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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 2022

#### RESULTS

The board of directors (the “Board”) of UBA Investments Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2022 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> | <b>2022<br/>(unaudited)<br/>HK\$'000</b> | 2021<br>(unaudited)<br>HK\$'000 |
|--|--------------|--|---------------------------------|
| Gross proceeds from disposal of trading securities                                       |              | <u>2,651</u>                             | <u>4,487</u>                    |
| <b>Revenue</b>   | 4            | <b>4,305</b>                             | 4,051                           |
| Loss from changes in fair value of financial assets at fair value through profit or loss | 5            | <b>(16,460)</b>                          | (4,077)                         |
| Loss from changes in fair value of other investment                                      |              | -  | (102)                           |
| Other revenue and other income   |              | -  | 283                             |
| Administrative and other operating expenses  |              | <u>(2,821)</u>                           | <u>(2,153)</u>                  |
| <b>Loss before taxation</b>  | 6            | <b>(14,976)</b>                          | (1,998)                         |
| Income tax expense   | 7            | -  | -                               |
| <b>Loss and total comprehensive expenses for the period</b>                              |              | <u><b>(14,976)</b></u>                   | <u>(1,998)</u>                  |
| <b>Loss per share</b>  |              |  |                                 |
| Basic (HK cents)   | 8            | <u><b>1.18</b></u>                       | <u>0.16</u>                     |
| Diluted (HK cents)   |              | <u>N/A</u>                               | <u>N/A</u>                      |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|  | <i>Notes</i> | <b>30 September<br/>2022<br/>(unaudited)<br/>HK\$'000</b> | 31 March<br>2022<br>(audited)<br>HK\$'000 |
|--|--------------|---|---|
| <b>NON-CURRENT ASSETS</b>                                |              |   |   |
| Property, plant and equipment                            |              | -   | -   |
| <b>CURRENT ASSETS</b>                                    |              |   |   |
| Amounts due from related companies                       |              | 800   | 315                                       |
| Deposits   |              | 66  | 66  |
| Financial assets at fair value through<br>profit or loss | 9            | 84,004  | 100,544                                   |
| Cash and bank balances                                   |              | 4,809   | 3,950                                     |
|  |              | <b>89,679</b>   | <b>104,875</b>                            |
| <b>CURRENT LIABILITY</b>                                 |              |   |   |
| Accruals   |              | (98)  | (318)                                     |
| <b>NET CURRENT ASSETS</b>                                |              | <b>89,581</b>   | <b>104,557</b>                            |
| <b>TOTAL ASSETS LESS CURRENT LIABILITY</b>               |              | <b>89,581</b>   | <b>104,557</b>                            |
| <b>NON-CURRENT LIABILITY</b>                             |              |   |   |
| Deferred tax liabilities                                 |              | -   | -   |
| <b>NET ASSETS</b>  |              | <b>89,581</b>   | <b>104,557</b>                            |
| <b>CAPITAL AND RESERVES</b>                              |              |   |   |
| Share capital  |              | 12,717  | 12,717                                    |
| Reserves   |              | 76,864  | 91,840                                    |
| <b>TOTAL EQUITY</b>                                      |              | <b>89,581</b>   | <b>104,557</b>                            |
| <b>NET ASSET VALUE PER SHARE</b>                         | 10           | <b>HK\$0.07</b>   | <b>HK\$0.08</b>                           |

## 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 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 Group annual consolidated financial statements for the year ended 31 March 2022.

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

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for the financial assets at fair value through profit or loss which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2022 are the same as those presented in the Group's annual financial statements for the year ended 31 March 2022.

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA which are effective for the Group's financial year beginning on or after 1 April 2022:

|                                  |  |
|----------------------------------|--|
| Amendments to HKFRS 3            | Reference to the Conceptual Framework                        |
| Amendments to HKAS 16            | Property, Plant and Equipment – Proceeds before Intended Use |
| Amendments to HKAS 37            | Onerous Contracts – Cost of Fulfilling a Contract            |
| Amendments to HKFRSs             | Annual Improvements to HKFRSs 2018-2020                      |
| Accounting Guideline 5 (Revised) | Merger Accounting for Common Control Combinations            |

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

#### 4. REVENUE

|                            | <b>For the six months ended<br/>30 September</b> |                    |
|----------------------------|--|--------------------|
|                            | <b>2022</b>                                      | <b>2021</b>        |
|                            | <b>(unaudited)</b>                               | <b>(unaudited)</b> |
|                            | <b>HK\$'000</b>                                  | <b>HK\$'000</b>    |
| Dividend income from:      |  |                    |
| - Listed equity investment | <u>4,305</u>                                     | <u>4,051</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 investment and the disclosures of information regarding customers would not be meaningful.

#### 5. LOSS FROM CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

The following is the analysis of the gain/(loss) from changes in fair value of financial assets at FVTPL of the Group for the six months ended 30 September 2022 and 2021. The realised gain/(loss) represents the fair value change of financial assets at FVTPL being disposed during the reporting period, while the unrealised gain/(loss) represents the changes in fair value of financial assets at FVTPL held by the Group as at the end of reporting period:

|                              | <b>For the six months ended<br/>30 September</b> |                    |
|------------------------------|--|--------------------|
|                              | <b>2022</b>                                      | <b>2021</b>        |
|                              | <b>(unaudited)</b>                               | <b>(unaudited)</b> |
|                              | <b>HK\$'000</b>                                  | <b>HK\$'000</b>    |
| - Listed equity investment   |  |                    |
| - Realised gain              | 98   | 274                |
| - Unrealised loss            | <u>(14,976)</u>                                  | <u>(4,800)</u>     |
|                              | <u>(14,878)</u>                                  | <u>(4,526)</u>     |
| - Unlisted equity investment |  |                    |
| - Unrealised (loss)/gain     | <u>(1,582)</u>                                   | 449                |
|                              | <u>(16,460)</u>                                  | <u>(4,077)</u>     |

## 6. LOSS BEFORE TAXATION

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

|   | For the six months ended<br>30 September |                                 |
|---|--|---------------------------------|
|   | 2022<br>(unaudited)<br>HK\$'000          | 2021<br>(unaudited)<br>HK\$'000 |
| Investment management fee paid to a related company | 746                                      | 807                             |
| Short -term lease expense                           | 132                                      | 132                             |
| Staff costs (including directors' remuneration)     |  |                                 |
| - Salaries, bonuses and other benefits              | 333                                      | 332                             |
| - Contributions to retirement benefits scheme       | 11                                       | 11                              |
| Total staff cost                                    | <u>344</u>                               | <u>343</u>                      |

## 7. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not generate any estimated assessable profits arising in Hong Kong for the six months ended 30 September 2022 and 2021.

## 8. LOSS PER SHARE

|  | For the six months ended<br>30 September |                                 |
|--|--|---------------------------------|
|  | 2022<br>(unaudited)<br>HK\$'000          | 2021<br>(unaudited)<br>HK\$'000 |
| Loss for the period  | <u>14,976</u>                            | <u>1,998</u>                    |
| <b>Number of shares</b>  |  |                                 |
| Weighted average number of ordinary shares for the purpose of basic loss per share | <u>1,271,732,200</u>                     | <u>1,271,732,200</u>            |

No diluted loss per share for the six months ended 30 September 2022 and 2021 were presented as there were no potential ordinary shares in issue for both periods.

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

|  | <b>30 September<br/>2022<br/>(unaudited)<br/>HK\$'000</b> | <b>31 March<br/>2022<br/>(audited)<br/>HK\$'000</b> |
|--|---|---|
| Listed equity securities                 | <b>82,287</b>   | 97,245  |
| Unlisted equity securities               | <b>1,717</b>  | 3,299   |
|  | <b><u>84,004</u></b>                                      | <u>100,544</u>                                      |
| <br>                                     |   |   |
| Market value of listed equity securities | <b><u>82,287</u></b>                                      | <u>97,245</u>                                       |

For the six months ended 30 September 2022 and year ended 31 March 2022, the fair value of the listed equity securities is determined based on the quoted market closing price available on the Stock Exchange at the end of the reporting period and the fair value of unlisted equity securities are arrived on the basis of valuation carried out by an independent professional valuer by using market approach.

## 10. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of approximately HK\$89,581,000 (31 March 2022: HK\$104,577,000) and 1,271,732,200 (31 March 2022: 1,271,732,200) ordinary shares in issue as at 30 September 2022.

## 11. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 September 2022 (2021: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group recorded a net loss attributable to owners of the Company of approximately HK\$ 14,976,000 for the six months ended 30 September 2022 as compared to the net loss of approximately HK\$1,998,000 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\$16.5 million for the period ended 30 September 2022 as compared with HK\$4.1 million in last corresponding period. Gross proceeds from disposal of trading securities decreased 40% from HK\$4.5 million to HK\$2.7 million compared with the corresponding period of last year as the Group reduced the investment desire on trading listed securities under the uncertainty of economic environment affected by COVID-19 pandemic, Russia–Ukraine War and interest rate hike in the U.S. etc, during this period. It was also in line with the decreasing transaction volume of approximately 29% in Hang Seng Index during the same period. Also, we can minimize the potential loss generated in the highly volatile stock markets, as the Group needs to be prudent and keeps those high yield and blue chip listed securities in order to generate dividend for operations and sufficient fund for the coming investment opportunities. Moreover, the Group maintained cash and bank balances of approximately HK\$4.80 million and HK\$4.00 million for six months period ended 30 September 2022 and year ended 31 March 2022 respectively which the Group considered healthy and to maintain good liquidity. The net asset value decreased by 14% from HK\$ 104.6 million to HK\$89.6 million which out-performed the Hang Seng Index (“HSI”), was also in line with the decrement of 21.7% of HSI during this period.

During the period, the global and local equity markets had experienced intense volatility. As at 30 September 2022, 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 including bank, telecommunications, transportation, retail businesses, properties, manufacturing, construction etc, in which investment in listed securities amounted HK\$82.3 million (31 March 2022: HK\$97.2 million) and unlisted investment with fair value at HK\$1.7 million (31 March 2022: HK\$3.3 million) which matched with the Group's strategy. There was no additional unlisted investment during this period. All dividend incomes were from the listed securities investment during the period.

The strategy of the Group in the short term is to trade listed securities depending on the market sentiment and to maintain sufficient dividend level for the Group's operations. For the long term strategy, it is to balance the listed and unlisted investment so as to bring better returns for our shareholders and to maintain sufficient liquidity for future opportunities when fluctuation in stock markets and investing in unlisted investment may have higher potentials. In addition, the Group would conduct further review on acquisition of the unlisted equity investment from time to time in the future.

During the period, the trend of the stock markets worldwide was similar and had experienced a downtrend, especially the serious drop in U.S. and Hong Kong equity markets. The downtrend of U.S. was mainly due to the effect of Russia-Ukraine War which resulting in the price increase of necessities, rising interest rates by the U.S. Federal Reserve (the “Fed”), high inflation as well as recession fears during this period. In order to control the high inflation, the Fed raised interest rates by 4 times for total of 2.75 % during second and third quarter 2022 to a target range of 3% to 3.25% by the end of September 2022. However, the inflation continued to reach a multi-decade high of 8.2% and therefore the Fed announced that the rising-rate climate would stay until inflation shows signs of coming down regardless of any collateral damage that effort might cause. The U.S. economy contracted this period as the gross domestic product (GDP) fell by 1.6% on an annualized basis in the first quarter and 0.6 % in the second quarter 2022. And the high inflation in the U.S. compounded recession fears stalking the markets. Therefore, investors reduced their investment desire as they were fueling fears of economic recession in coming year. The Dow Jones Index decreased sharply by approximately 17% from 34,678 at the end of March 2022 to 28,725 at the end of September 2022.

Meanwhile, the China stock markets sentiment was similar to U.S. and Europe but experienced a slightly drop during this period. In the second quarter of 2022, the U.S. enforced the Holding Foreign Companies Accountable Act (HFCAA) which prohibiting foreign companies listed in the United States from trading in the United States if they refused to allow the U.S. Public Company Accounting Oversight Board to inspect their audits for the three consecutive years. Also U.S. requested those companies to declare the relationship with their governments and to submit compliant audit reports which was undoubtedly very difficult for Chinese companies due to China’s business accounting laws. It is expected that a large number of Chinese companies will be delisted from the U.S.. Together with the negative effect from interest rate hike in the U.S., serious situation of resurgence in COVID-19 infections led to the lockdown of some major cities, and the decrease in valuation of RMB against USD by approximately 12% during the period, all these negative news creating more uncertainty in the economy and affecting investment desire for the investors. As a result, the Shanghai Composite Index decreased slightly by approximately 7% from 3,252 at the end of March 2022 to 3,024 at the end of September 2022.

Hong Kong equity markets were sensitive to the news on the global economic situations, especially the interest rate hike in U.S. which influenced significantly in Hong Kong. As a result from the U.S. interest rate hike since March 2022, Hong Kong also increased interest rate in September 2022 which was the first time since 2018. This will increase the burden of investors and reduce their investment desire. Together with negative impact from the resurgence in COVID-19 infections, Hong Kong would be unable to reopen the border with the Mainland for a long time, causing serious economic, trade and business problems. As a result, the HSI decreased sharply by approximately 22% from 21,996 at the end of March 2022 to 17,222 at the end of September 2022.

### **Prospects**

We expect the global stock markets to be full of challenges in the coming months, especially the Fed forecasts the interest rate will increase in U.S and may approach to 4.5% or much higher by the end of this year. We can extrapolate this pattern to anticipate still higher target rate in 2023. In addition, the resurgence of COVID-19 infections also affects the border reopening between Hong Kong and China which greatly affects the economy of Hong Kong and leads Hong Kong entering a turbulent market environment with a downward trend.

Due to these reasons, the Group will closely monitor the impact of the interest rate hike in U.S. and the outlook of the global as well as Hong Kong equity markets. We may consider investing in more relatively high yield listed securities and maintain sufficient liquidity for future investment opportunities to enrich our investment portfolios. 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 one unlisted investment with fair value as at the period ended 30 September 2022. 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 2022 as below:

### Listed securities investment

| Name of investee companies                                | As at 30 September 2022 |                               |   | As at 31 March 2022 |                               |   |
|---|-------------------------|-------------------------------|---|---------------------|-------------------------------|---|
|   | Number of share         | Fair Value<br><i>HK\$'000</i> | Approximately<br>% of total<br>assets of the<br>Group | Number of share     | Fair Value<br><i>HK\$'000</i> | Approximately<br>% of total<br>assets of the<br>Group |
| CK Hutchison Holdings Limited<br>(Stock Code: 0001)       | 50,000                  | 2,170                         | 2.42%   | 50,000              | 2,878                         | 2.74%   |
| PCCW Limited<br>(Stock Code: 0008)                        | 5,800,265               | 20,591                        | 22.96%  | 5,800,265           | 25,637                        | 24.45%  |
| MTR Corporation Limited<br>(Stock Code: 0066)             | 183,775                 | 6,625                         | 7.39%   | 183,775             | 7,783                         | 7.42%   |
| China Construction Bank Corporation<br>(Stock Code: 0939) | 520,000                 | 2,361                         | 2.63%   | 520,000             | 3,063                         | 2.92%   |
| JBB Builders International Limited<br>(Stock Code: 1903)  | 4,644,000               | 2,415                         | 2.69%   | 4,644,000           | 2,554                         | 2.44%   |
| Bank of Communications Co., Limited<br>(Stock Code: 3328) | 700,000                 | 2,898                         | 3.23%   | 500,000             | 2,810                         | 2.68%   |
| Bank of China Limited<br>(Stock Code: 3988)               | 4,600,000               | 11,822                        | 13.18%  | 4,600,000           | 14,490                        | 13.82%  |
| Gemilang International Limited<br>(Stock Code: 6163)      | 4,791,250               | 3,162                         | 3.53%   | 4,791,250           | 3,450                         | 3.29%   |
| Kwong Man Kee Group Limited<br>(Stock Code: 8023)         | 29,991,000              | 10,947                        | 12.21%  | 29,991,000          | 11,696                        | 11.15%  |
| Harbour Equine Holdings Limited<br>(Stock Code: 8377)     | 16,852,711              | 8,595                         | 9.58%   | 16,852,711          | 8,342                         | 7.95%   |
|   |                         | <u>71,586</u>                 | <u>79.82%</u>   |                     | <u>82,703</u>                 | <u>78.86%</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 ports and related services, retail, infrastructure, energy and telecommunication industries.

Pursuant to the interim report of CKH Holdings for six months ended 30 June 2022, it recorded revenue of approximately HK\$131,358 million, total comprehensive income of approximately HK\$11,225 million and net assets of approximately HK\$637,117 million. Excluding the adverse translation impact from the depreciation of major foreign currencies, EBITDA and EBIT both increased 9% against the same period last year in local currencies, primarily due to the better performances in the ports division and Cenovus Energy.

The Group concurs that CKH Holdings will continue to aim to achieve growth in recurring earnings and increase shareholders return while maintaining a strong financial position and ensuring disciplined execution of prudent financial, liquidity and cash management. Therefore, the Group holds 50,000 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 2022, and derived a dividend income of approximately HK\$134,000 for the period ended 30 September 2022.

2. PCCW Limited (“PCCW”)

PCCW is incorporated in Hong Kong and is principally engaged in telecommunications, media, IT solutions, property development and investment, and other business.

Pursuant to the interim report for six months ended 30 June 2022, PCCW recorded profit of approximately HK\$931 million, total comprehensive income of approximately HK\$713 million and net assets of approximately HK\$12,401 million. PCCW recorded a 31% rise in paid subscribers and contributing to a 23% increase in over the top (“OTT”) video revenue which helped the OTT business attain positive EBITDA for the first time.

The Group believes that, with the number of COVID cases hovering in the thousands, the second half of the year is shaping up to be a balance between prudent defence and growth exploration for PCCW. 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 2022, and derived a dividend income of approximately HK\$2,147,000 for the period ended 30 September 2022.

### 3. MTR Corporation Limited (“MTR”)

MTR is incorporated in Hong Kong and is principally engaged in provision in the following businesses – railway design, construction, operation, maintenance and investment in Hong Kong, Mainland China and a number of major overseas cities.

Pursuant to the interim report for the period ended 30 June, 2022, MTR recorded total revenue of approximately HK\$23,033 million, net profit of approximately HK\$4,928 million and net assets of approximately HK\$177,928 million. The period under review was a difficult time due to on going disruptions to global supply chains, rising inflation and geopolitical tensions, all created a level of macroeconomic pressures to a degree that had not been experienced in years.

The Group concurs that, the opening of the east rail line cross harbor extension concludes a major phase of MTR’s rail network development in Hong Kong. This achievement also sets the stages for the next phase of planned new infrastructure projects to connect communities across Hong Kong and link the city more closely with its GBA counterparts. Therefore, the Group holds 183,775 shares in MTR, representing 0.003% interest in the issued share capital of MTR based on the interim report of MTR at 30 June 2022, and derived a dividend income of approximately HK\$186,000 for the period ended 30 September 2022.

### 4. China Construction Bank Corporation (“CCB”)

CCB is incorporated in the PRC and is 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 2022, CCB recorded net profit of approximately RMB 161,730 million, total comprehensive income of approximately RMB 162,165 million and net total assets of approximately RMB2,681,852 million. Return on total assets (“ROA”) was 1.01% and return on average equity (“ROE”) was 12.59%.

The Group concurs with the CCB’s view that China’s economy is expected to achieve stable and rapid development in light of the gradual abating of domestic COVID-19 impact, full implementation of macroeconomic policies, steady recovery of market entities, effective release of consumption and investment demands, rapid recovery of industrial and supply chains, and strong resilience of imports and exports. Therefore, the Group holds 520,000 shares in CCB, representing 0.0002% interest in the issued share capital of CCB based on the interim report of CCB at 30 June 2022 and derived a dividend income of approximately HK\$197,000 for the period ended 30 September 2022.

5. JBB Builders International Limited (“JBBI”)

JBBI is incorporated in Cayman Islands. It is an investment holding company and its subsidiaries are principally engaged in the provision of marine construction services and building and infrastructure services.

Pursuant to the annual report for the year ended 30 June 2022, JBBI recorded revenue of approximately RM512 million, total comprehensive income of approximately RM16 million and net assets of approximately RM139 million. Revenue increased by approximately RM371million or 263.3% from approximately RM141 million for the year ended 30 June 2021 to approximately RM512.3 million for the year ended 30 June 2022. The substantial increase in revenue is mainly attributable to the substantial increase in volume of work for reclamation and related works generated from new contracts awarded during the year ended 30 June 2022.

The Group concurs that, going forward, JBBI will optimize the business models and portfolios to solidify the market competitiveness by participating in different tenders actively. Therefore, the Group holds 4,644,000 shares in JBBI, representing 0.93% interest in the issued share capital of JBBI based on the annual report of JBBI at 30 June 2022. No dividend was received during the period.

6. Bank of Communications Co., Ltd. (“Bank Com.”)

Bank Com. is incorporated in the PRC and is principally engaged in provision of banking and related financial services.

Pursuant to the interim report of Bank Com. for the period ended 30 June, 2022, Bank Com. recorded net profit (attributable to shareholders) amounted to approximately RMB44,040 million, total comprehensive income of approximately RMB42,019 million and total assets of approximately RMB988,936 million. The annualized return on average assets (“ROA”) stood at 0.73% and the annualized weighted average return on average equity (“ROE”) was 10.45%.

The Group concurs that Bank Com. will fully, accurately and comprehensively implement the new development concept, serve the new development pattern, unwaveringly follow the path of financial development with Chinese characteristic to accelerate the promotion of high-quality development, and promote the achievement of all targets and tasks for the year. Therefore, the Group holds 700,000 shares in Bank Com., representing 0.001% interest in the issued share capital of Bank Com. based on the interim report of Bank Com. at 30 June 2022 and derived a dividend income of approximately HK\$261,000 for the period ended 30 September 2022.

## 7. Bank of China Limited (“BOC”)

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

Pursuant to the interim report of BOC for the six months ended 30 June, 2022, BOC recorded profit of approximately RMB124,303 million, total comprehensive income of approximately RMB122,028 million and total assets of RMB28,052,758 million. BOC realized a profit attributable to equity holders of RMB119,924 million, an increase of 6.3% compared with the same period of last year. Return on asset ( “ROA” ) was 0.91%, and return on average equity ( “ROE” ) was 11.62%.

The Group concurs that, through courage and hard work, BOC will realize stable long term economic development, speed up construction of the world’s first-class modern banking group, and strive to write a chapter for BOC that carvers out a path for financial development with Chinese characteristic. Therefore, the Group holds 4,600,000 shares in BOC, representing 0.002% interest in the issued share capital of BOC based on the interim report of BOC at 30 June 2022 and derived a dividend income of approximately HK\$1,065,000 for the period ended 30 September 2022.

## 8. 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 for the period ended 30 April, 2022, Gemilang recorded revenue of approximately US\$14 million, total comprehensive loss of approximately US\$0.81million and net assets of approximately US\$18 million. During the reporting period, all the revenue derived from the sales of aluminum buses and bus bodies.

The Group concurs the view from Gemilang, that, as more countries and regions are removing their endemic prevention, it is expected the global economic recovery would be stipulated in the second half of 2022 after the endemic of COVID-19. Gemilang will endeavor to capture the opportunities during the expected economic recovery. Therefore, the Group holds 4,791,250 shares in Gemilang representing 1.906% interest in the issued share capital of Gemilang based on the interim report of Gemilang at 30 April 2022 and derived a dividend income of approximately HK\$71,000 for the period ended 30 September 2022.

9. Kwong Man Kee Group Limited (“KMK”)

KMK is incorporated in Cayman Islands and is principally engaged in provision of engineering services in flooring, screeding, anti-skid surfacing and concrete repairing.

Pursuant to the interim report of KMK for the period ended 30 September 2022, KMK recorded revenue of approximately HK\$92.9 million, net profit of approximately HK\$15.2 million and net assets of approximately HK\$117 million. During the period, the revenue increased by approximately 79.7%, comparing with the revenue for the six months ended 30 September 2021. The increase in revenue was mainly due to the increase in number of projects with higher contract sum.

The Group concurs with KMK’s view, that, their directors are taking an active approach to seek alternative business opportunities to broaden its source of income. Meanwhile, KMK will also continue to focus on expanding its existing business in the car park flooring and waterproofing sectors. Therefore, the Group holds 29,991,000 shares in KMK representing 5% interest in the issued share capital of KMK based on the interim report of KMK at 30 September 2022. No dividend was received during the period.

10. Harbour Equine Holdings Limited (“Harbour Equine”, previous known as Shen You Holdings Limited)

Harbour Equine is incorporated in Cayman Islands and is principally engaged in the manufacturing and selling of sewing threads and board categories of garment accessories, provision of interior design, interior decoration and furnishing services, and provision of equine related business.

Pursuant to the interim report ended 30 June 2022, Harbour Equine recorded revenue of approximately HK\$36 million, total comprehensive loss of approximately HK\$10 million and total assets of approximately HK\$82 million. For the six months ended 30 June 2022, Harbour Equine’s recorded unaudited revenue of approximately HK\$36.1 million, representing an increase of approximately 10.7% as compared with approximately HK\$32.6 million for the six months ended 30 June 2021. The increase in revenue is mainly attributable to the increase of the manufacturing and trading of threads and equine service segments.

The Group agreed that Harbour Equine will continue to pay close attention to the trade dispute and COVID-19 and to evaluate its impact on the financial position, cashflows and result of this business line. Therefore, the Group holds 16,852,711 shares in Harbour Equine, representing 4.12% interest in the issued share capital of Harbour Equine based on the interim report of Harbour Equine at 30 June 2022. No dividend was received during the period.

## Unlisted investment

| Name of investee companies                      | Proportion of shares capital owned | As at 30 September 2022 |                 |       | Approximately % of total assets of the Group (by Fair Value) | Proportion of shares capital owned | As at 31 March 2022 |                 | Approximately % of total assets of the Group (by Fair Value) |
|---|------------------------------------|-------------------------|-----------------|-------|--|------------------------------------|---------------------|-----------------|--|
|   |                                    | Cost                    | Fair Value      |       |  |                                    | Cost                | Fair Value      |  |
|   |                                    | <i>HK\$'000</i>         | <i>HK\$'000</i> |       |  |                                    | <i>HK\$'000</i>     | <i>HK\$'000</i> |  |
| Guangzhou Jingyeng Aqua-Culture Company Limited | 1.60%                              | 4,220                   | 1,717           | 1.91% | 1.60%  | 4,220                              | 3,299               | 3.15%           |  |

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

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

Jingyeng Aquaculture 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 2022, Jingyeng Aquaculture recorded net profit of approximately RMB0.81million and net assets of approximately RMB221 million. Jingyeng Aquaculture's net profit margin for the year was about 0.365%.

The Group believes that there will be steady growth in aquaculture and feed production business in China and it is beneficial to Jingyeng Aquaculture. Therefore, the Group holds 1.6% interest in the issued share capital of Jingyeng Aquaculture. No dividend was derived during the period. The net assets attributable to the Group was approximately HK\$3,918,000(2022: HK\$4,366,000).

In addition, the net realised and unrealised gain/(loss) on financial assets at fair value through profit or loss for the period ended 30 September 2022 amounted to approximately HK\$16.5 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><br><i>HK\$'000</i> |
|--|--|--|------------------------------------|------------------------------------|---|
|  | <u>Disposal consideration</u><br><i>HK\$'000</i> | <u>Cost of investment</u><br><i>HK\$'000</i> | <u>Net gain</u><br><i>HK\$'000</i> | <u>Net loss</u><br><i>HK\$'000</i> |   |
| <i>Listed investment</i>                                       |  |  |                                    |                                    |   |
| CK Hutchison Holdings Limited<br>(Stock Code: 0001)            | -  | -  | -                                  | (708)                              | (708)   |
| PCCW Limited<br>(Stock Code: 0008)                             | -  | -  | -                                  | (5,046)                            | (5,046)   |
| MTR Corporation Limited<br>(Stock Code: 0066)                  | -  | -  | -                                  | (1,158)                            | (1,158)   |
| China Construction Bank Corporation<br>(Stock Code: 0939)      | -  | -  | -                                  | (702)                              | (702)   |
| Ausupreme International Holdings Limited<br>(Stock Code: 2031) | 2,651  | (2,553)                                      | 98                                 | (28)                               | 70  |
| Bank of Communications Co., Limited<br>(Stock Code: 3328)      | -  | -  | -                                  | (944)                              | (944)   |
| Bank of China Limited<br>(Stock Code: 3988)                    | -  | -  | -                                  | (2,668)                            | (2,668)   |
| Kwong Man Kee Group Limited<br>(Stock Code: 8023)              | -  | -  | -                                  | (750)                              | (750)   |
| Others   | -  | -  | -                                  | (2,972)                            | (2,972)   |
|  |  |  | 98                                 | (14,976)                           | (14,878)  |
| <i>Unlisted investment</i>                                     |  |  |                                    |                                    |   |
| Guangzhou Jingyeng Aqua-Culture<br>Company Limited             | -  | -  | -                                  | (1,582)                            | (1,582)   |
| Total  |  |  | 98                                 | (16,558)                           | (16,460)  |



## **FINANCIAL REVIEW**

### **Liquidity and Financial Resources**

As at 30 September 2022, the Group had bank balances and cash of approximately HK\$4,809,000 (31 March 2022: HK\$3,950,000). The Board believes that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

As at 30 September 2022, 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 (2022: nil) as there was no debt as at 30 September 2022 (31 March 2022: 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 2022.

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

As at 30 September 2022, 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 2022 before recommending them to the Board for approval.

The Committee comprises three independent non-executive directors, namely Dr. FUNG Lewis Hung, Mr. TANG Hon Bui, Ronald and Mr. KWOK Ming Fai.

## **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 2022, 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. KWOK Ming Fai was unable to attend the annual general meeting ("AGM") on 22 August 2022 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 2022, the Group employed a total of 4 full-time employees (2021: 4), including the executive directors of the Group. Employees' remuneration are fixed and determined with reference to the market rate.

**SUFFICIENCY OF PUBLIC FLOAT**

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

**REMUNERATION COMMITTEE**

The Remuneration Committee was set up on 22 July 2005 and the members comprised of three independent non-executive directors, Dr. FUNG Lewis Hung, Mr. TANG Hon Bui, Ronald and Mr. KWOK Ming Fai 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, Dr. FUNG Lewis Hung, Mr. TANG Hon Bui, Ronald and Mr. KWOK Ming Fai 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 2022, 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 2022 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, 25 November 2022

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

*\* For identification only*