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UBA INVESTMENTS LIMITED

開明投資有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 768)

ANNUAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2009

RESULTS

The Board of directors (the “Board”) of UBA Investments Limited (the “Company”) is pleased to announce that the consolidated results of the Company and its subsidiaries (together the “Group”) for the year ended 31st March, 2009 with comparative figures for the preceding financial year are as follows :

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	<i>Note</i>	<u>2009</u> HK\$	<u>2008</u> HK\$
Turnover	2	79,621,122	419,969,608
Costs of listed securities disposed		(79,707,948)	(358,969,335)
Other revenue	3	12,477	256,201
Other net loss	3	(27,365,973)	(29,455,986)
Impairment loss on available-for-sale financial assets		(668,410)	(8,505,577)
Impairment loss on amount due from an investee company		(2,900,000)	(225,000)
Administrative and other operating expenses		(3,305,598)	(7,751,161)
Finance costs	4	<u>(75,747)</u>	<u>(1,063,167)</u>
(Loss)/profit before taxation	5	(34,390,077)	14,255,583
Income tax expense	6(a)	<u>-</u>	<u>(4,478,749)</u>
(Loss)/profit for the year		<u>(34,390,077)</u>	<u>9,776,834</u>
Attributable to:			
Equity holders of the Company		<u>(34,390,077)</u>	<u>9,776,834</u>
(Loss)/earnings per share			
Basic	7	<u>(3.25cents)</u>	<u>0.92cents</u>
Diluted	7	<u>N/A</u>	<u>N/A</u>

CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH, 2009

	<i>Note</i>	<u>2009</u> HK\$	<u>2008</u> HK\$
Non-current assets			
Property, plant and equipment		6,484	13,484
Available-for-sale financial assets	8	<u>24,490,291</u>	<u>54,173,459</u>
		24,496,775	54,186,943
Current assets			
Amounts due from investee companies		11,201,169	17,681,169
Amounts due from related companies		426,084	2,477,109
Other receivables, prepayments and deposits	9	433,987	65,060
Financial assets at fair value through profit or loss	10	50,642,388	65,633,363
Cash and bank balances		<u>5,000,222</u>	<u>9,205,670</u>
		67,703,850	95,062,371
Current liabilities			
Accruals		204,018	4,305,898
Interest-bearing borrowings		3,942,081	-
Provision for taxation		<u>25,000</u>	<u>3,179,532</u>
		4,171,099	7,485,430
Net current assets		<u>63,532,751</u>	<u>87,576,941</u>
Net assets		88,029,526	141,763,884
		=====	=====
Capital and reserves			
Share capital		10,597,782	10,597,782
Reserves		<u>77,431,744</u>	<u>131,166,102</u>
Total equity		88,029,526	141,763,884
		=====	=====
Net asset value per share	11	0.08	0.13
		=====	=====

Notes on the consolidated financial statements

1. Basis Of Preparation:

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which also include Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The financial statements have been prepared under the historical cost convention except that the available-for-sale financial assets and financial assets at fair value through profit or loss are stated at fair value.

The accounting policies and methods of computation are consistent with those used in the annual financial statements for the year ended 31st March, 2008 with the addition of the following amendments to standards and interpretation which are relevant to the Group’s operation and are mandatory for the financial year ended 31st March, 2009:

HKAS 39 and HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards and amendments that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments ²
HKFRS 8	Operating Segments ²

¹ Effective for annual periods beginning on or after 1st January, 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1st July, 2009

² Effective for annual periods beginning on or after 1st January, 2009

³ Effective for annual periods beginning on or after 1st July, 2009

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

2. Turnover

	<u>2009</u> <u>HK\$</u>	<u>2008</u> <u>HK\$</u>
Proceeds from sale of available-for sale financial assets – listed	37,234,821	71,493,814
Proceeds from sale of financial assets at fair value through profit or loss – listed	38,911,133	345,645,588
Net gain from futures trading	-	143,473
Dividend income from listed equity securities	2,935,168	1,876,733
Dividend income from unlisted equity securities	<u>540,000</u>	<u>810,000</u>
	<u>79,621,122</u>	<u>419,969,608</u>

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

3. Other Revenue And Other Net Loss

	<u>2009</u> <u>HK\$</u>	<u>2008</u> <u>HK\$</u>
Other revenue		
Interest income	12,477	256,201
	<u>=====</u>	<u>=====</u>
Other net loss		
Net unrealised loss on financial assets at fair value through profit or loss	(26,244,327)	(29,455,986)
Net loss from futures trading	<u>(1,121,646)</u>	<u>-</u>
	<u>(27,365,973)</u>	<u>(29,455,986)</u>

4. Finance Costs

	<u>2009</u> <u>HK\$</u>	<u>2008</u> <u>HK\$</u>
Interest on other borrowings wholly repayable within five years	75,747	1,063,167
	<u>=====</u>	<u>=====</u>

5. (Loss)/Profit Before Taxation

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

	<u>2009</u> HK\$	<u>2008</u> HK\$
Auditors' remuneration		
- current year	145,000	120,000
- underprovision in prior year	25,000	5,000
	170,000	125,000
Depreciation	7,000	7,000
Investment management fee paid to a related company	1,733,597	2,300,000
Special bonus payable to a related company	-	4,138,896
Staff costs, including defined contributions of HK\$12,339 (2008: HK\$11,887) to MPF Scheme	313,605	303,492
Minimum lease payments on properties under operating leases	240,000	240,000
	=====	=====

6. Income Tax Expense

- a) No provision for Hong Kong profits tax has been made as the Group sustained a loss for the year ended 31st March, 2009 (2008: provision for Hong Kong profits tax had been made at the rate of 17.5% on the estimated assessable profits).
- b) Reconciliation between income tax expense and the Group's accounting (loss)/profit at the statutory income tax rate is set out below:

	<u>2009</u> HK\$	<u>2008</u> HK\$
(Loss)/profit before taxation	(34,390,077)	14,255,583
	=====	=====
Tax calculated at the statutory income tax rate of 16.5% (2008: 17.5%)	(5,674,362)	2,494,727
Tax effect of profit not subject to taxation	(999,464)	(6,171,413)
Tax effect of non-deductible expenses	1,531,837	7,547,403
Tax effect on unrecognised temporary differences	1,017	614
Tax effect of unused tax losses not recognised	5,140,972	608,258
Overprovision in prior year	-	(840)
	=====	=====
Income tax expense	-	4,478,749
	=====	=====

- c) At the balance sheet date, the Group had unutilised tax losses of HK\$41,553,907 (2008: HK\$10,396,500) available for offsetting against future taxable profits. However, no deferred tax asset has been recognised due to the unpredictability of future taxable profits. The tax losses may be carried forward indefinitely.

7. (Loss)/Earnings Per Share

The basic (loss)/earnings per share is based on the Group's loss attributable to equity holders of the Company of HK\$34,390,077 (Group's profit attributable to equity holders of the Company of HK\$9,776,834 for the year ended 31st March, 2008) and the weighted average number of 1,059,778,200 (2008: 1,059,778,200) ordinary shares in issue during the year.

There is no diluted earnings per share for the years ended 31st March, 2009 and 31st March, 2008 presented since the Company has no dilutive potential ordinary shares.

8. Available-For-Sale Financial Assets

	<u>2009</u> <u>HK\$</u>	<u>2008</u> <u>HK\$</u>
Unlisted equity securities, at cost	6,636,281	7,136,281
Less: provision for impairment loss	<u>(5,966,000)</u>	<u>(6,232,000)</u>
	670,281	904,281
 Listed equity securities in Hong Kong	 <u>23,820,010</u>	 <u>53,269,178</u>
	<u>24,490,291</u>	<u>54,173,459</u>
	=====	=====
 Market value of listed equity securities	 <u>23,820,010</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.

9. Other Receivables, Prepayments and Deposits

	<u>2009</u> <u>HK\$</u>	<u>2008</u> <u>HK\$</u>
Other receivables	11,127	5,000
Prepayments	360,700	-
Deposits	<u>62,160</u>	<u>60,060</u>
	433,987	65,060
	=====	=====

10. Financial Assets At Fair Value Through Profit Or Loss

	<u>2009</u> <u>HK\$</u>	<u>2008</u> <u>HK\$</u>
Equity securities listed in Hong Kong at fair value	49,627,608	63,487,466
Derivative financial instruments at fair value	<u>1,014,780</u>	<u>2,145,897</u>
	50,642,388	65,633,363
	=====	=====
Market value of listed equity securities	49,627,608	63,487,466
	=====	=====

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

11. Net Asset Value Per Share

The calculation of net asset value per share is based on the net assets of HK\$88,029,526 (2008: HK\$141,763,884) and the 1,059,778,200 (2008: 1,059,778,200) ordinary shares in issue as at 31st March, 2009.

MANAGEMENT'S STATEMENT

Financial Results

For the year under review, the Group recorded a loss of HK\$34 million and of which HK\$27 million was unrealised losses on financial assets at fair value through profit or loss. Turnover of the Group was down by 81% from HK\$419,969,608 to HK\$79,621,122. Net asset value decreased by 37.9% from HK\$141,763,884 to HK\$88,029,526. The decrease is mainly due to the reduction in market value of the Group's investment portfolio. As at 31st March, 2009, cash and bank balances were HK\$5 million.

Business Review

The financial crisis shocked the world economy, causing severe economic downturn and recession, and Hong Kong was inevitably affected. Over 80% of the Group's investment portfolios are listed securities, therefore, the Group's performance was materially affected by the adverse movements in capital markets and the economy. The portfolio of listed equities was diversified among companies operating in different industries. However the portfolios performance was pulled down by a weak market overall. In particular, the Hang Seng Index was down around 41% from 22,849.20 (31st March, 2008) to 13,576.02 (31st March, 2009). Market value of the Group's listed securities portfolio decreased by 37% from HK\$116,756,644 to HK\$73,447,618, which was in line with the Hang Seng Index's performance. The Group has adopted a more prudent investment approach given the current volatile economic environment. The management maintains a healthy gearing position with HK\$3,942,081 interest bearing liabilities.

Prospects

In 2008, the global economy encountered significant challenges. Most of the major economic powers fell into recession, unemployment surged and credit dried up. Equity markets around the world fell dramatically and remain volatile, with swings of 7% in any one day not uncommon. The G20 industrial nations have agreed to combat the worldwide financial crisis and have launched stimulus packages aimed to strengthen their economies. China has announced a US\$586 billion stimulus package to encourage domestic consumption and prevent a deeper recession. Following announcements of stimulus packages and other financial policies planned to be implemented by major economies worldwide, the Hang Seng Index started to rebound. It was up 23.6% from a low of approximately 11,000 on 27th October, 2008 to around 13,600 on 31st March, 2009. The significant financial support coming from major governments will improve investor confidence, the financial markets will gradually recover. However, there remains a high level of uncertainty in the market, which may cause further volatility.

In the coming year, the Group will continue to implement a prudent investment approach. The management will closely monitor the portfolio's performance and when necessary, make any prompt response in line with changes in the economy.

FINANCIAL REVIEW

Liquidity and financial resources

As at 31st March, 2009, the Group had bank balances and cash of HK\$5,000,222 (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 31st March, 2009, 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 31st March, 2009, the amount of total borrowings was HK\$ 3,942,081 (31st March, 2008: NIL). The gearing being equal to approximately 4.48% (31st March, 2008: NIL) of the net assets of HK\$88,029,526 (31st March, 2008: 141,763,884).

Dividend

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

Capital structure

There was no change to the Group's capital structure for the year ended 31st March, 2009.

Capital commitment and contingent liabilities

As at 31st March, 2009, the Group had no material capital commitment and contingent liabilities.

Foreign currency fluctuation

The Board believes that the foreign exchange risk is minimal as the Group mainly uses Hong Kong dollars to carry out its business transactions.

Share options

The Company does not have share option scheme.

AUDIT COMMITTEE

The Audit Committee of the Company had reviewed the consolidated results of the Group for the year ended 31st March, 2009, including the accounting principles and accounting practices adopted by the Company, and discussed matters relating to auditing, internal controls and financial reporting. The figures in respect of the preliminary announcement of the Group's results for the year ended 31st March, 2009 have been agreed by the Group's auditors, Li, Tang, Chen & Co, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Li, Tang, Chen & Co in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Li, Tang, Chen & Co on the preliminary announcement.

The audit committee of the Group consists of 3 independent non-executive directors, namely Mr. Chan Chung Yee, Alan, Dr. Fung Lewis Hung and Mr. Tang Hon Bui, Ronald.

CORPORATE GOVERNANCE

The Company 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 year ended 31st March, 2009, 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.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31st March, 2009, the Group employed a total of 5 full-time employees (2008: 5), including the executive directors of the Group. Employees' remuneration are fixed and determined with reference to the market rate.

SUFFICIENCY OF PUBLIC FLOAT

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

REMUNERATION COMMITTEE

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

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website (<http://www.hkex.com.hk>) and the Company's website (<http://www.uba.com.hk>) under the section of "Annual Report and Announcements". The 2009 annual report will be dispatched to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

By order of the Board
Li Kwok Cheung, George
Executive Director

Hong Kong, 6th July, 2009

As at the date of this announcement, the executive directors of the Company comprise Mr. Li Kwok Cheung, George, Mr. Cheng Wai Lun, Andrew, Dr. Wong Yun Kuen and Mr. Chau Wai Hing. The independent non-executive directors of the Company comprise Mr. Chan Chung Yee, Alan, Dr. Fung Lewis Hung and Mr. Tang Hon Bui, Ronald.

** For identification only*