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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 31 MARCH 2011

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 (the “Group”) for the year ended 31 March 2011 with comparative figures for the previous financial year are as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2011

	<i>Note</i>	2011 HK\$	2010 HK\$
Turnover	3	287,976,209	128,968,286
Costs of listed securities disposed		(265,026,767)	(100,228,055)
Other revenue	4	1,296,161	1,003
Other net loss	4	(391,549)	(1,435,394)
Impairment loss on available-for-sale financial assets		(1,817,801)	(780,000)
Write-back on amounts due from investee companies		-	116,912
Administrative and other operating expenses		(8,072,812)	(8,022,994)
Finance costs	5	(175,678)	(110,374)
Profit before taxation	6	13,787,763	18,509,384
Income tax income	7	-	4,913,657
Profit for the year attributable to equity holders of the Company		13,787,763	23,423,041
Earnings per share			
Basic	8	1.30cents	2.21cents
Diluted		N/A	N/A
Dividend		Nil	Nil

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2011

	2011 HK\$	2010 HK\$
Profit for the year attributable to equity holders of the Company	<u>13,787,763</u>	<u>23,423,041</u>
Other comprehensive income		
Available-for-sale financial assets:		
- Fair value changes during the year	2,569,064	3,739,477
- Reclassification adjustments transferred to consolidated income statement		
- Impairment loss	1,143,376	-
- Released upon disposal of available-for-sale financial assets	(956,886)	1,934,646
Other comprehensive income for the year, net of tax	<u>2,755,554</u>	<u>5,674,123</u>
Total comprehensive income attributable to equity holders of the Company	<u><u>16,543,317</u></u>	<u><u>29,097,164</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011

	<i>Note</i>	2011 HK\$	2010 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment		11,443	980
Available-for-sale financial assets	9	44,188,510	25,668,093
		44,199,953	25,669,073
CURRENT ASSETS			
Amounts due from investee companies		8,431,169	11,141,169
Amounts due from related companies		408,846	429,572
Other receivables, prepayments and deposits	10	69,238	841,432
Financial assets at fair value through profit or loss	11	77,730,705	58,110,627
Tax recoverable		-	4,888,657
Cash and bank balances		8,872,456	23,177,453
		95,512,414	98,588,910
CURRENT LIABILITIES			
Accruals		4,158,160	5,247,093
Other payables		1,884,200	1,884,200
		6,042,360	7,131,293
NET CURRENT ASSETS		89,470,054	91,457,617
NET ASSETS		133,670,007	117,126,690
CAPITAL AND RESERVES			
Share capital		10,597,782	10,597,782
Reserves		123,072,225	106,528,908
TOTAL EQUITY		133,670,007	117,126,690
NET ASSET VALUE PER SHARE	12	0.13	0.11

NOTES ON THE 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 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.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

(a) Changes in accounting policies and disclosures

The Group has adopted the following new and revised HKFRSs for the first time for the current year's 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 3 (Revised)	<i>Business Combinations</i>
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i>
Improvements to HKFRSs 2009	<i>Amendments to a number of HKFRSs issued in May 2009</i>

Other than as further explained below regarding the impact of HKFRS 3 (Revised) and HKAS 27 (Revised), the adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

HKFRS 3 (Revised) *Business Combinations* and HKAS 27 (Revised) *Consolidated and Separate Financial Statements*

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(a) Changes in accounting policies and disclosures (cont'd)

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limited to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

The changes introduced by these revised standards are applied prospectively and affect the accounting of acquisitions, loss of control and transactions with non-controlling interests after 1 April 2010.

(b) Issued but not yet effective HKFRSs

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 Amendments	Amendment to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters</i> ¹
HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i> ³
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i> ³
HKFRS 9	<i>Financial Instruments</i> ⁵
HKAS 12 Amendments	Amendments to HKAS 12 <i>Income Taxes – Deferred Tax: Recovery of Underlying Assets</i> ⁴
HKAS 24 (Revised)	<i>Related Party Disclosures</i> ²
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 <i>Prepayments of a Minimum Funding Requirement</i> ²
HK(IFRIC)-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i> ¹

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2010* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1 July 2010, whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)-Int 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard or interpretation.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(b) Issued but not yet effective HKFRSs (cont'd)

- ¹ Effective for annual periods beginning on or after 1 July 2010
² Effective for annual periods beginning on or after 1 January 2011
³ Effective for annual periods beginning on or after 1 July 2011
⁴ Effective for annual periods beginning on or after 1 January 2012
⁵ Effective for annual periods beginning on or after 1 January 2013

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 while the application of HKFRS 9 may affect the classification and measurement of the Group's financial instruments, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. TURNOVER

	2011 HK\$	2010 HK\$
Proceeds from sale of available-for-sale financial assets – listed	6,128,960	8,128,970
Proceeds from sale of available-for-sale financial assets – unlisted	1,285,714	-
Proceeds from sale of financial assets at fair value through profit or loss – listed	278,128,555	112,011,680
Net gain from futures trading	-	3,489
Dividend income from listed equity securities	2,054,980	8,608,147
Dividend income from unlisted equity securities	378,000	216,000
	<u>287,976,209</u>	<u>128,968,286</u>

No analysis of the Group's turnover and contribution to operating profit for the current and prior year 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 performance of 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.

4. OTHER REVENUE AND NET LOSS

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Other revenue		
Bad debt recovery	1,185,797	-
Interest income	110,364	1,003
	<u>1,296,161</u>	<u>1,003</u>
Other net loss		
Net unrealised loss on financial assets at fair value through profit or loss	(370,822)	(1,435,394)
Net loss from futures trading	(20,727)	-
	<u>(391,549)</u>	<u>(1,435,394)</u>

5. FINANCE COSTS

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Interest on other borrowings wholly repayable within five years	175,678	110,374

6. PROFIT BEFORE TAXATION

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

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Auditors' remuneration	155,000	150,000
Depreciation	1,937	5,504
Investment management fee paid to a related company	1,994,872	1,630,337
Performance fee payable to a related company	3,945,658	5,034,930
Staff costs, including defined contributions of HK\$14,466(2010: HK\$12,338) to MPF Scheme	384,447	324,749
Minimum lease payments on properties under operating leases	240,000	240,000

7. INCOME TAX INCOME

a) Income tax income in the consolidated income statement represents:

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Hong Kong profits tax		
- current year	-	-
- overprovision in prior years	-	(4,913,657)
	<u>-</u>	<u>(4,913,657)</u>
	<u>-</u>	<u>(4,913,657)</u>

No provision for Hong Kong profits tax has been made in these financial statements as the tax losses brought forward from prior years exceed the estimated assessable profits for the years ended 31 March 2011 and 31 March 2010.

b) Reconciliation between income tax income and the Group's accounting profit at the statutory income tax rate is set out below:

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Profit before taxation	<u>13,787,763</u>	<u>18,509,384</u>
Tax calculated at the statutory income tax rate of 16.5% (2010:16.5%)	2,274,981	3,054,047
Tax effect of profit not subject to taxation	(1,056,751)	(1,772,071)
Tax effect of non-deductible expenses	376,023	247,363
Tax effect on unrecognised temporary differences	(1,160)	798
Utilisation of tax losses previously not recognised	(2,056,304)	(1,530,137)
Tax effect of unused tax losses not recognised	463,211	-
Overprovision in prior years	-	(4,913,657)
Income tax income	<u>-</u>	<u>(4,913,657)</u>

c) At the end of the reporting period, the Group has unutilised tax losses of HK\$25,008,531 (2010: HK\$34,663,635) 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.

8. EARNINGS PER SHARE

The basic earnings per share is based on the Group's profit attributable to equity holders of the Company of HK\$13,787,763 (2010: HK\$23,423,041) and the 1,059,778,200 (2010: 1,059,778,200) ordinary shares in issue during the year.

There are no diluted earnings per share for the years ended 31 March 2011 and 31 March 2010 presented since the Company has no dilutive potential ordinary shares.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Unlisted equity securities, at cost	9,471,281	9,561,281
Less: provision for impairment loss	<u>(6,443,000)</u>	<u>(6,146,000)</u>
	<u>3,028,281</u>	<u>3,415,281</u>
Listed equity securities in Hong Kong	<u>41,160,229</u>	<u>22,252,812</u>
	<u>44,188,510</u>	<u>25,668,093</u>
Market value of listed equity securities	<u>41,160,229</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.

10. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Other receivables	4,044	757,822
Prepayments	3,034	21,450
Deposits	<u>62,160</u>	<u>62,160</u>
	<u>69,238</u>	<u>841,432</u>

Other receivables include advances to margin accounts with a related company, Upbest Investment Company Limited, for financing the purchases of listed securities. The advances are repayable on demand.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2011 <i>HK\$</i>	2010 <i>HK\$</i>
Equity securities listed in Hong Kong at fair value	<u>77,730,705</u>	<u>58,110,627</u>
Market value of listed equity securities	<u>77,730,705</u>	<u>58,110,627</u>

12. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of HK\$133,670,007 (2010: HK\$117,126,690) and the 1,059,778,200 (2010: 1,059,778,200) ordinary shares in issue as at 31 March 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended 31 March 2011, UBA Investments Limited and its subsidiaries (the “Group”) recorded a profit attributable to equity shareholders of approximately HK\$14 million (2010: HK\$23 million) and basic earnings per share of HK\$0.0130 (2010: HK\$0.0221). The decrease in profit was attributable to a decline in the profit from sales of financial assets. In addition, the Group has made an impairment loss of HK\$1.8 million on available-for-sale financial assets. As at 31 March 2011, the net assets and net asset value per share of the Group rose to HK\$134 million (2010: HK\$117 million) and HK\$0.13 (2010: HK\$0.11) respectively.

In 2010, the Chinese Government adopted a series of policy measures to curb the real estate market bubble and the rise of inflation and other issues. The Chinese mainland's economy continues towards the expected direction of macroeconomic adjustment and maintaining the overall well-run trend. As mainland China's economy is in transition, industrial restructuring and economic development of various uncertain factors increased significantly.

In the global environment, the sovereign debt crisis in certain European countries hampered the recovery of the global economy. Although the chaotic situation stabilized after United States Government injected more than US\$1.725 trillions through its quantitative easing programme, the pace of economic recovery is still slow. The situation turns better after introducing the second round of quantitative easing (“QE2”), there was a lot of hot money in the stock market coupled with enterprises announcing better than expected results. Under such circumstances, the Hang Seng Index rose from 18,985 to 24,964, recording a total rise of 10.77% for the year ended 31 March 2011. The Group's net asset value per share outperforms the Hang Seng Index. It increases 18% from HK\$0.11 to HK\$0.13.

Cash balances as at 31 March 2011 stood at a healthy level of HK\$8.9 million and the Directors believe that the Group has sufficient financial resources to capitalize on any new investment opportunities. Net asset value of the Group increased 14% from HK\$117.1 million to HK\$133.7 million.

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

Prospects

The overall investment environment will be challenging in 2011. Factors such as the United States quantitative easing policy, global inflation, renewed tensions in North Africa, volatility in commodity prices, tightening monetary policy in Europe, earthquake in Japan which causes supply disruptions and recent outbreak of drought in the Northern Hemisphere will all make the investment market volatile. In addition, China's high real estate prices, increasing inflation, hot money inflows, rising interest rates and deposit reserve ratio increase will also directly affect the global economy. Therefore, we expect the global market will remain volatile. Given the low real interest rates and the chance of hard landing of the global economy is remote, we will accumulate shares which are more defensive.

In the coming year, the Group will adopt proactive but pragmatic investment strategies. The management will continue to aim to increase shareholders value by closely monitoring its portfolio's performance and seize investment opportunities resulting from the changes in global and domestic economy.

FINANCIAL REVIEW

Liquidity and financial resources

As at 31 March 2011, the Group had bank balances and cash of HK\$8,872,456 (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 31 March 2011, part 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 (2010: nil) as there was no debt as at 31 March 2011 (2010: HK\$nil).

Dividend

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

Capital structure

There was no change to the Group's capital structure for the year ended 31 March 2011.

Capital commitment and contingent liabilities

As at 31 March 2011, 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 31 March 2011, 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 31 March 2011 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 31 March 2011, 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 31 March 2011, the Group employed a total of 4 full-time employees (2010: 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 independent non-executive directors, Mr. CHAN Chung Yee, Alan, Dr. FUNG Lewis Hung and Mr. TANG Hon Bui, Ronald and executive director, CHENG Wai Lun, Andrew. 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 2011 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
UBA INVESTMENTS LIMITED
CHAU Wai Hing
Chairman

Hong Kong, 17 June 2011

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*