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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 2010

#### 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 2010 and the Group’s state of affairs as at that date together with the comparative figures as follows:

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the six months ended 30 September

	<i>Note</i>	<b>2010 (unaudited) HK\$</b>	<b>2009 (unaudited) HK\$</b>
<b>Turnover</b>	4	<b>164,226,491</b>	50,364,684
Costs of listed securities disposed		<b>(144,604,922)</b>	(33,220,920)
Other revenues	5	<b>43,508</b>	472
Other net gain	5	<b>3,829,542</b>	2,735,412
Administrative and other operating expenses		<b>(1,896,268)</b>	(1,320,768)
Finance costs	6	<b>(30,257)</b>	(83,960)
<b>Profit before taxation</b>	7	<b>21,568,094</b>	18,474,920
Income tax expense	8	-	-
<b>Profit for the period attributable to equity holders of the Company</b>		<b><u>21,568,094</u></b>	<u>18,474,920</u>
<b>Other comprehensive income</b>			
Released upon disposal of available-for-sale financial assets		<b>(944,752)</b>	817,316
Fair value change on available-for-sale financial assets		<b>841,630</b>	5,548,314
Other comprehensive income for the period, net of tax		<b>(103,122)</b>	6,365,630
<b>Total comprehensive income attributable to equity holders of the Company</b>		<b><u>21,464,972</u></b>	<u>24,840,550</u>
<b>Earnings per share</b>			
Basic	9	<b><u>2.04 cents</u></b>	<u>1.74 cents</u>
Diluted	9	<b><u>N/A</u></b>	<u>N/A</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	<b>30 September 2010 (unaudited) HK\$</b>	31 March 2010 (audited) HK\$
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		12,928	980
Available-for-sale financial assets	10	<u>23,682,155</u>	<u>25,668,093</u>
		<b>23,695,083</b>	<b>25,669,073</b>
<b>CURRENT ASSETS</b>			
Amounts due from investee companies		<b>10,961,169</b>	11,141,169
Amounts due from related companies		<b>4,097,086</b>	1,187,394
Other receivables, prepayments and deposits	11	<b>6,398,396</b>	83,610
Financial assets at fair value through profit or loss	12	<b>67,619,623</b>	58,110,627
Tax recoverable		-	4,888,657
Cash and bank balances		<b>27,911,505</b>	23,177,453
		<b>116,987,779</b>	98,588,910
<b>CURRENT LIABILITIES</b>			
Accruals		<b>207,000</b>	5,247,093
Other payables		<b>1,884,200</b>	1,884,200
		<b>2,091,200</b>	7,131,293
<b>NET CURRENT ASSETS</b>		<b>114,896,579</b>	91,457,617
<b>NET ASSETS</b>		<b>138,591,662</b>	117,126,690
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>10,597,782</b>	10,597,782
Reserves		<b>127,993,880</b>	106,528,908
<b>TOTAL EQUITY</b>		<b>138,591,662</b>	117,126,690
<b>NET ASSET VALUE PER SHARE</b>	13	<b>0.13</b>	0.11

## NOTES ON THE CONDENSED 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 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 2010.

### 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 2010, except that in the current period the Group has adopted certain new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) as detailed in note (a) below:

#### (a) Changes in accounting policy and disclosures

The Group has also adopted the following new and revised HKFRSs issued by the HKICPA. However, the adoption of these new and revised HKFRSs has had no material effect on these financial statements.

HKFRS 1 (Revised)	<i>First-time Adoption of Hong Kong Financial Reporting Standards</i>
HKFRS 1 Amendments	<i>Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters</i>
HKFRS 2 Amendments	<i>Amendments to HKFRS 2 Share-based Payment - Group Cash-settled Share-based Payment Transactions</i>
HKFRS 3 (Revised)	<i>Business Combinations</i>

HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i>
HKAS 32 Amendment	<i>Amendment to HKAS 32 Financial Instruments: Presentation – Classification of Rights Issues</i>
HKAS 39 Amendment	<i>Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i>
HK(IFRIC) – Int 17	<i>Distributions of Non-cash Assets to Owners</i>
Amendments to HKFRS 5 included in <i>Improvements to HKFRSs</i> issued in October 2008	<i>Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a subsidiary</i>
HK Interpretation 4 (Revised in December 2009)	<i>Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases</i>

**(b) Issued but not yet effective Hong Kong Financial Reporting Standards**

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendment	<i>Amendment to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First time Adopters</i> <sup>1</sup>
HKFRS 7 Amendment	<i>Amendment to HKFRS 7 Financial Instruments: Disclosures – Transfer of Financial Assets</i> <sup>3</sup>
HKFRS 9	<i>Financial Instruments</i> <sup>4</sup>
HKAS 24 (Revised)	<i>Related Party Disclosures</i> <sup>2</sup>
HK(IFRIC) – Int 14 Amendments	<i>Amendments to HK(IFRIC) – Int 14 Prepayments of a Minimum Funding Requirement</i> <sup>2</sup>
HK(IFRIC) – Int 19 HKFRSs Amendments	<i>Extinguishing Financial Liabilities with Equity Instruments</i> <sup>1</sup> <i>Improvements to HKFRSs issued in 2010</i> <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2010

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2011

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2011

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2013

<sup>5</sup> Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

#### 4. TURNOVER

	For the six months ended 30 September	
	2010	2009
	HK\$	HK\$
Proceeds from sale of available-for-sale financial assets – listed	5,775,304	5,235,817
Proceeds from sale of financial assets at fair value through profit or loss – listed	156,437,091	36,439,897
Net gain from futures trading	-	3,489
Dividend income from listed equity securities	1,636,096	8,469,481
Dividend income from unlisted equity securities	378,000	216,000
	<u>164,226,491</u>	<u>50,364,684</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.

No information about major customers has been disclosed as a substantial portion of the Group's income is derived from the Group's investments and the disclosure of information regarding customers would not be meaningful.

#### 5. OTHER REVENUES AND OTHER NET GAIN

	For the six months ended 30 September	
	2010	2009
	HK\$	HK\$
<b>Other revenues</b>		
Interest income	<u>43,508</u>	<u>472</u>
<b>Other net gain</b>		
Net unrealised gain on financial assets at fair value through profit or loss	<u>3,829,542</u>	<u>2,735,412</u>

#### 6. FINANCE COSTS

	For the six months ended 30 September	
	2010	2009
	HK\$	HK\$
Interest on other borrowings wholly repayable within five years	<u>30,257</u>	<u>83,960</u>

## 7. PROFIT BEFORE TAXATION

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

	For the six months ended 30 September	
	2010 HK\$	2009 HK\$
Depreciation	452	3,500
Investment management fee paid to a related company	932,865	791,767
Staff costs, including defined contributions of HK\$7,566(2009: HK\$6,075) to MPF Scheme	192,969	154,575
Minimum lease payments on properties under operating leases	<u>120,000</u>	<u>120,000</u>

## 8. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the assessable profits of the Group were wholly offset by tax losses brought forward (2009: Nil).

## 9. EARNINGS PER SHARE

The calculation of the basic earnings per share for the six months ended 30 September 2010 is based on the net gain attributable to equity holders for the period of HK\$21,568,094 (For the six months ended 30 September 2009: HK\$18,474,920) and on the weighted average number of 1,059,778,200 (For the six months ended 30 September 2009: 1,059,778,200) shares in issue during the period.

No diluted earnings per share for the six months ended 30 September 2010 and 2009 are presented respectively as the Company does not have dilutive potential ordinary shares.

## 10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 September 2010 HK\$	31 March 2010 HK\$
Unlisted equity securities, at cost	9,561,281	9,561,281
Less: Provision for impairment loss	<u>(6,146,000)</u>	<u>(6,146,000)</u>
	3,415,281	3,415,281
Listed equity securities in Hong Kong	<u>20,266,874</u>	<u>22,252,812</u>
	<u>23,682,155</u>	<u>25,668,093</u>
Market value of listed equity securities	<u>20,266,874</u>	<u>22,252,812</u>

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

## 11. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	<b>30 September 2010 HK\$</b>	31 March 2010 HK\$
Other receivables	<b>6,333,202</b>	-
Prepayments	<b>3,034</b>	21,450
Deposits	<b>62,160</b>	62,160
	<b><u>6,398,396</u></b>	<u>83,610</u>

No ageing analysis is disclosed for other receivables in view of the fact that they comprise application of new shares during initial public offering (IPO) and rental deposits.

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

	<b>30 September 2010 HK\$</b>	31 March 2010 HK\$
Equity securities, - listed in Hong Kong at fair value	<b><u>67,619,623</u></b>	<u>58,110,627</u>
Market value of listed equity securities	<b><u>67,619,623</u></b>	<u>58,110,627</u>

## 13. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of HK\$138,591,662 (31 March 2010: HK\$ 117,126,690) and 1,059,778,200 (31 March 2010: 1,059,778,200) ordinary shares in issue as at 30 September 2010.

## 14. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 September 2010 (2009: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

In the first half of 2010, the Greek government debt crisis has shaken up confidence, created uncertainties and impeded growth in the global markets. At the same time, the financial and capital markets in China also went through by adopting measures to cool property prices and withstand inflation pressure. Stimulated by strong domestic demands and international trades, China managed to maintain relatively stable growth when compared with other major economies around the world.

Despite the volatile and relatively fragile market conditions throughout the six months ending 30 September 2010, net profit attributable to equity holders was stably went up 16.7% approximately to HK\$21.6 million. Dividend income was about HK\$2 million. The Group recorded a significant increase in turnover of approximately 226%, up from HK\$50.4 million to HK\$164.2 million in the same period this year. Cash balances as of 30 September 2010 stood at a healthy level of HK\$28 million and the Directors believe that the Group has sufficient financial resources to meet with its working capital requirements and to capitalize on any new opportunities. Net asset value of the Group has increased by 18.3% from HK\$117.1 million as at 31 March 2010 to HK\$138.6 million as at 30 September 2010.

### **Prospects**

Due to the Greek crisis, the fund rushed into US debt and other assets. After the crisis, the fund went back to the Asia stock market again, then it was anxious US enters the double bottom to decline. Recently, US government launches the second round of quantitative easing (“QE2”), the market was influenced by the different economic problem. In the coming future, it was expected that the global economic will grow slowly and China’s economic growth may slow down.

Given that all the above factors are deemed to be influential to the market, the Group is set to implement active and prudent operation strategies in order to capitalise on the fruitful operating results achieved in the first half of financial year.

## **FINANCIAL REVIEW**

### **Liquidity and Financial Resources**

As at 30 September 2010, the Group had bank balances and cash of HK\$27,911,505 (31 March 2010: HK\$23,177,453). The Board believes that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

As at 30 September 2010, part of the listed equity securities of the Group and the Company had been pledged to secure margin facilities by a related company.

### **Gearing Ratio**

Gearing ratio had not been presented (31 March 2010: Nil) as there was no debt at 30 September 2010 (31 March 2010: 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 2010.

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

As at 30 September 2010, 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 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 2010 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 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 2010, 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 30 September 2010, the Group employed a total of 4 full-time employees (2009: 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 22 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, Mr. CHENG Wai Lun, Andrew. During the past one year, the remuneration committee had one meeting.

**REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the six months ended 30 September 2010, 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 2010 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**  
**CHAU Wai Hing**  
*Chairman*

Hong Kong, 25 November 2010

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

\* *For identification only*