hedge accounting, as the standard introduces a more principles-based approach. While the Group does not involve any hedging, it does not expect a significant impact on the accounting for its hedging relationships.

c) Impairment

The new impairment model requires the recognition of impairment provision based on expected credit losses ("ECL") rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group does not expect significant increase or decrease in the loss allowance for investment.

5. REVENUE

	2018 HK\$	2017 HK\$
Net realised and unrealised (loss)/gain on financial assets at fair value through profit or loss	(20,265,719)	12,528,611
Dividend income from listed and unlisted equity securities	<u>5,999,696</u>	<u>3,643,359</u>
	<u>(14,266,023)</u>	<u>16,171,970</u>

No analysis of the Group's revenue and contribution to operating profit for the current and prior years 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 revenue and the consolidated results of the Group are attributable to performance of 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 disclosure of information regarding customers would not be meaningful.

6. OTHER REVENUE

	2018 <i>HK\$</i>	2017 <i>HK\$</i>
Other revenue		
Interest income	15	15
Other income	333,485	236,221
	333,500	236,236

7. FINANCE COSTS

	2018 <i>HK\$</i>	2017 <i>HK\$</i>
Interest on other borrowings wholly repayable within five years	103,699	249,482

8. (LOSS) /PROFIT BEFORE TAXATION

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

	2018 <i>HK\$</i>	2017 <i>HK\$</i>
Auditors' remuneration	268,000	248,000
Depreciation	1,856	5,753
Investment management fee paid to a related company	2,446,124	2,468,432
Performance fee payable to a related company	-	1,824,325
Staff costs, including defined contributions of HK\$23,750 (2017: HK\$23,450) to MPF Scheme	913,750	882,256
Minimum lease payments on properties under operating leases	264,000	264,000

9. INCOME TAX EXPENSE

- a) Tax expense in the statement of comprehensive income represents:

	2018 HK\$	2017 <i>HK\$</i>
Current tax	-	-
Deferred tax	<u>1,812,180</u>	<u>-</u>
	<u>1,812,180</u>	<u>-</u>

Provision for Hong Kong profits tax had been made at the rate 16.5% on the estimated assessable profits for year ended 31st March, 2018 (2017: No provision for Hong Kong profits tax had been made as the Group sustained a tax loss for the year ended 31st March, 2017).

- b) Reconciliation between income tax expense and the Group's accounting (loss)/profit at the statutory income tax rate is set out below:

	2018 HK\$	2017 <i>HK\$</i>
(Loss)/profit before taxation	<u>(19,680,221)</u>	<u>4,828,867</u>
Tax at the statutory income tax rate of 16.5% (2017:16.5%)	(3,247,236)	796,763
Tax effect of profit not subject to taxation	(2,162,709)	(1,935,499)
Tax effect of non-deductible expenses	4,747,123	863,546
Tax effect on unrecognised temporary differences	104	697
Tax effect of unused tax losses not recognised	1,282,551	274,493
Underprovision of temporary differences	<u>1,192,347</u>	<u>-</u>
Income tax expense	<u>1,812,180</u>	<u>-</u>

- c) At the end of the reporting period, the Group has unutilised tax losses of approximately HK\$43,096,000 (2017: HK\$36,321,000) available for offsetting against future taxable profits. However, no deferred tax asset has been recognised due to unpredictability profit streams. The tax of future losses and other deductible temporary different do not expire under current tax legislation.

10. (LOSS)/EARNINGS PER SHARE

The basic loss per share is based on the Group's loss attributable to equity holders of the Company of HK\$21,492,401 (2017: profit of HK\$4,828,867) and 1,059,778,200 (2017: 1,059,778,200) ordinary shares in issue during the year.

The Company has no dilutive potential ordinary shares.

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2018 <i>HK\$</i>	2017 <i>HK\$</i>
Unlisted equity securities, at cost	17,580,180	14,663,513
Less: provision for impairment loss	<u>(8,634,000)</u>	<u>(8,634,000)</u>
	8,946,180	6,029,513
Listed equity securities in Hong Kong	<u>19,326,590</u>	<u>22,345,694</u>
	28,272,770	28,375,207
Market value of listed equity securities	<u>19,326,590</u>	<u>22,345,694</u>

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.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2018 <i>HK\$</i>	2017 <i>HK\$</i>
Equity securities listed in Hong Kong at fair value	103,857,202	119,718,160
Derivative financial instruments at fair value	741,217	818,403
Unlisted convertible debt securities at fair value	-	5,250,000
	<u>104,598,419</u>	<u>125,786,563</u>
Market value of listed equity securities	<u>103,857,202</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\$146,364,754 (2017: HK\$170,876,359) and 1,059,778,200 (2016: 1,059,778,200) ordinary shares in issue as at 31st March, 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended 31st March, 2018, UBA Investments Limited and its subsidiaries (the “Group”) recorded a loss attributable to equity holders of approximately HK\$21.5 million (2017: profit of HK\$4.8 million) of which a HK\$23.4 million unrealized loss (2017: unrealized profit of HK\$8.1 million) in relation to the financial assets at fair value through profit or loss. The loss per share was HK\$0.0203 (2017: profit per share of HK\$0.0046). Gross proceeds from disposal of trading securities significantly decreased 56% from HK\$286 million to HK\$125 million as the Group have to focus more on unlisted shares investments which expecting to bring better returns than trading in listed securities based on historical record. Therefore, it is not in line with the increasing transaction volume of 56% in Hang Seng Index comparing with last year. There was no impairment loss for the year (2017: loss of HK\$3.5 million) and the Group recorded a loss was mainly due to the unrealized loss on financial assets at fair value through profit or loss as stated above.

As at 31st March, 2018, the net assets of the Group were approximately HK\$146.3 million (2017: HK\$170.9 million). The net assets decreased by 14.4% when compared with last year, which is opposite to the Hang Seng Index (“HSI”) increase during the year.

During the year, the global and local equity markets had experienced intense volatility. The Group's proactive investment strategy was to maximize profit for shareholders during this period and through investments in listed securities with relatively high yield and high stability, especially the bank and telecommunication sectors which contributed around HK\$76.5 million turnover and HK\$2.5 million dividend, also the dividend from unlisted shares also contributed around HK\$1.67 million to the Group during the year.

As at 31st March, 2018, the Group's investment portfolio was well diversified and comprised of different sectors of businesses including telecommunications, retail businesses, properties and manufacturing, etc, in which the available-for-sales financial assets and financial assets at fair value through profit or loss totaled approximately HK\$28 million and HK\$105 million respectively (2017: HK\$28 million and HK\$126 million respectively). For available-for-sales financial assets during the year, there was no further investment of listed securities but an increase in the investment of unlisted shares of HK\$2.9 million. The Group expected this unlisted investment may have high potential to become listed securities in the future.

The top ten investments under financial assets at fair value through profit or loss incurred significant portion in the net assets of the Group and all of these investments were listed securities in Hong Kong as below:

Name of investee companies	As at 31 March 2018			As at 31 March 2017		
	Number of share	Fair Value <i>HK\$</i>	Approximately % of total assets of the Group	Number of share	Fair Value <i>HK\$</i>	Approximately % of total assets of the Group
CK Hutchison Holdings Limited (Stock Code: 0001)	40,000	3,756,000	2.53%	55,000	5,258,000	3.04%
PCCW Limited (Stock Code: 0008)	4,888,000	22,191,520	14.94%	4,888,000	22,387,040	12.94%
MTR Corporation Limited (Stock Code:0066)	204,000	8,608,800	5.80%	-	-	-
Yi Hua Holdings Limited (Stock Code: 2213)	28,970,278	28,970,278	19.50%	14,485,139	57,071,448	32.98%
Xinjiang Xinxin Mining Industry Company Limited (Stock Code: 3833)	1,600,000	1,664,000	1.12%	1,600,000	1,648,000	0.95%
Gemilang International Limited (Stock Code: 6163)	5,991,250	16,835,413	11.33%	5,181,250	9,533,500	5.51%
Kwong Man Kee Group Limited (Stock Code: 8023)	10,518,000	5,048,640	3.40%	10,518,000	5,784,900	3.34%
Viva China Holdings Limited (Stock Code: 8032)	2,100,000	1,869,000	1.26%	2,100,000	1,932,000	1.12%
A. Plus Group Holding Limited (Stock Code: 8251)	3,300,000	2,508,000	1.69%	3,300,000	2,376,000	1.37%
Chi Ho Development Holdings Limited (Stock Code: 8423)	2,070,000	2,980,800	2.01%	12,010,000	3,723,100	2.15%
		<u>94,432,451</u>	<u>63.58%</u>		<u>109,713,988</u>	<u>63.40%</u>

During the corresponding period, the global and local equity markets had experienced intense volatility like roller coaster, especially 10-month rally in global stock markets that peaked in January 2018 have been followed by an around 10% correction afterward to the end of March 2018. Such volatilities were mainly due to uncertainties around the financial world, starting with the Federal Reserve (the “Fed”) decisions on rate hikes then good economic data in U.S., the tax reform in U.S., the valuation of RMB going strong and stable political scene in PRC, but also affected by the economic red flags overseas including the escalating trade war between the U.S. and China, the valuation of U.S. dollar become weak in 2018.

In the first half of 2017, the U.S. stock market was supported by good economic data, with low inflation and 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 months 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 and finally led U.S. to increase 0.25% interest rate in December 2017. The framework of this process is consistent with the expectation of market participants who viewed the process to be very slow and uneventful, so these negative effect is immaterial to the overall market. Thereafter, a new tax system proposed by U.S. President Donald Trump was passed and implemented after the December 2017 ruling, which was the largest tax reform over recent years in U.S.. Under the new tax system, the corporate tax rate decreased from 35% to 21% and the individual tax rate decreased from 39.6% to 37% which the U.S. corporation can reduce their tax liabilities and made improvement in their performance. As well as U.S. will become more competitive and attractive in relation to the world which lead to a repatriation of sizable amounts of cash by US and overseas corporations which stimulus the U.S. economy. Therefore, the Dow Jones Index rose 28.8% from 20,663 at end of March 2017 to the record high 26,616 at the end of January 2018. However, the stock market started to drop in February 2018 as more usage of the artificial intelligence stock trading programme (“A.I.”) starting to lead a high fluctuation in the stock market. In addition, President Trump proposed \$50 billion U.S. tariffs on Chinese goods which include large aircrafts, electric vehicles and robots leading a possible trade war between China and U.S. , together with the Fed increased interest rate of 0.25% again in March 2018 and the valuation of greenback became weak. The Dow Jones Index dropped 9.4% from its peak to 24,103 at the end of March 2018.

On the other side, the China stock market sentiment was similar to the US and European markets. The metrics such as Chinese GDP and the China Purchasing Manufacturing Managers’ Index (“PMI”) reaching the record high at 52.4 at the end of September 2017 gave the impression that things are going well in the first half of 2017. The GDP maintained at 6.9% for the year ended 2017 and the expectation on the A-shares entering into MSCI in June 2018, as well as the value of RMB become stronger since January 2018 has stimulated the Shanghai Composite Index to rise 11.3% from 3,222 at end of March 2017 to 3,586 at the end of January 2018. However, the action from U.S. for imposing tariffs on Chinese goods led the Chinese government to take revenge and proposed to increase duties on over 100 U.S. goods. As a result, the China stock market sentiment was being affected by this and together with the tightening monetary policies and enhancing the risk management on equities and debts by the Chinese government may have negative impact, the Shanghai Composite Index dropped 11.7% to 3,168 at the end of March 2018.

Back to the Hong Kong Stock Market, which was highly sensitive to the news of the global economy, especially the effect from U.S. and China factors. Excellent 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 in 2017. Together with the weak U.S. dollar and strong RMB which led more fund inflow to Hong Kong equity market as well in early 2018. As a result of these good impacts, the HSI increased 38.9% from 24,111 in March 2017 to 33,484 at the end of January 2018. However, being the control by A.I. in U.S. equity market, the atmosphere of the potential to start trade war between U.S. and China since February 2018 together with the increase in interest rate again in U.S. These negative news led the HSI dropped around of 10.1% to 30,093 at end of March 2018.

Prospects

With the expectation of at least 3 times interest rate hike by the Fed in the year of 2018 and in the escalating potential trade war between the U.S. and China, we expect the global stock markets to be full of challenges in the coming few months. Especially, the Hong Kong Monetary Authority ("HKMA") was triggered of the weak-side Convertibility Undertaking ("CU") at 7.85 in April 2018, which was the first time after CU introduced by HKMA since May 2005. Under CU, HKMA will buy Hong Kong Dollar and sell U.S. Dollar at 7.85 level to ensure that the HKD exchange rate will not weaken beyond 7.85 and will reduce the balance of the reserve in banking system. Together with the effect of 2 to 3 times interest rate hike more in U.S. in 2018, it will lead the upward pressure on gradually increase of the interest rate in Hong Kong. In addition, we also remain cautious of the impact on the potential trade war between the U.S. and China until the trade tantrum on tariffs is resolved. On the flip side, the expansion of daily quota under Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect will further enhance the smoothness and certainty of trading, and help ensure that the process for the inclusion of A-shares in the MSCI Emerging Markets Index this year which may bring positive effect to both Hong Kong and China equity markets.

The Group remains cautiously optimistic about the outlook of the global and Hong Kong equity markets. We will seek and evaluate good investment opportunities to enrich our investment portfolios. We will invest in more unlisted equity securities with good potential to be listed is our future business decisions by building on our successful experience in the past. We will also continue to adopt and maintain a cautious and pragmatic investment approach in order to bring better returns for our shareholders.

FINANCIAL REVIEW

Liquidity and financial resources

As at 31st March, 2018, the Group had bank balances and cash of HK\$10,532,557 (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 31st March, 2018, none of listed equity securities of the Group had been pledged to secure margin facilities and loans granted by a related company.

Gearing ratio

Gearing ratio had not been presented (2017: nil) as there was no debt as at 31st March, 2018 (2017: HK\$ nil).

Dividend

The Board has resolved not to recommend any payment of final dividend.

Capital structure

There was no change to the Group's capital structure for the year ended 31st March, 2018.

Capital commitment and contingent liabilities

As at 31st March, 2018, the Group has capital commitment of approximately HK\$7 million (2017: HK\$10 million) for long term equity investment and no contingent liabilities.

Material Acquisition and Disposal

During the Year, 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 options

The Company does not have share option scheme.

AUDIT COMMITTEE

The Audit Committee of the Group had reviewed the consolidated results of the Group for the year ended 31st March, 2018, including the accounting principles and accounting practices adopted by the Group, and discussed matters relating to auditing, internal controls and risk management system, financial reporting and internal audit function. The figures in respect of the preliminary announcement of the Group's results for the year ended 31st March, 2018 have been agreed by the Group's auditors, Li, Tang, Chen & Co, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Li, Tang, Chen & Co in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Li, Tang, Chen & Co on the preliminary announcement.

The audit committee of the Group consists of 3 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 year ended 31st March, 2018, 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 31st March, 2018, the Group employed a total of 3 full-time employees (2017: 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 22nd 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 executive director, CHENG Wai Lun, Andrew. During the past one year, the remuneration committee had one meeting.

NOMINATION COMMITTEE

The Nomination Committee was set up on 21st March, 2012 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 executive director, CHENG Wai Lun, Andrew. During the past one year, the nomination committee had one meeting.

REPURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries repurchase, sold or redeemed any of the Company's listed securities during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the Code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in Model Code during the year.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company is scheduled to be held on Friday, 17th August 2018 (the “AGM”). The register of members of the Company will be closed from Tuesday, 14th August 2018 to Friday, 17th August 2018, both days inclusive, during which period no transfer of shares will be registered. In order to determine the identity of the shareholders who are entitled to attend and vote at the annual general meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than on 4:30 p.m. on Monday, 13th August 2018.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL 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>) under the section of “Annual Report and Announcements”. The 2018 annual 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 and Executive Director

Hong Kong, 20th June, 2018

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*