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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 2012

#### 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 2012 with comparative figures for the previous financial year are as follows:

#### CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2012

	<i>Note</i>	<b>2012</b> <b>HK\$</b>	2011 <b>HK\$</b>
<b>Turnover</b>	3	<b>70,806,165</b>	287,976,209
Costs of listed securities disposed		<b>(67,515,824)</b>	(265,026,767)
Other revenue	4	<b>957,977</b>	1,296,161
Other net loss	4	<b>(19,392,221)</b>	(391,549)
Impairment loss on available-for-sale financial assets		<b>(7,177,335)</b>	(1,817,801)
Impairment loss on amount due from an investee company		<b>(1,300,000)</b>	-
Administrative and other operating expenses		<b>(3,934,026)</b>	(8,072,812)
Finance costs	5	<b>(31,477)</b>	(175,678)
<b>(Loss)/profit before taxation</b>	6	<b>(27,586,741)</b>	13,787,763
Income tax expense	7	-	-
<b>(Loss)/profit for the year attributable to equity holders of the Company</b>		<b>(27,586,741)</b>	13,787,763
<b>(Loss)/earnings per share</b>			
Basic	8	<b>(2.60cents)</b>	1.30cents
Diluted		N/A	N/A
<b>Dividend</b>		Nil	Nil

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2012**

	<b>2012</b> <b>HK\$</b>	2011 HK\$
<b>(Loss)/profit for the year attributable to equity holders of the Company</b>	<u><b>(27,586,741)</b></u>	<u>13,787,763</u>
<b>Other comprehensive (loss)/income</b>		
Available-for-sale financial assets:		
- Fair value changes during the year	<b>(9,682,361)</b>	2,569,064
- Reclassification adjustments transferred to consolidated income statement		
- Impairment loss	<b>7,142,890</b>	1,143,376
- Released upon disposal of available-for-sale financial assets	<b>(464,270)</b>	(956,886)
Other comprehensive (loss)/income for the year, net of tax	<u><b>(3,003,741)</b></u>	<u>2,755,554</u>
<b>Total comprehensive (loss)/income attributable to equity holders of the Company</b>	<u><u><b>(30,590,482)</b></u></u>	<u><u>16,543,317</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 31 MARCH 2012*

	<i>Note</i>	<b>2012</b> <i>HK\$</i>	2011 <i>HK\$</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>28,224</b>	11,443
Available-for-sale financial assets	9	<b>32,551,904</b>	44,188,510
		<b>32,580,128</b>	44,199,953
<b>CURRENT ASSETS</b>			
Amounts due from investee companies		<b>6,321,169</b>	8,431,169
Amounts due from related companies		<b>614,891</b>	408,846
Other receivables, prepayments and deposits	10	<b>61,577</b>	69,238
Financial assets at fair value through profit or loss	11	<b>61,952,755</b>	77,730,705
Cash and bank balances		<b>3,648,357</b>	8,872,456
		<b>72,598,749</b>	95,512,414
<b>CURRENT LIABILITIES</b>			
Accruals		<b>215,152</b>	4,158,160
Other payables		<b>1,884,200</b>	1,884,200
		<b>2,099,352</b>	6,042,360
<b>NET CURRENT ASSETS</b>		<b>70,499,397</b>	89,470,054
<b>NET ASSETS</b>		<b>103,079,525</b>	133,670,007
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>10,597,782</b>	10,597,782
Reserves		<b>92,481,743</b>	123,072,225
<b>TOTAL EQUITY</b>		<b>103,079,525</b>	133,670,007
<b>NET ASSET VALUE PER SHARE</b>	12	<b>0.10</b>	0.13

## 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 P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. 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 Amendment	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>
HKAS 24 (Revised)	<i>Related Party Disclosures</i>
HKAS 32 Amendment	Amendment to HKAS 32 <i>Financial Instruments: Presentation – Classification of Rights Issues</i>
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 <i>Prepayments of a Minimum Funding Requirement</i>
HK(IFRIC)-Int 19 <i>Improvements to HKFRSs 2010</i>	<i>Extinguishing Financial Liabilities with Equity Instruments</i> Amendments to a number of HKFRSs issued in May 2010

Other than as further explained below regarding the impact of HKAS 24 (Revised) and *Improvements to HKFRSs 2010*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these HKFRSs are as follows:

#### (i) HKAS 24 (Revised) *Related Party Disclosures*

HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

## 2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

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

(ii) Improvements to HKFRSs 2010 issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group.

### (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	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> <sup>1</sup>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i> <sup>4</sup>
HKFRS 9	<i>Financial Instruments</i> <sup>6</sup>
HKFRS 10	<i>Consolidated Financial Statements</i> <sup>4</sup>
HKFRS 11	<i>Joint Arrangements</i> <sup>4</sup>
HKFRS 12	<i>Disclosure of Interests in Other Entities</i> <sup>4</sup>
HKFRS 13	<i>Fair Value Measurement</i> <sup>4</sup>
HKAS 1 Amendments	Amendments to HKAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i> <sup>3</sup>
HKAS 12 Amendments	Amendments to HKAS 12 <i>Income Taxes – Deferred Tax: Recovery of Underlying Assets</i> <sup>2</sup>
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i> <sup>5</sup>
HKAS 19 (2011)	<i>Employee Benefits</i> <sup>4</sup>
HKAS 27 (2011)	<i>Separate Financial Statements</i> <sup>4</sup>
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i> <sup>4</sup>
HK(IFRIC) – Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> <sup>4</sup>

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2012

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2012

<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 January 2014

<sup>6</sup> Effective for annual periods beginning on or after 1 January 2015

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 of these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

### 3. TURNOVER

	<b>2012</b> <b>HK\$</b>	2011 <b>HK\$</b>
Proceeds from sale of available-for-sale financial assets – listed	<b>1,972,282</b>	6,128,960
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	<b>65,789,661</b>	278,128,555
Dividend income from listed equity securities	<b>2,423,222</b>	2,054,980
Dividend income from unlisted equity securities	<b>621,000</b>	378,000
	<b><u>70,806,165</u></b>	<u>287,976,209</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

	<b>2012</b> <b>HK\$</b>	2011 <b>HK\$</b>
<b>Other revenue</b>		
Bad debt recovery	<b>927,316</b>	1,185,797
Interest income	<b>30,661</b>	110,364
	<b><u>957,977</u></b>	<u>1,296,161</u>
<b>Other net loss</b>		
Net unrealised loss on financial assets at fair value through profit or loss	<b>(19,498,266)</b>	(370,822)
Net gain/(loss) from futures and metals trading	<b>106,045</b>	(20,727)
	<b><u>(19,392,221)</u></b>	<u>(391,549)</u>

### 5. FINANCE COSTS

	<b>2012</b> <b>HK\$</b>	2011 <b>HK\$</b>
Interest on other borrowings wholly repayable within five years	<b>31,477</b>	175,678

## 6. (LOSS)/PROFIT BEFORE TAXATION

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

	<b>2012</b> <b>HK\$</b>	2011 <b>HK\$</b>
Auditors' remuneration	<b>160,000</b>	155,000
Depreciation	<b>4,299</b>	1,937
Investment management fee paid to a related company	<b>1,740,217</b>	1,994,872
Performance fee payable to a related company	-	3,945,658
Staff costs, including defined contributions of HK\$16,500(2011: HK\$14,466) to MPF Scheme	<b>497,500</b>	384,447
Minimum lease payments on properties under operating leases	<b>240,000</b>	240,000

## 7. INCOME TAX EXPENSE

- a) No provision for Hong Kong profits tax has been made as the Group incurred a loss for the year ended 31 March 2012 (2011: No provision for Hong Kong profits tax had been made in these financial statements as the tax losses brought forward from prior years exceed the estimated assessable profits for the year ended 31 March 2011).
- b) Reconciliation between income tax expense and the Group's accounting profit at the statutory income tax rate is set out below:

	<b>2012</b> <b>HK\$</b>	2011 <b>HK\$</b>
(Loss)/profit before taxation	<b>(27,586,741)</b>	13,787,763
Tax calculated at the statutory income tax rate of 16.5% (2011:16.5%)	<b>(4,551,812)</b>	2,274,981
Tax effect of profit not subject to taxation	<b>(682,190)</b>	(1,056,751)
Tax effect of non-deductible expenses	<b>1,448,715</b>	376,023
Tax effect on unrecognised temporary differences	<b>(1,857)</b>	(1,160)
Utilisation of tax losses previously not recognised	-	(2,056,304)
Tax effect of unused tax losses not recognised	<b>3,787,144</b>	463,211
Income tax expense	-	-

- c) At the end of the reporting period, the Group has unutilised tax losses of HK\$47,960,921 (2011: HK\$25,008,531) 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. (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\$27,586,741 (2011: Group's profit attributable to equity holders of the Company of HK\$13,787,763) and the 1,059,778,200 (2011: 1,059,778,200) ordinary shares in issue during the year.

There are no diluted (loss)/earnings per share for the years ended 31 March 2012 and 31 March 2011 presented since the Company has no dilutive potential ordinary shares.

## 9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<b>2012</b> <i>HK\$</i>	2011 <i>HK\$</i>
Unlisted equity securities, at cost	<b>9,471,281</b>	9,471,281
Less: provision for impairment loss	<u><b>(6,477,445)</b></u>	<u>(6,443,000)</u>
	<b>2,993,836</b>	3,028,281
Listed equity securities in Hong Kong	<u><b>29,558,068</b></u>	<u>41,160,229</u>
	<u><b>32,551,904</b></u>	<u>44,188,510</u>
Market value of listed equity securities	<u><b>29,558,068</b></u>	<u>41,160,229</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

	<b>2012</b> <i>HK\$</i>	2011 <i>HK\$</i>
Other receivables	-	4,044
Prepayments	<b>1,517</b>	3,034
Deposits	<u><b>60,060</b></u>	<u>62,160</u>
	<u><b>61,577</b></u>	<u>69,238</u>



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

	<b>2012</b> <i>HK\$</i>	2011 <i>HK\$</i>
Equity securities listed in Hong Kong at fair value	<u><b>61,952,755</b></u>	<u>77,730,705</u>
Market value of listed equity securities	<u><b>61,952,755</b></u>	<u>77,730,705</u>

## 12. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of HK\$103,079,525 (2011: HK\$133,670,007) and the 1,059,778,200 (2011: 1,059,778,200) ordinary shares in issue as at 31 March 2012.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

For the year ended 31 March 2012, UBA Investments Limited and its subsidiaries (the “Group”) recorded a loss attributable to equity holders of approximately HK\$28 million (2011: profit HK\$14 million) and basic loss per share of HK\$0.0260 (2011: earnings per share HK\$0.0130). The loss was due to the continuous price deterioration of listed securities, causing by an increase in the unrealised loss on financial assets at fair value through profit or loss. Based on the prudent accounting approach, the Group has also made HK\$7 million impairment loss of available-for-sale financial assets. As at 31 March 2012, the net assets of the Group were approximately HK\$103 million (2011: HK\$134 million).

In 2011, the global major stock markets were confronted with various uncertainties across the board. The US credit rating was downgraded by Standard & Poor’s, because there were concerns about US banks exposing to European debts, affecting market sentiment. Other major markets however, generally retreated as the risks brought about by the European sovereign debt problems grew. In the Mainland, market sentiment was clouded by domestic uncertainties about monetary policies and measures to curb increases in property prices.

In the first quarter of 2012, concerns over a potential financial crisis in the euro-zone have ebbed substantially, especially after the successful negotiation for a restructuring of privately-held Greek debt. While economic data out of Europe is consistent with recessionary conditions across the Atlantic, the US economy has been gaining strength, with the job market seeing healthy growth. Private sector non-farm payrolls have risen for two consecutive years since March 2010, offsetting weakness in public sector hiring. The US housing market also appears to be turning the corner, with improving homebuilder sentiment, falling inventory levels, rising housing starts, and multiyear-high affordability all set to fuel a recovery in the sector. On the other hand, China’s forecast on sustainable growth has led to a lowering of the country’s official long-term growth target from 8% to 7.5%. The Chinese government was steering the domestic economy to a consumption-driven model, and inevitably this would have an impact on the overall economic growth.

At home in Hong Kong, the HSI rallied from around 24,500 in mid April 2011 to the lowest point around 16,000 in early October 2011. As of 31 March 2012, the HSI rebounded to around 20,500. The high and low volatility was 34.7% during this financial year. Along with fluctuations in market conditions, the Group’s net asset value per share decreased by 23.1% to HK\$0.10 from HK\$0.13.

### Prospects

We expect the global major stock markets will continue to face significant challenge. The US and European debt problems have become increasingly complicated and may last for some time. The problems are clouded by political uncertainties and economic fragility, both in America and Europe. Despite concerted efforts to address the problem, the scale and effectiveness of such international initiatives remain uncertain. Political elections in various countries may affect the economy and the pace of reforms will have to be renewed by the new political leadership. In the Mainland, worries about inflation and uncertainties about monetary policies will continue to weigh on sentiment. Investors are also concerned that the slowdown in GDP growth may indicate an end to the Mainland’s boom cycle. As risk of a hard-landing of the Mainland economy grow, Hong Kong’s economic and market outlook also may be adversely affected.

In the light of the above factors, the Group will adopt proactive but pragmatic investment strategies. The management will continue to aim at increasing its 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 2012, the Group had bank balances and cash of HK\$3,648,357 (2011: HK\$8,872,456). The Board believes that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

As at 31 March 2012, 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 (2011: nil) as there was no debt as at 31 March 2012 (2011: 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 2012.

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

As at 31 March 2012, 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 2012, 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 2012 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 2012, 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 2012, the Group employed a total of 4 full-time employees (2011: 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 2012 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, 21 June 2012

*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*