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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, 2013

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 31st March, 2013 with comparative figures for the previous financial year are as follows:

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	<i>Note</i>	2013 HK\$	2012 HK\$
Turnover	3	101,104,482	70,806,165
Costs of listed securities disposed		(92,005,178)	(67,515,824)
Other revenue	4	964,072	957,977
Other net gain/(loss)	4	1,613,587	(19,392,221)
Impairment loss on available-for-sale financial assets		(9,335,000)	(7,177,335)
Impairment loss on amount due from an investee company		-	(1,300,000)
Administrative and other operating expenses		(4,307,176)	(3,934,026)
Finance costs	5	(33,028)	(31,477)
Loss before taxation	6	(1,998,241)	(27,586,741)
Income tax expense	7	-	-
Loss for the year attributable to equity holders of the Company		(1,998,241)	(27,586,741)
Loss per share			
Basic	8	(0.19cents)	(2.60cents)
Diluted		N/A	N/A
Dividend		Nil	Nil

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH, 2013

	2013 HK\$	2012 HK\$
Loss for the year attributable to equity holders of the Company	<u>(1,998,241)</u>	<u>(27,586,741)</u>
Other comprehensive income/(loss)		
Available-for-sale financial assets:		
- Fair value changes during the year	4,199,792	(9,682,361)
- Reclassification adjustments transferred to consolidated income statement		
- Impairment loss	-	7,142,890
- Released upon disposal of available-for-sale financial assets	821,381	(464,270)
Other comprehensive income/(loss) for the year, net of tax	<u>5,021,173</u>	<u>(3,003,741)</u>
Total comprehensive income/(loss) attributable to equity holders of the Company	<u><u>3,022,932</u></u>	<u><u>(30,590,482)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH, 2013

	<i>Note</i>	2013 HK\$	2012 HK\$
NON-CURRENT ASSETS			
Property, plant and equipment		28,998	28,224
Available-for-sale financial assets	9	26,205,685	32,551,904
		26,234,683	32,580,128
CURRENT ASSETS			
Amounts due from investee companies		3,745,168	6,321,169
Amounts due from related companies		499,895	614,891
Prepayments and deposits	10	66,060	61,577
Financial assets at fair value through profit or loss	11	48,043,759	61,952,755
Cash and bank balances		32,412,976	3,648,357
		84,767,858	72,598,749
CURRENT LIABILITIES			
Accruals		249,962	215,152
Deposit received		2,765,922	-
Other payables		1,884,200	1,884,200
		4,900,084	2,099,352
NET CURRENT ASSETS		79,867,774	70,499,397
NET ASSETS		106,102,457	103,079,525
CAPITAL AND RESERVES			
Share capital		10,597,782	10,597,782
Reserves		95,504,675	92,481,743
TOTAL EQUITY		106,102,457	103,079,525
NET ASSET VALUE PER SHARE	12	0.10	0.10

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 Flat B, 16th 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) Adoption of new and revised HKFRSs

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s 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>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i>
HKAS 12 Amendments	Amendments to HKAS 12 <i>Income Taxes - Deferred Tax: Recovery of Underlying Assets</i>

The adoption of the revised HKFRSs has had no significant financial effect on these financial statements.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(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 - Government Loans</i> ²
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities</i> ²
HKFRS 9	<i>Financial Instruments</i> ⁴
HKFRS 10	<i>Consolidated Financial Statements</i> ²
HKFRS 11	<i>Joint Arrangements</i> ²
HKFRS 12	<i>Disclosure of Interests in Other Entities</i> ²
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 - <i>Transition Guidance</i> ²
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27(2011) - <i>Investment Entities</i> ³
HKFRS 13	<i>Fair Value Measurement</i> ²
HKAS 1 Amendments	Amendments to HKAS 1 <i>Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income</i> ¹
HKAS 19 (2011)	<i>Employee Benefits</i> ²
HKAS 27 (2011)	<i>Separate Financial Statements</i> ²
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i> ²
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities</i> ³
HK(IFRIC) - Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> ²
<i>Annual Improvements 2009 - 2011 Cycle</i>	Amendments to a number of HKFRSs issued in June , 2012 ²

¹ Effective for annual periods beginning on or after 1st July, 2012

² Effective for annual periods beginning on or after 1st January, 2013

³ Effective for annual periods beginning on or after 1st January, 2014

⁴ Effective for annual periods beginning on or after 1st 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 these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. TURNOVER

	2013 <i>HK\$</i>	2012 <i>HK\$</i>
Proceeds from sales of available-for-sale financial assets – listed	1,882,302	1,972,282
Proceeds from sales of financial assets at fair value through profit or loss – listed	96,834,142	65,789,661
Dividend income from listed equity securities	2,388,038	2,423,222
Dividend income from unlisted equity securities	-	621,000
	<u>101,104,482</u>	<u>70,806,165</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 GAIN/(LOSS)

	2013 <i>HK\$</i>	2012 <i>HK\$</i>
Other revenue		
Bad debt recovery	945,633	927,316
Interest income	18,439	30,661
	<u>964,072</u>	<u>957,977</u>
Other net gain/(loss)		
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	1,616,790	(19,498,266)
Net (loss)/gain from futures and metals trading	(3,203)	106,045
	<u>1,613,587</u>	<u>(19,392,221)</u>

5. FINANCE COSTS

	2013 <i>HK\$</i>	2012 <i>HK\$</i>
Interest on other borrowings wholly repayable within five years	<u>33,028</u>	<u>31,477</u>

6. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:

	2013 <i>HK\$</i>	2012 <i>HK\$</i>
Auditors' remuneration	170,000	160,000
Depreciation	7,706	4,299
Investment management fee paid to a related company	1,621,444	1,740,217
Staff costs, including defined contributions of HK\$19,745 (2012: HK\$16,500) to MPF Scheme	564,973	497,500
Minimum lease payments on properties under operating leases	246,000	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 years ended 31st March, 2013 and 31st March, 2012.
- b) Reconciliation between income tax expense and the Group's accounting loss at the statutory income tax rate is set out below:

	2013 <i>HK\$</i>	2012 <i>HK\$</i>
Loss before taxation	(1,998,241)	(27,586,741)
Tax at the statutory income tax rate of 16.5% (2012:16.5%)	(329,710)	(4,551,812)
Tax effect of profit not subject to taxation	(609,699)	(682,190)
Tax effect of non-deductible expenses	1,666,920	1,448,715
Tax effect on unrecognised temporary differences	(64)	(1,857)
Utilisation of tax losses previously not recognised	(1,186,284)	-
Tax effect of unused tax losses not recognised	458,837	3,787,144
Income tax expense	-	-

- c) At the end of the reporting period, the Group has unutilised tax losses of HK\$34,360,894 (2012: HK\$47,960,921) 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 PER SHARE

The basic loss per share is based on the Group's loss attributable to equity holders of the Company of HK\$1,998,241 (2012: HK\$27,586,741) and the 1,059,778,200 (2012: 1,059,778,200) ordinary shares in issue during the year.

There is no diluted loss per share for the years ended 31st March, 2013 and 31st March, 2012 presented since the Company has no dilutive potential ordinary shares.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2013 <i>HK\$</i>	2012 <i>HK\$</i>
Unlisted equity securities, at cost	9,471,281	9,471,281
Less: provision for impairment loss	(6,477,445)	(6,477,445)
	<u>2,993,836</u>	<u>2,993,836</u>
Listed equity securities in Hong Kong	23,211,849	29,558,068
	<u>26,205,685</u>	<u>32,551,904</u>
Market value of listed equity securities	<u>23,211,849</u>	<u>29,558,068</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. PREPAYMENTS AND DEPOSITS

	2013 <i>HK\$</i>	2012 <i>HK\$</i>
Prepayments	-	1,517
Deposits	66,060	60,060
	<u>66,060</u>	<u>61,577</u>

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2013 <i>HK\$</i>	2012 <i>HK\$</i>
Equity securities listed in Hong Kong at fair value	<u>48,043,759</u>	<u>61,952,755</u>
Market value of listed equity securities	<u>48,043,759</u>	<u>61,952,755</u>

12. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of HK\$106,102,457 (2012: HK\$103,079,525) and the 1,059,778,200 (2012: 1,059,778,200) ordinary shares in issue as at 31st March, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended 31st March, 2013, UBA Investments Limited and its subsidiaries (the “Group”) recorded a loss attributable to equity holders of approximately HK\$2.0 million (2012: loss HK\$28.0 million) and of which a HK\$9.3million impairment loss was made in relation to available-for-sales financial assets. The loss per share was HK\$0.0019 (2012: loss per share of HK\$0.0260). Turnover increased 1.4 times from HK\$70.8 million to HK\$101.1 million. The Group recorded a profit before impairment loss was around \$7.3 million which was mainly attributable in unrealized gain and realized gain on disposal of financial assets at fair value through profit or loss amounting to HK\$1.6 million and HK\$6.7 million respectively. As at 31st March, 2013, the net assets of the Group were approximately HK\$106.0 million (2012: HK\$103.0 million).

As at 31st March, 2013, the Group’s investment portfolio was well diversified and comprised of different sector of businesses including telecommunication service, transportation, insurance and other financial, properties and banking, etc. In which the available-for-sales financial assets and financial assets at fair value through profit or loss was approximately HK\$26.0 million and HK\$48.0 million respectively.

In 2012, the global and local market witnessed tremendous volatility due to sovereign debt issue in Euro Zone and potential economic slowdown in China in the first half year. However, it singlehandedly altered the course of European Crisis after the extraordinary monetary easing – Outright monetary transaction (“OMT”) announced by European Central Bank (“ECB”) and Quantitative Easing Three (“QE3”) launched by the US Federal Reserve in the third quarter of 2012. On the other hand, the speed of China economic growth slowed in early of 2012, however the end of the year saw a reversal of the attempts earlier in 2012 to slow investment growth and Government increased its spending on infrastructure, and as a result a 7.8% growth in the gross domestic product (“GDP”) and manufacturing activity have picked up. In addition, the HSBC Flash China Purchasing Manufacturing Managers’ index (“PMI”) also rose to a 19 month high of 51.5 in December 2012 which was caused by the stronger new business in-take and expansion of production.

Heading into the first quarter of 2013, the European economy was undertook the momentum of 2012. Under pursuing the QE 3 and OMT, Dow Jones Industrial Average reached historical high. The U.S. jobless claims also dropped to 7.7% While European stocks rose to an almost five-year high since 2008. However, the market environment was suddenly transformed in mid of March after the cashless in Cyprus. The banking system in Cyprus triggered unintended consequences and brought an ominous signal over the world that it worried the European sovereign debt crisis came again. The European and U.S. stock market started to slump after the aforesaid crisis in Cyprus.

On the other side, the economy of China started to deteriorate since March 2013 after the two sessions (The National People’s Congress and The Chinese People’s Political Consultative Conference) have reduced the relaxing monetary policy. The Shanghai Composite Index dropped 9.0% from 2,444 in mid of February to 2,236 at end of March.

Turning back to the Hong Kong stock market, Hong Kong has experienced strong capital inflows since the second half of 2012. Benefiting from the implement of QE3 and OMT, the Hang Seng Index (“HSI”) rebounded by 24.7% from 18,506 in June 2012 to 23,090 in the mid of March 2013. In addition, supported by the local property market with continuous flat prices rising, it showed a signs of exuberance in Hong Kong. The property sector in HSI also had strong performance in both 2012 and 2013. As Hong Kong equities are sensitive to news surrounding global economic situation, the Cyprus cashless issue in mid March 2013 also led HSI to nosedive within two weeks to 22,230 as at 31st of March, 2013.

Prospects

We expect that the world economy will be more stable and remain optimistic that it will maintain sustainable growth benefiting from the continuous implementation of QE3 and OMT. U.S. will keep on QE3 and leading a robustly-growing economy in order to reduce the unemployment rate. In addition, all major central banks including US Federal Reserve, European Central Bank, Bank of England and Bank of Japan have been engaged and continue to committee the low interest rate policy which will stimulate growth in worldwide economy and stock markets. Furthermore, after the smooth transition of leadership in China, the China Government announced more infrastructural spending in order to stimulate economic growth in the coming future. However, we also remain cautious on the possibility of the revitalization of Euro Zone debt crisis and the time to wind down the scale of QE3 from US Federal Reserve which may add volatility to the market.

Looking ahead, the Group will persist to look for good investment opportunities not only to modify but also to expand our investment portfolio. We will continue to adopt and maintain cautious and pragmatic investment approach in order to bring better return for our shareholders.

FINANCIAL REVIEW

Liquidity and financial resources

As at 31st March, 2013, the Group had bank balances and cash of HK\$32,412,976 (2012: HK\$3,648,357). The Board believes that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

As at 31st March, 2013, 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 (2012: nil) as there was no debt as at 31st March, 2013 (2012: 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 31st March, 2013.

Capital commitment and contingent liabilities

As at 31st March, 2013, 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, 2013, 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, 2013 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, 2013, 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, 2013, the Group employed a total of 4 full-time employees (2012: 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 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, CHENG Wai Lun, Andrew. During the past one year, the remuneration committee had one meeting.

NOMINATION COMMITTEE

The Nomination Committee was set up on 21st March, 2012 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 nomination 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 2013 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 and Executive Director

Hong Kong, 17th June, 2013

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