



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 2008

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 2008 and the Group’s state of affairs as at that date together with the comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September

	<i>Note</i>	<u>2008</u> (unaudited) <i>HK\$</i>	<u>2007</u> (unaudited) <i>HK\$</i>
Turnover	4	23,473,600	172,102,371
Costs of listed securities disposed		(22,027,394)	(131,160,651)
Other revenues	5	8,733	155,839
Other net loss	5	(25,451,406)	(4,114,119)
Administrative and other operating expenses		(1,798,049)	(1,737,360)
Finance costs	6	—	<u>(723,005)</u>
(Loss)/Profit before taxation		(25,794,516)	34,523,075
Income tax expense	7	—	<u>(2,476,681)</u>
(Loss)/Profit for the period		(25,794,516)	<u>32,046,394</u>
Attributable to:			
Equity holders of the Company		<u>(25,794,516)</u>	<u>32,046,394</u>
(Loss)/Earnings per share			
Basic	8	(2.43 cents)	<u>3.02 cents</u>
Diluted	8	N/A	<u>N/A</u>

CONDENSED CONSOLIDATED BALANCE SHEET

	<i>Note</i>	30 September <u>2008</u> (unaudited) <i>HK\$</i>	31 March <u>2008</u> (audited) <i>HK\$</i>
Non-current assets			
Property, plant and equipment		9,983	13,484
Available-for-sale financial assets	9	<u>33,960,590</u>	<u>54,173,459</u>
		<u>33,970,573</u>	<u>54,186,943</u>
Current assets			
Amounts due from investee companies		14,886,168	17,681,169
Amounts due from related companies		4,879,876	2,477,109
Other receivables	10	62,160	65,060
Financial assets at fair value through profit or loss	11	49,896,723	65,633,363
Cash and bank balances		<u>5,290,531</u>	<u>9,205,670</u>
		<u>75,015,458</u>	<u>95,062,371</u>
Current liabilities			
Accruals		4,461,110	4,305,898
Amount due to related companies		2,926,753	-
Provision for taxation		<u>2,746,179</u>	<u>3,179,532</u>
		<u>10,134,042</u>	<u>7,485,430</u>
Net current assets		<u>64,881,416</u>	<u>87,576,941</u>
Net assets		<u>98,851,989</u>	<u>141,763,884</u>
Capital and reserves			
Share capital		10,597,782	10,597,782
Reserves		<u>88,254,207</u>	<u>131,166,102</u>
Total equity		<u>98,851,989</u>	<u>141,763,884</u>
Net asset value per share		<u>0.093</u>	<u>0.134</u>

Notes on the condensed financial statements

1. Corporate Information

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

2. Basis Of Preparation

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

The condensed consolidated financial statements do not include all the information and disclosure required in the annual consolidated financial statements, and should be read in conjunction with the Company and its subsidiaries (“the Group”) annual consolidated financial statements at 31 March 2008.

3. Accounting policies

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

The accounting policies used in the condensed consolidated financial statement are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31 March 2008.

The Group has not early applied the following new and revised standards and interpretation that have been issued, but are not yet effective, and are relevant to the operations of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets ³
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK(IFRIC)-Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate ¹
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation ⁵

¹ Effective for annual periods beginning on or after 1 January 2009.

² Effective for annual periods beginning on or after 1 July 2009.

³ Effective from 1 July 2008.

⁴ Effective for annual periods beginning on or after 1 July 2008.

⁵ Effective for annual periods beginning on or after 1 October 2008.

The Directors anticipate that the application of these new and revised standards and interpretation will have no material impact on the results and the financial position of the Group.

4. Turnover

	For the six months ended 30 September	
	<u>2008</u> <u>HK\$</u>	<u>2007</u> <u>HK\$</u>
Proceeds from sale of available-for-sale financial assets – listed	4,696,552	48,742,658
Proceeds from sale of financial assets at fair value through profit or loss – listed	16,786,718	121,257,051
Net loss from futures trading	(889,738)	-
Dividend income from listed equity securities	2,340,068	1,292,662
Dividend income from unlisted equity securities	<u>540,000</u>	<u>810,000</u>
	<u>23,473,600</u>	<u>172,102,371</u>

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

5. Other Revenues and Other Net Loss

	For the six months ended 30 September	
	<u>2008</u> <u>HK\$</u>	<u>2007</u> <u>HK\$</u>
Other revenues		
Interest income	8,733	155,759
Other income	<u>-</u>	<u>80</u>
	<u>8,733</u>	<u>155,839</u>
Other net loss		
Net unrealised (loss)/ gain on financial assets at fair value through profit or loss	(25,451,406)	4,391,457
Impairment loss on available-for-sales financial assets in listed equity securities	<u>-</u>	<u>(8,505,576)</u>
	<u>(25,451,406)</u>	<u>(4,114,119)</u>

6. Finance Costs

	For the six months ended 30 September	
	<u>2008</u>	<u>2007</u>
	<u>HK\$</u>	<u>HK\$</u>
Interest on other borrowings wholly repayable within five years	-	723,005
	=====	=====

7. Income Tax Expense

Income tax expense in the condensed consolidated income statement represents:

	For the six months ended 30 September	
	<u>2008</u>	<u>2007</u>
	<u>HK\$</u>	<u>HK\$</u>
Hong Kong profits tax - current period	-	2,476,681
	=====	=====

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits (2007: provision for Hong Kong profits tax has been made at the rate of 17.5% on the estimated assessable profits for the period after deducting the available tax losses brought forward from previous years).

8. (Loss)/Earnings Per Share

The calculation of the basic (loss)/earnings per share for the six months ended 30 September 2008 is based on the net loss attributable to equity shareholders for the period of HK\$25,794,516 (Net profit attributable to equity shareholders for the six months ended 30 September 2007: HK\$32,046,394) and on the weighted average number of 1,059,778,200 (For the six months ended 30 September 2007: 1,059,778,200) shares in issue during the period.

No diluted earnings per share for the six months ended 30 September 2008 and 2007 are presented respectively as the Company does not have dilutive potential ordinary shares.

9. Available-For-Sale Financial Assets

	30 September <u>2008</u> <u>HK\$</u>	31 March <u>2008</u> <u>HK\$</u>
Unlisted equity securities, at cost	7,136,281	7,136,281
Less: Provision for impairment loss	<u>(6,232,000)</u>	<u>(6,232,000)</u>
	904,281	904,281
Listed equity securities in Hong Kong	<u>33,056,309</u>	<u>53,269,178</u>
	33,960,590	54,173,459
	=====	=====
Market value of listed equity securities	<u>33,056,309</u>	<u>53,269,178</u>
	=====	=====

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

10. Other Receivables

	30 September <u>2008</u> <i>HK\$</i>	31 March <u>2008</u> <i>HK\$</i>
Deposits and prepayments	62,160	65,060
	=====	=====

No ageing analysis is disclosed for other receivables in view of the fact that they comprise mainly for rental deposits.

11. Financial Assets At Fair Value Through Profit Or Loss

	30 September <u>2008</u> <i>HK\$</i>	31 March <u>2008</u> <i>HK\$</i>
Equity securities, - listed in Hong Kong	47,133,413	63,487,466
Derivative financial instruments at fair value	<u>2,763,310</u>	<u>2,145,897</u>
	49,896,723	65,633,363
	=====	=====
Market value of listed equity securities	<u>47,133,413</u>	<u>63,487,466</u>
	=====	=====

Derivative financial assets represent financial instruments for trading of precious metals and index future contract respectively with financial institutions through related companies. These are categorised as financial assets at fair value through profit or loss unless they are designated as hedges.

12. Interim Dividend

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 September 2008 (2007: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Operation review

The Group recorded a net loss attributable to equity holders of approximately HK\$25.8 million for the six months ended 30 September 2008 (net profit of HK\$32.0 million for the last corresponding period) was a reflection of the prevailing dire global and domestic market environment. Although the group focused only on good potential listed equity investments and managed the attending risks prudently, the pessimistic investment atmosphere which started from the beginning of the year and exacerbated by the financial tsunami had caused the global and domestic markets to deteriorate seriously and continuously. The continuous price deterioration of listed securities therefore eroded the Groups' profit. Nevertheless, the management is confident that the temporary unrealized loss would be recovered when the market rebounds.

Relying on careful target selection with prudent risk control, management had liquidated some long-term and short-term investment at a good price to maintain a healthy working capital base to capture any potential investment opportunities when the market recovers. During the period under review, we have prudently reduced our investment activities. Our turnover decreased by about 86.0% from HK\$172.1 million to HK\$23.5 million with no finance cost incurred during the period. Earnings per share also dropped by about 180% when compared with the last corresponding period. The net asset value decreased 30.3% from HK\$141.8 million to HK\$98.9 million. Management will continue to adopt tight cost control with prudent investment strategy to maximize the best value for shareholders.

Prospects

Against a backdrop of pessimistic market sentiment and severe financial tsunami, Hong Kong stock market is still volatile and uncertain in the horizon. However, the Group has taken prudent measures to prepare for any further downside risk of the stock market.

The silver lining of the financial tsunami is that Mainland China has unveiled a US\$586.0 billion stimulus package to fight against the crisis. It is an unprecedented and very strong fiscal policy to revitalize the country's slowing economy. The Chinese government will focus on significant investments in infrastructure over the next two years. Hong Kong will benefit from such boosted domestic consumption. Management will closely monitor the market and react flexibly to capture the investment opportunities.

Although the confidence of investors is temporarily restored by the worldwide governmental joint actions e.g. G20 industrial nations' stimulus programs, the negative market sentiment is likely to remain unchanged in the short term.

We consider that the recent downward adjustments in the price of many shares have reached a level with strong fundamental support, and we are monitoring the market very carefully with a view to capitalizing suitable investment opportunities.

In the long term, we believe that the Hong Kong economy will benefit from international and governmental bail-out programs, falling raw material price and lower inflation. Large domestic market and positive fiscal policy of the Chinese government will create many opportunities for investors. The board is confident that its prudent risk control policy and flexible investment strategy will pay off when the market recovers.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 September 2008, the Group had bank balances and cash of HK\$5,290,531 (31 March 2008: HK\$9,205,670). The Board believes that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

As at 30 September 2008, part of the listed equity securities of the Group and the Company had been pledged to secure margin facilities and loans granted by a related company.

Gearing Ratio

As at 30 September 2008, the amount of total borrowings was HK\$ 2,926,753 (31 March 2008: NIL). The gearing being equal to approximately 3% (31 March 2008: NIL) of the net assets of HK\$98,851,989 (31 March 2008: 141,763,884).

Capital Structure

There was no change to the Group's capital structure for the six months ended 30 September 2008.

Share Options

The Group does not adopt any share option scheme.

Capital commitment and contingent liabilities

As at 30 September 2008, the Group had no material capital commitment and contingent liabilities.

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.

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 2008 before recommending them to the Board for approval.

The Audit Committee has reviewed the continuing connected transaction during the period. As disclosed in more details under the Company's announcement and circular dated 2 May 2008 and 22 May 2008 respectively, the financial assistance provided by the Upbest Group Limited and its subsidiaries ("Upbest Group") to UBA Investments Limited and its subsidiaries ("the Group") prior to the approval by shareholders during the extraordinary general meeting held on 10 June 2008 had exceeded the then applicable thresholds for reporting, disclosure and/or approval of independent shareholders of the Group and Upbest Group.

The Committee comprises three independent non-executive directors, namely Mr. Chan Chung Yee, Alan, Dr. Lewis Hung Fung and Mr. Ip Man Tin, David.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2008, the Group employed a total of 5 full-time employees (2007: 5), including the executive directors of the Group. Employees' remuneration are fixed and determined with reference to the market rate.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("Code") throughout the six months ended 30 September 2008, with deviations from code provisions A.4.1 of the Code only in respect of the service term of directors.

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

REMUNERATION COMMITTEE

The Remuneration Committee was set up on 22 July 2005 and the members comprised of independent non-executive directors, Mr. Chan Chung Yee, Alan, Dr. Lewis Hung Fung and Mr. Ip Man Tin, David and executive director, Li Kwok Cheung, George. During the past one year, the remuneration committee had one meeting.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group's assets and liabilities are denominated in Hong Kong Dollars and, therefore, the Group has no significant exposure to foreign exchange fluctuation.

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.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2008, there was no repurchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

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 2008 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
Li Kwok Cheung, George
Executive Director

Hong Kong, 1 December 2008

As at the date of this announcement, the executive directors of the Company comprise Mr. Leung King Yue, Alex, Mr. Li Kwok Cheung, George, Dr. Wong Yun Kuen and Mr. Cheng Wai Lun, Andrew. The independent non-executive directors of the Company comprise Mr. Chan Chung Yee, Alan, Dr. Lewis Hung Fung and Mr. Ip Man Tin, David.

** For identification only*