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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 2019

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 2019 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>Notes</i>	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Gross proceeds from disposal of trading securities		<u>10,154</u>	<u>29,549</u>
Revenue	5	3,201	4,955
Net loss on financial assets at fair value through profit or loss	6	(31,391)	(16,331)
Net gain on other investment at fair value through profit or loss		75	-
Other revenue	7	131	4
Administrative and other operating expenses		(2,639)	(2,273)
Finance costs	8	(302)	(57)
Loss before taxation	9	(30,925)	(13,702)
Income tax expense	10	-	-
Loss for the period and total comprehensive loss attributable to owners of the Company		(30,925)	(13,702)
Loss per share			
Basic and diluted	11	(2.43)cents	(1.29)cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	30 September 2019 (unaudited) HK\$'000	31 March 2019 (audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		-	-
CURRENT ASSETS			
Amounts due from investee companies		2,588	2,588
Amounts due from related companies		1,265	1,634
Deposits		66	66
Financial assets at fair value through profit or loss	12	103,873	128,252
Other investment		755	680
Cash and bank balances		19,353	25,713
		127,900	158,933
CURRENT LIABILITIES			
Accruals		246	354
NET CURRENT ASSETS			
		127,654	158,579
TOTAL ASSETS LESS CURRENT LIABILITIES			
		127,654	158,579
NON-CURRENT LIABILITIES			
Deferred tax liabilities		680	680
NET ASSETS			
		126,974	157,899
CAPITAL AND RESERVES			
Share capital		12,717	12,717
Reserves		114,257	145,182
TOTAL EQUITY			
		126,974	157,899
NET ASSET VALUE PER SHARE	13	HK\$0.10	HK\$0.12

NOTES TO THE CONDENSED 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 is Flat B, 16th Floor, Wah Kit Commercial Centre, 300 Des Voeux Road Central, Hong Kong.

The Company and its subsidiaries (collectively referred to as the "Group") are engaged in investment holding and trading of securities.

The condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company and all values (including comparative information) are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

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.

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 2019.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which are effective for the Group’s financial year beginning on or after 1 April 2019:

HKFRSs (Amendments)	<i>Annual Improvements to HKFRSs 2015-2017 Cycle</i>
HKAS 19 (Amendments)	<i>Plan Amendment, Curtailment or Settlement</i>
HKAS 28 (Amendments)	<i>Long-term Interests in Associates and Joint Ventures</i>
HKFRS 9 (Amendments)	<i>Prepayment Features with Negative Compensation</i>
HKFRS 16	<i>Leases</i>
HK(IFRIC) – Int 23	<i>Uncertainty over Income Tax Treatments</i>

The application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

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

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 2019. The HKICPA has issued the following amendments and new or amended standards which are not yet effective in these condensed consolidated financial statements and the Group have not been early adopted in these condensed consolidated financial statements:

HKAS 1 and HKAS 8 (Amendments)	<i>Definition of Material</i> ¹
HKFRS 3 (Amendments)	<i>Definition of a Business</i> ⁴
HKFRS 10 and HKAS 28 (Amendments)	<i>Sale or contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
HKFRS 17	<i>Insurance Contracts</i> ²

¹ Effective for annual periods beginning on or after 1 January 2020

² Effective for annual periods beginning on or after 1 January 2021

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for business combination and assets acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

The directors of the Company 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 condensed consolidated financial statements.

5. REVENUE

	For the six months ended 30 September	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Dividend income from:		
- Listed equity investments	3,201	3,289
- Unlisted equity investments	-	1,666
	<u>3,201</u>	<u>4,955</u>

No analysis of the Group's revenue 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 revenue 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.

6. NET LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The following is the analysis of net loss on investments of the Group for the period ended 30 September 2019 and 2018. The amounts of realised (loss)/gain represent the fair value difference between the beginning of the period or purchase date in the period and the disposal date of financial instruments while the amounts of unrealised loss represent the change of the fair value during the period of financial instruments held by the Group as at the period-end:

	For the six months ended 30 September	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Net (loss)/gain on financial assets at fair value through profit or loss		
- Listed equity investments		
- Realised	(570)	1,158
- Unrealised	(30,483)	(3,544)
- Unlisted equity investments		
- Unrealised	(338)	(13,853)
- Derivative financial instruments	-	(92)
	<u>(31,391)</u>	<u>(16,331)</u>

7. OTHER REVENUE

	For the six months ended 30 September	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Other revenue		
Interest income	131	-
Other income	-	4
	<u>131</u>	<u>4</u>

8. FINANCE COSTS

	For the six months ended 30 September	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Interest on other borrowings wholly repayable within five years	<u>302</u>	<u>57</u>

9. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging the following:

	For the six months ended 30 September	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Depreciation	-	1
Investment management fee paid to a related company	1,107	1,125
Staff costs (including director's remuneration) , including defined contributions of HK\$10,500 (2018: HK\$10,500) to MPF Scheme	326	311
Minimum lease payments on properties under operating leases	<u>132</u>	<u>132</u>

10. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made for the period ended 30 September 2019 and 30 September 2018 as the Group sustained a tax loss during the period.

11. LOSS PER SHARE

The calculation of the basic loss per share for the six months ended 30 September 2019 is based on the Group's loss attributable to owners of the Company for the period of approximately HK\$30,925,000 (For the six months ended 30 September 2018: approximately HK\$13,702,000) and 1,271,732,200 (For the six months ended 30 September 2018: 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 2019 and 2018.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2019 (unaudited) HK\$'000	31 March 2019 (audited) HK\$'000
Listed equity securities in Hong Kong at fair value (Note (a))	87,437	98,878
Unlisted equity securities at fair value (Note (b))	16,436	16,774
Unlisted convertible debt securities at fair value	-	12,600
	<u>103,873</u>	<u>128,252</u>
Market value of listed equity securities	<u>87,437</u>	<u>98,878</u>

(a) The fair value of the listed equity securities (excluded suspended trading securities) are determined based on the quoted market closing price available on the Stock Exchange at the end of the reporting period.

(b) The fair values of unlisted equity securities were arrived on the basis of valuation carried out by a firm of independent qualified professional valuers.

13. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of approximately HK\$126,974,000 (31 March 2019: approximately HK\$157,899,000) and 1,271,732,200 (31 March 2019: 1,271,732,200) ordinary shares in issue as at 30 September 2019.

14. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 September 2019 (2018: Nil).

15. COMPARATIVE FIGURES

The following September 2018 comparative figures have been reclassified and restated:

	Notes	For the six months ended 30 September		
		2018 (unaudited) HK\$'000	reclassified and restated HK\$'000	2018 reclassified and restated (unaudited) HK\$'000
CONDENSED CONSOLIDATED INCOME STATEMENT				
Net (loss)/gain on financial assets at financial assets at fair value through profit or loss				
- Listed equity investments				
- Realised		1,158	-	1,158
- Unrealised	(i)	(4,294)	750	(3,544)
- Unlisted equity investments				
- Unrealised	(i)	-	(13,853)	(13,853)
- Derivative financial instruments		(92)	-	(92)
		<u>(3,228)</u>	<u>(13,103)</u>	<u>(16,331)</u>
Loss before taxation		<u>(599)</u>	<u>(13,103)</u>	<u>(13,702)</u>
Loss per share	(iii)	<u>(0.06) cents</u>		<u>(1.29) cents</u>
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
Fair value changes of financial assets at fair value through other comprehensive income and net movement in investment fair value reserves	(i)	<u>5,512</u>	<u>(5,512)</u>	<u>-</u>
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Financial assets at fair value through other comprehensive income	(i)	42,456	(42,456)	-
Financial assets at fair value through profit or loss	(i)	103,657	43,604	147,261
Amounts due from investee companies	(ii)	2,737	(2,737)	-
Deferred tax liabilities	(i)	(1,812)	(22)	(1,834)
Reserves				
- Fair value reserve	(i)	12,866	(12,866)	-
- Retained profit	(i) & (ii)	<u>36,291</u>	<u>11,254</u>	<u>47,545</u>

Notes:

- (i) The Group has applied HKFRS 9 and reclassified certain of its financial instruments to financial assets at fair value through other comprehensive income on 1 April 2018 that effect has been reflected in interim 2018. But the Group has reclassified the classification of the financial assets in 2019 annual report. Therefore, all the listed and unlisted equity investments have been reclassified from available-for-sale financial assets to financial assets at fair value through profit and loss in 2019 annual report. In 2019 annual report, the Group has revalued all unlisted equity investments on 1 April 2018 and 31 March 2019 so the Group has adopted the consistent approach to re-measure all unlisted equity investments on 30 September 2018. Deferred tax liabilities was charged on the effect of the above fair value changes.
- (ii) Impairment loss on amounts due from investee companies are assessed and measured on lifetime expected credit losses (“ECL”) basis as those credit risk had increased significantly since initial recognition. As at 1 April 2018, additional credit loss allowance of approximately HK\$2,737,000 has been recognised against retained profits. The additional loss allowance is charged against the amounts due from investee companies and consistent approach with 2019 annual report.
- (iii) The calculation of the loss per share for the six months ended 30 September 2018 is based on the Group’s loss attributable to owners of the Company of approximately HK\$13,702,000 and 1,059,778,200 ordinary shares in issue as at 30 September 2018.

No diluted earnings per share is presented since the Group did not issue any dilutive potential ordinary shares for the six months ended 30 September 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group recorded a net loss attributable to owners of the Company of approximately HK\$ 30,925,000 for the six months ended 30 September 2019 as compared to the net loss of approximately HK\$13,702,000 in the corresponding period of last year. The increase in the net loss was mainly due to increase in realised and unrealised loss on financial assets at fair value through profit or loss of approximately HK\$31.4 million for the period ended 30 September 2019 as compared HK\$16.3 million in last corresponding period. Gross proceeds from disposal of trading securities significantly decreased 67% from HK\$30 million to HK\$10 million compared with the corresponding period of last year as the Group had to focus more on unlisted investments expecting to bring better returns than trading in listed securities based on historical records. It is also in line with the decreasing transaction volume of approximately 13% in Hang Seng Index compared with the same period. Moreover, the Group maintains cash and bank balances of approximately HK\$19.4 million and HK\$25.7 million for six month periods ended 30 September 2019 and year ended 31 March 2019 respectively which the Group considered healthy and to maintain good liquidity. The net asset value decreased by 20% from HK\$ 157.9 million to HK\$127.0 million, which is in line with the Hang Seng Index (“HSI”) decrease of 10% during this period.

During the period, the global and local equity markets had experienced intense volatility. The Group's proactive investment strategy was to maximise profit for shareholders during this period, and the Group's investment portfolio was well diversified and comprised of different sectors of businesses including telecommunications, retail businesses, properties, manufacturing, automobiles, construction & decoration and financial institutions, etc in which investment in listed securities amounted HK\$87.4 million (2019: HK\$98.9 million) and unlisted investment with fair value at amount HK\$16.4 million (2019: HK\$16.8 million) which are matching Group's strategy. All dividend income came from the listed securities investment during the period.

The short term strategy of the Group is to trade the listed securities and maintain sufficient dividend level for the Group operation. The long term strategy is to balance the listed and unlisted investment so as to bring better returns for our shareholders and to maintain sufficient liquidity for future actions when fluctuation in stock markets and investing in unlisted investment may bring about higher potential.

During the corresponding period the trend of the stock markets is extremely different among United States (“U.S.”), China and Hong Kong. The differences were mainly due to the effect of the tariff war between U.S. and China as well as the interest rate cut in U.S. which brought favorable advantage toward U.S. but negative impact on China and Hong Kong.

The negative effect of the second quarter of 2019 was carrying over from the last period. The intensifying trade wars and their negative effects on economic activity globally show no sign of abating. However, the U.S. Federal Reserve (the “Fed”) announced rate cut of 0.25% in July and September respectively, together with the good economic data, such as low unemployment rate which drove the U.S. economy and stimulated the U.S. stock market during this period. The Dow Jones Index increased by 3.83% from 25,928 at end of March to 26,921 at end of September 2019.

Meanwhile, the China stock market sentiment was contrary to U.S. and Europe. On top of the negative impact from the tariff war with U.S., the U.S. government also is looking to clamp down the capital flow into China which roiled investors and brought a ripple effect to worldwide investors and reduced their investment desire in China. Together with the poor economic data such as the GDP dropped by 6.2% and 6.0% for the second and third quarter of 2019 respectively, and the devaluation of RMB against USD by 6.0% during this period, the Shanghai Composite Index dropped 8.3% from 3,090 at end of March to 2,905 at the end of September 2019.

Hong Kong equity market was sensitive to the news on the global economic situation, especially the negative impact from trade war between U.S. and China and, together with the negative impact from the ongoing demonstrations in Hong Kong triggered by the introduction of the Fugitive Offenders Amendment Bill by the Hong Kong Government, Hong Kong heads into recession as protests have hit the economy as the retail industry and tourism have fallen off a cliff. As a result, the HSI decreased 10.2% from 29,051 in March to 26,092 at the end of September 2019.

Prospects

We expect the global stock markets to be full of challenges in the coming few months, especially the uncertain status on US-China tariff war and the ongoing protests and demonstrations in Hong Kong, will lead the global and local economy entering a turbulent market environment with a downward trend.

Due to these reasons, 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. It 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.

Investment Review

The Group holds a lot of listed investment and two unlisted investment with fair value as at the period ended 30 September 2019. The top ten listed investment and the unlisted investment represented significant portion in the net assets of the Group as at the period ended 30 September 2019 as below:

Listed securities investment

Name of investee companies	As at 30 September 2019			As at 31 March 2019		
	Number of share	Fair Value <i>HK\$'000</i>	Approximately % of total assets of the Group	Number of share	Fair Value <i>HK\$'000</i>	Approximately % of total assets of the Group
CK Hutchison Holdings Limited (Stock Code: 0001)	40,000	2,768	2.16%	40,000	3,298	2.08 %
PCCW Limited (Stock Code: 0008)	5,800,265	25,521	19.95%	5,800,265	28,305	17.81%
HKC International Holdings Limited (Stock Code:0248)	15,720,116	1,493	1.17%	15,720,116	1,729	1.09%
China Construction Bank Corporation (Stock Code: 0939)	1,000,000	5,980	4.68%	-	-	-
China Merchants Land Limited (Stock Code:0978)	1,510,000	1,631	1.27%	1,510,000	1,978	1.24%
JBB Builders International Limited (Stock Code:1903)	4,644,000	5,248	4.10%	-	-	-
Yi Hua Holdings Limited (Stock Code: 2213)	26,578,278	8,771	6.86%	26,578,278	19,934	12.54%
Bank of China Limited (Stock Code:3988)	4,600,000	14,168	11.08%	2,600,000	9,256	5.82%
Gemilang International Limited (Stock Code: 6163)	4,791,250	7,618	5.96%	4,791,250	8,385	5.28%
Kwong Man Kee Group Limited (Stock Code: 8023)	27,033,000	7,704	6.02%	27,033,000	15,409	9.70%
		<u>80,902</u>	<u>63.25%</u>		<u>88,294</u>	<u>55.56%</u>

A brief description of the business, financial performance and prospect of the listed securities investment is as follows:

1. CK Hutchison Holdings Limited ("CKH Holdings")

CKH Holdings is incorporated in Cayman Islands and is principally engaged in property development and investment, hotel and serviced suite operation, property and project management, and investment in infrastructure businesses and securities, ownership and leasing of movable assets.

Pursuant to the interim report of CKH Holdings for the six months ended 30 June 2019, CKH Holdings recorded revenue of approximately HK\$147,620 million, total comprehensive income of approximately HK\$19,673 million and net assets of approximately HK\$580,483 million. Global geopolitical and economic risks remain elevated in the first half of 2019. Currency and commodity price volatility since the second half of 2018 have dampened the profitability during the first half of the year. Major currencies such as GBP, EURO and RMB have all depreciated against the first half of last year by around 6%. Excluding foreign currency translation impacts, CKH Holdings was able to maintain both healthy earnings growth and a solid financial profile.

The Group believes that, looking forward into the remaining part of the year, global geographical economic uncertainty remains high. More accommodative monetary and fiscal policies may provide cushion against shocks but serious risks remain. Resilience, diversity, stable cash flow and strong financial fundamentals continue to be the key strengths of CKH Holdings. Therefore, the Group holds 40,000 shares in CKH Holdings, representing 0.001% interest in the issued share capital of CKH Holdings based on the interim report of CKH Holdings at 30 June 2019, and derived a dividend income of approximately HK\$126,000 for the period ended 30 September 2019.

2. PCCW Limited ("PCCW")

PCCW is incorporated in Hong Kong and is principally engaged in the provision of telecommunication services, internet and multimedia services, sale and rental of equipment and technical services, investment in and development of infrastructure, properties and technology-related business.

Pursuant to the interim report of PCCW for the six months ended 30 June 2019, PCCW recorded revenue of approximately HK\$16,859 million, total comprehensive income of approximately HK\$1,548 million and net assets of approximately HK\$17,906 million. Revenue from HKT Limited ("HKT") excluding Mobile product sales recorded 1% growth to HK\$13,768 million underpinned by increase across both the Telecommunications Services ("TSS") and Mobile segments. The Free TV and over-the-top ("OTT") businesses continued to deliver healthy growth with revenue expanding by 28% and 12% respectively from a year ago.

The Group believes that in Hong Kong, the PCCW Solutions is expanding its data center infrastructure with additional capacity scheduled to be ready for service and contributing revenue in the second half of 2019. In the region, the Solutions business will continue to replicate the success in Hong Kong and expand its presence in the southeast Asian markets to serve increasing demand for IT solutions by enterprises and public organizations. Therefore, the Group holds 5,800,265 shares in PCCW, representing 0.075% interest in the issued share capital of PCCW based on the interim report of PCCW at 30 June 2019 and derived a dividend income of approximately HK\$1,287,000 for the period ended 30 September 2019.

3. HKC International Holdings Limited ("HKC")

HKC is incorporated in Cayman Islands and is principally engaged in sales of mobile phones, sales of business solutions and property investment.

Pursuant to the annual report of HKC for the year ended 31 March 2019, HKC recorded revenue of approximately HK\$283 million, total comprehensive income of approximately HK\$0.82 million, and net assets of approximately HK\$295 million.

The Group believes that : (i) Regarding the mobile phone business, HKC is the authorised distributors of both Nokia and Vivo brands. The economic uncertainty may adversely affect the willingness of spending of the consumers and may thus have impact on sales; (ii) In Sales of internet of things solutions segment, HKC will develop new and innovative products to meet market demand. In addition, HKC will continue to implement cost control measures; and (iii) Regarding the property investment segment, HKC expects that the rental income will be stable. As at the reporting date of HKC annual report, all of the HKC's investment properties have been fully let. Therefore the Group holds 15,720,116 shares in HKC, representing 1.262% interest in the issued share capital of HKC based on the annual report of HKC at 31 March 2019 and derived a dividend income of approximately HK\$31,000 for the period ended 30 September 2019.

4. China Construction Bank Corporation ("CCB")

CCB is incorporated in the PRC and are principally engaged in the provision of corporate and personal banking services, conducting treasury business, the provision of asset management, trustee, finance leasing, investment banking, insurance and other financial services.

Pursuant to the interim report of CCB ended 30 June 2019, CCB recorded net profit of approximately RMB 155,708 million, total comprehensive income of approximately RMB 156,981 million and net assets of approximately RMB 2,072,038 million. During the period, the profitability of CCB achieved steady growth with net profit of approximately RMB 155,708 million, an increase of 5.59% over the corresponding period of 2018.

The Group believes that, CCB will stay committed to its operating strategy of pursuing progress while ensuring stability, operate prudently and develop innovatively by focusing on value creation and risk management and control, and further enhance its ability to serve national construction, prevent financial risks and participate in international competition. Therefore, the Group holds 1,000,000 shares in CCB, representing 0.0004% interest in the issued share capital of CCB based on the interim report of CCB at 30 June 2019 and derived a dividend income of approximately HK\$311,000 for the period ended 30 September 2019.

5. China Merchants Land Limited ("China Merchants")

China Merchants is incorporated in Cayman Islands and is principally engaged in investment holding and property development.

Pursuant to the interim report of China Merchants for the period ended 30 June 2019, China Merchants recorded revenue of approximately RMB2,904 million, total comprehensive income of approximately RMB530 million and net assets of approximately RMB26,123 million. The revenue amounted to approximately RMB2,904 million, representing a decrease of about 11% compared with corresponding period of last year and the decrease was mainly due to the decrease in total gross floor area completed and delivered in the first half of 2019.

The Group believes that in face of the complicated and changing economic environment, China Merchants will maintain stable and cautious financial strategies, optimize financial structure and effectively implement business plans such that China Merchants could effectively grasp market opportunities and able to flexibly respond to the changes in the market. Therefore, the Group holds 1,510,000 shares in China Merchants, representing 0.0308% interest in the issued share capital of China Merchants based on the interim report of China Merchants at 30 June 2019 and derived a dividend income of approximately HK\$120,000 for the period ended 30 September 2019.

6. JBB Builders International Limited ("JBB")

JBB is incorporated in Cayman Islands and is an investment holding company and JBB's subsidiaries are principally engaged in the provision of marine construction services and building and infrastructure services.

Pursuant to the annual report of JBB for the year ended 30 June 2019, JBB recorded revenue of approximately RM329 million, total comprehensive income of approximately RM18 million and net assets of approximately RM138 million. During the year ended 30 June 2019, JBB had completed a total of 13 marine construction contracts, which comprised of 8 reclamation and related works contracts and 5 marine transportation contracts with an aggregate original contract sum of approximately RM299.5 million, and total of 6 building and infrastructure contracts with an aggregate original contract sum of approximately RM33.2 million.

The Group believes that, going forward, JBB will continue to focus on the existing projects on hand while continue to explore new business opportunities including projects in public and private sectors. JBB believe that the government's long-term policies for large scale infrastructure projects and land supply to public and private sectors will favour the demand of the JBB's business and JBB is well-positioned to take up new projects in the coming year. Therefore, the Group holds 4,644,000 shares in JBB, representing 0.929% interest in the issued share capital of JBB based on the annual report of JBB at 30 June 2019. No dividend was received during the period.

7. Yi Hua Holdings Limited (“Yi Hua Hldg”)

Yi Hua Hldg is incorporated in Cayman Islands and is principally engaged in operations of department stores in the People’s Republic of China (“PRC”). Following various acquisitions from 2016 to 2018, Yi Hua Hldg has also expanded its operations into property investment, property development and property management business.

Pursuant to the interim report of Yi Hua Hldg ended 30 June 2019, Yi Hua Hldg recorded revenue of approximately RMB258 million, total comprehensive loss of approximately RMB101 million and net assets of approximately RMB412 million. The expectation of consumers on product quality and service standard has been increasingly higher in recent years. In the first half of 2019, Yi Hua Hldg continued to push forward the upgrade of stores in order to create a better consumption sentiment. To cater for the increased consumption demand, Yi Hua Hldg expanded its product range by adding food and beverages and sports apparel on top of conventional merchandises. Yi Hua Hldg believed that these moves would bring stable income to Yi Hua Hldg.

The Group believes that, looking forward, Yi Hua Hldg will pursue the core strategy of building brand equity and enriching product offerings. Yi Hua Hldg will also continue to explore suitable locations in the Greater Bay Area with an aim to extend the coverage of department stores and convenience stores. Meanwhile, Yi Hua Hldg will closely monitor any opportunities arising in the Greater Bay Area. Riding on the development of the Greater Bay Area, Yi Hua Hldg expects to deliver better results in the future. Therefore, the Group holds 26,578,278 shares in Yi Hua Hldg, representing 2.650% interest in the issued share capital of Yi Hua Hldg based on the interim report of Yi Hua Hldg at 30 June 2019. No dividend was received during the period.

8. Bank of China Limited ("BOC")

BOC is incorporated in the PRC and are principally engaged in provision of a full range of corporate banking, personal banking, treasury operations, investment banking, insurance and other services to its customers in the Chinese mainland, Hong Kong, Macau, Taiwan and other major international financial centres.

Pursuant to the interim report of BOC for the six month ended 30 June 2019, BOC recorded profit of approximately RMB121,442 million, total comprehensive income of approximately RMB128,738 million and net assets of approximately RMB1,907,452 million. BOC realised a profit attributable to equity holders of the Bank of approximately RMB114,048 million, an increase of 4.55% compared with the same period of the prior year. Return on average total assets (ROA) was 1.12%, and return on average equity (ROE) was 14.56%.

The Group believes that, China’s economic growth will remained resilient and continued maintaining a trend of smooth and steady development, with key economic indicators operating within a reasonable range. Structural adjustments went ahead, and overall supply and demand were basically balanced. Therefore, the Group holds 4,600,000 shares in BOC, representing 0.0016% interest in the issued share capital of BOC based on the interim report of BOC at 30 June 2019 and derived a dividend income of approximately HK\$864,000 for the period ended 30 September 2019.

9. Gemilang International Limited ("Gemilang")

Gemilang is incorporated in Cayman Islands and is principally engaged in design and manufacture bus bodies and assemble buses and has over 25 years of track record in the industry.

Pursuant to the interim report of Gemilang ended 30 April 2019, Gemilang recorded revenue of approximately US\$34 million, total comprehensive income of approximately US\$0.92 million and net assets of US\$17 million.

During the period, all revenue was derived from the sales of aluminium buses and bus bodies. The demand in aluminium bus and bus body will continue to experience a higher growth due to increasing demand for the use of materials that meets environmental standards. Aluminium will likely be the preferred material for buses, in particular electric buses, due to its lighter weight and better energy efficiency.

The Group believes Gemilang had experienced growth in revenue. The Board remains confident in the financial performance of Gemilang for the financial year ending 31 October 2019, according to the delivery schedule of confirmed sales orders from customers, and expects to deliver whole buses to Singapore, Australia, Dubai and Hong Kong in the second half of the financial year. Therefore, the Group holds 4,791,250 shares in Gemilang representing 1.908% interest in the issued share capital of Gemilang based on the interim report of Gemilang at 30 April 2019 and derived a dividend income of approximately HK\$143,000 for the period ended 30 September 2019.

10. Kwong Man Kee Group Limited ("KMK")

KMK is incorporated in Cayman Islands and is principally engaged in provision of car park flooring services and ancillary service in Hong Kong. KMK commenced the business in construction in 2003 and is an established contractor in the Hong Kong car park flooring industry.

Pursuant to the annual report of KMK for the year ended 31 March 2019, KMK recorded revenue of approximately HK\$117 million, total comprehensive income of approximately HK\$9 million and net assets of approximately HK\$83 million. During the year, the increase of revenue was mainly due to (i) the significant numbers of contracts under progress carried from the year ended 31 March 2018; and (ii) the increase in total numbers of projects and certain projects with larger contract sums undertaken by KMK during the year ended 31 March 2019.

The Group believes that to further strengthen position in the current market and income stream, KMK will continue to focus on the following business strategies : (i) explore new business opportunities through the existing network, industry exhibitions and advertisements in industry magazines; (ii) keep track of any new construction and renovation projects and explore any business opportunities in car park flooring markets outside Hong Kong, especially in Macau and China; and (iii) expand the business in ancillary service, i.e. specialised texture painting and waterproofing works. Therefore, the Group holds 27,033,000 shares in KMK, representing 4.506% interest in the issued share capital of KMK based on the annual report of KMK at 31 March 2019 and derived a dividend income of approximately HK\$188,000 for the period ended 30 September 2019.

Unlisted investment

Name of investee companies	Proportion of shares capital owned	As at 30 September 2019			Proportion of shares capital owned	As at 31 March 2019		
		Cost	Fair Value	Approximately % of total assets of the Group		Cost	Carrying amount	Approximately % of total assets of the Group
		<i>HK\$'000</i>	<i>HK\$'000</i>	(by Fair Value)		<i>HK\$'000</i>	<i>HK\$'000</i>	(by Fair Value)
Guangzhou Jingyeng Aqua-Culture Company Limited	1.60%	4,220	4,825	3.77 %	1.60%	4,220	5,228	3.29 %
Diamond Motto Limited	16.67%	11,667	11,611	9.08%	16.67%	11,667	11,546	7.26%

A brief description of the business, financial performance and prospect of the unlisted securities investment are as follows:

1. Guangzhou Jingyeng Aqua-Culture Company Limited ("Jingyeng")

Jingyeng is incorporated in The People's Republic of China and is principally engaged in business of aquaculture and feed production during the period.

Pursuant to the unaudited financial statement for the nine months ended 30 September 2019, Jingyeng recorded net profit of approximately RMB\$8.6 million and net assets of approximately RMB210.8 million. Jingyeng's net profit margin for the period was about 3.27%.

The Group believes that there will be steady growth in aquaculture and feed production business in China and it is beneficial to Jingyeng. Therefore, the Group holds 1.6% interest in the issued share capital of Jingyeng. No dividend was derived during the period. The net assets attributable to the Group was approximately HK\$3,700,000 (2019: HK\$3,646,000).

2. Diamond Motto Limited ("Diamond Motto")

Diamond Motto is incorporated in the British Virgin Islands and was principally engaged in business of investment holding during the period. LMP International Limited ("LMP") is the only investment of Diamond Motto. The principal activities of LMP are the trading of furnishings and provision of interior design, fitting out and decoration services.

Pursuant to the unaudited interim financial statements of Diamond Motto for the period ended 30 September 2019, Diamond Motto recorded net profit before listing expenses of approximately HK\$1.18 million and the net assets was approximately HK\$7.80 million.

The Group believes there is strong housing needs in Hong Kong in the foreseeable future and is optimistic about the interior and decoration business. Therefore, the Group holds 50 shares in Diamond Motto, representing 16.67% interest in the issued share capital of Diamond Motto. No dividend was derived during the period. Based on the unaudited financial statements of Diamond Motto at 30 September 2019, the Group's share of the net assets of Diamond Motto was approximately HK\$1,301,000 (2019: HK\$2,179,000).

In addition, the net realised and unrealised loss on financial assets at fair value through profit or loss for the period ended 30 September 2019 amounted to approximately HK\$31.4 million was mainly due to the listed securities and the relevant breakdown are as follows:

<u>Name of investee companies</u>	<u>Realised</u>		<u>Unrealised</u>		<u>Net realised and unrealised gain/(loss)</u> <i>HK\$'000</i>
	<u>Disposal consideration</u> <i>HK\$'000</i>	<u>Cost of investment</u> <i>HK\$'000</i>	<u>Net gain/(loss)</u> <i>HK\$'000</i>	<u>Net loss</u> <i>HK\$'000</i>	
<i>Listed investment</i>					
CK Hutchison Holdings Limited (Stock Code: 0001)	-	-	-	(530)	(530)
PCCW Limited (Stock Code: 0008)	-	-	-	(2,784)	(2,784)
China Construction Bank Corporation (Stock Code: 0939)	358	(347)	11	(794)	(783)
JBB Builders International Limited (Stock Code:1903)	6,433	(7,106)	(673)	(247)	(920)
Yi Hua Holdings Limited (Stock Code: 2213)	-	-	-	(11,163)	(11,163)
Bank of China Limited (Stock Code:3988)	1,853	(1,806)	47	(2,519)	(2,472)
Gemilang International Limited (Stock Code: 6163)	-	-	-	(767)	(767)
Kwong Man Kee Group Limited (Stock Code: 8023)	-	-	-	(7,704)	(7,704)
Chi Ho Development Holdings Limited (Stock Code: 8423)	-	-	-	(2,320)	(2,320)
Others	1,510	(1,465)	45	(1,655)	(1,610)
			(570)	(30,483)	(31,053)
<i>Unlisted investment</i>	-	-	-	(338)	(338)
Total			(570)	(30,821)	(31,391)

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 September 2019, the Group had bank balances and cash of approximately HK\$19,353,000 (31 March 2019: HK\$25,713,000). The Board believes that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

As at 30 September 2019, 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 (2019: nil) as there was no debt as at 30 September 2019 (31 March 2019: 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 2019.

Capital commitment and contingent liabilities

As at 30 September 2019, 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 2019 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 2019, 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.

Code Provision A.6.7

Under the code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. The independent non-executive director, Mr. CHAN Chung Yee, Alan was unable to attend the annual general meeting ("AGM") on 16 August 2019 due to his other business engagements. This constitutes a deviation from code provision A.6.7 of the CG Code. Moreover, non attendance of this Independent Non-executive Director may also constitute deviation from code provision E.1.2 of the CG Code. Despite of that independent non-executive director, all the other directors of the Company were present in the AGM.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2019, the Group employed a total of 3 full-time employees (2018: 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 2019, 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 2019 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, 27 November 2019

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*