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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 2014

#### 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 2014 and the Group’s state of affairs as at that date together with the comparative figures as follows:

#### CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September

	<i>Note</i>	<b>2014 (unaudited) HK\$</b>	2013 (unaudited) HK\$
<b>Turnover</b>	4	<b>103,420,242</b>	133,720,877
Costs of listed securities disposed		<b>(99,881,947)</b>	(130,621,923)
Other revenues	5	<b>20</b>	232,421
Other net gain	5	<b>33,769,542</b>	4,899,125
Administrative and other operating expenses		<b>(1,926,808)</b>	(1,963,491)
Finance costs	6	<b>(40,344)</b>	(21,237)
<b>Profit before taxation</b>	7	<b>35,340,705</b>	6,245,772
Income tax expense	8	-	-
<b>Profit for the period attributable to equity holders of the Company</b>		<b>35,340,705</b>	6,245,772
<b>Earning per share</b>			
Basic	9	<b>3.33cents</b>	0.59cents
Diluted	9	N/A	N/A

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

	<b>2014</b> <b>(unaudited)</b> <b>HK\$</b>	2013 (unaudited) HK\$
<b>Profit for the period attributable to equity holders of the Company</b>	<u><b>35,340,705</b></u>	<u>6,245,772</u>
<b>Other comprehensive (loss)/income</b> <i>Items that may be reclassified subsequently to profit or loss</i>		
Available-for-sale financial assets:		
Fair value changes during the period	<b>(153,449)</b>	4,242,890
Reclassification adjustments transferred to consolidated income statement		
- Released upon disposal of available-for-sale financial assets	<u><b>(17,937)</b></u>	<u>(29,434)</u>
Other comprehensive (loss)/income for the period, net of tax	<u><b>(171,386)</b></u>	<u>4,213,456</u>
<b>Total comprehensive income attributable to equity holders of the Company</b>	<u><b>35,169,319</b></u>	<u>10,459,228</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	<b>30 September 2014 (unaudited) HK\$</b>	31 March 2014 (audited) HK\$
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		21,772	20,606
Available-for-sale financial assets	10	<u>21,335,206</u>	<u>23,486,266</u>
		<b>21,356,978</b>	<b>23,506,872</b>
<b>CURRENT ASSETS</b>			
Amounts due from investee companies		<u>5,830,582</u>	4,446,824
Amounts due from related companies		<u>2,012,394</u>	1,081,082
Deposits		<u>66,060</u>	66,060
Financial assets at fair value through profit or loss	11	<u>108,458,804</u>	73,308,138
Cash and bank balances		<u>5,278,027</u>	5,617,202
		<u>121,645,867</u>	84,519,306
<b>CURRENT LIABILITIES</b>			
Accruals		<u>50,000</u>	242,652
Other payables		<u>1,884,200</u>	1,884,200
		<u>1,934,200</u>	2,126,852
<b>NET CURRENT ASSETS</b>		<u><b>119,711,667</b></u>	<u>82,392,454</u>
<b>NET ASSETS</b>		<u><b>141,068,645</b></u>	<u>105,899,326</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		<u>10,597,782</u>	10,597,782
Reserves		<u>130,470,863</u>	95,301,544
<b>TOTAL EQUITY</b>		<u><b>141,068,645</b></u>	<u>105,899,326</u>
<b>NET ASSET VALUE PER SHARE</b>	12	<u><b>0.133</b></u>	<u>0.10</u>

## 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 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, 300 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 2014.

### 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 2014, 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 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) - <i>Investment Entities</i>
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i>
HKAS 36 Amendments	Amendments to HKAS 36 <i>Impairment to Assets – Recoverable Amount Disclosures for Non-Financial Assets</i>
HKAS 39 Amendments	Amendments to HKAS 39 <i>Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i>
HK(IFRIC)- Int 21	<i>Levies</i>

### 3. ACCOUNTING POLICIES (CONT'D)

#### (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 9 (2014)	<i>Financial Instruments</i> <sup>7</sup>
HKFRS 9 and HKFRS 7 Amendments	<i>Mandatory effective date of HKFRS 9 and transition disclosures</i> <sup>2</sup>
HKFRS 11 Amendments	<i>Amendments to HKFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation</i> <sup>5</sup>
HKFRS 14	<i>Regulatory Deferral Accounts</i> <sup>4</sup>
HKFRS 15	<i>Revenue from contracts with customers</i> <sup>6</sup>
HKAS 19 (2011) Amendments	<i>Amendments to HKAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions</i> <sup>1</sup>
HKAS 16 and HKAS 38 Amendments	<i>Amendments to HKAS 16 Property, Plant and Equipment and HKAS 38 Intangible -Clarification of acceptable methods of depreciation and amortisation</i> <sup>5</sup>
HKAS 16 and HKAS 41 Amendments	<i>Amendments to HKAS 16 Property, Plant and Equipment and HKAS 41 Agriculture – Bearer Plants</i> <sup>5</sup>
HKAS 27 Amendments	<i>Amendments to HKAS 27 Separate Financial Statements – Equity Method in Separate Financial Statement</i> <sup>5</sup>
<i>Annual Improvements 2010 – 2012 Cycle</i>	<i>Amendments to a number of HKFRSs issued in December , 2013</i> <sup>3</sup>
<i>Annual Improvements 2011 – 2013 Cycle</i>	<i>Amendments to a number of HKFRSs issued in December , 2013</i> <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July, 2014

<sup>2</sup> The mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised

<sup>3</sup> Effective for annual periods beginning on or after 1 July, 2014, with limited exception

<sup>4</sup> Effective for first annual HKFRS financial statements beginning on on or after 1 January, 2016

<sup>5</sup> Effective for annual periods beginning on or after 1 January, 2016

<sup>6</sup> Effective for annual periods beginning on or after 1 January, 2017

<sup>7</sup> Effective for annual periods beginning on or after 1 January, 2018

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

	<b>For the six months ended 30 September</b>	
	<b>2014 (unaudited) HK\$</b>	<b>2013 (unaudited) HK\$</b>
Proceeds from sale of available-for-sale financial assets – listed	<b>1,846,628</b>	38,133
Proceeds from sale of financial assets at fair value through profit or loss – listed	<b>99,572,052</b>	131,590,858
Dividend income from listed equity securities	<b>2,001,562</b>	2,091,886
	<b><u>103,420,242</u></b>	<b><u>133,720,877</u></b>

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 disclosures of information regarding customers would not be meaningful.

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

	<b>For the six months ended 30 September</b>	
	<b>2014 (unaudited) HK\$</b>	<b>2013 (unaudited) HK\$</b>
<b>Other revenues</b>		
Interest income	<b>20</b>	17,914
Bad debt recovery	<b>-</b>	214,507
	<b><u>20</u></b>	<b><u>232,421</u></b>
<b>Other net gain</b>		
Gain on disposal of a subsidiary	<b>-</b>	5,690,761
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	<b>33,761,178</b>	(816,291)
Net gain from futures and metals trading	<b>8,364</b>	24,655
	<b><u>33,769,542</u></b>	<b><u>4,899,125</u></b>

## 6. FINANCE COSTS

	<b>For the six months ended 30 September</b>	
	<b>2014 (unaudited) HK\$</b>	<b>2013 (unaudited) HK\$</b>
Interest on other borrowings wholly repayable within five years	<b>40,344</b>	21,237

## 7. PROFIT BEFORE TAXATION

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

	<b>For the six months ended 30 September</b>	
	<b>2014 (unaudited) HK\$</b>	<b>2013 (unaudited) HK\$</b>
Depreciation	<b>4,684</b>	4,196
Investment management fee paid to a related company	<b>900,978</b>	866,063
Staff costs, including defined contributions of HK\$9,340 (2013: HK\$8,400) to MPF Scheme	<b>232,540</b>	224,577
Minimum lease payments on properties under operating leases	<b>132,000</b>	132,000

## 8. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the tax losses brought forward from prior years exceeded the estimated assessable profits of the Group for the period ended 30 September 2014 and 30 September 2013.

## 9. EARNINGS PER SHARE

The calculation of the basic earnings per share for the six months ended 30 September 2014 is based on the Group's profit attributable to equity holders of the Company for the period of HK\$35,340,705 (For the six months ended 30 September 2013: HK\$6,245,772) and 1,059,778,200 (For the six months ended 30 September 2013: 1,059,778,200) ordinary shares in issue during the period.

No diluted earnings per share for the six months ended 30 September 2014 and 2013 are presented respectively as the Company does not have dilutive potential ordinary shares.

## 10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<b>30 September 2014 (unaudited) HK\$</b>	31 March 2014 (audited) HK\$
Unlisted equity securities, at cost	<b>7,694,000</b>	8,694,000
Less: Provision for impairment loss	<b>(4,707,445)</b>	(5,707,445)
	<u><b>2,986,555</b></u>	<u>2,986,555</u>
Listed equity securities in Hong Kong	<b>18,348,651</b>	20,499,711
	<u><b>21,335,206</b></u>	<u>23,486,266</u>
Market value of listed equity securities	<u><b>18,348,651</b></u>	<u>20,499,711</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. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 September 2014 (unaudited) HK\$</b>	31 March 2014 (audited) HK\$
Equity securities, - listed in Hong Kong at fair value	<b>107,670,295</b>	72,415,993
Derivative financial instruments at fair value	<b>788,509</b>	892,145
	<u><b>108,458,804</b></u>	<u>73,308,138</u>
Market value of listed equity securities	<u><b>107,670,295</b></u>	<u>72,415,993</u>

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

## 12. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of HK\$141,068,645 (31 March 2014: HK\$105,899,326) and 1,059,778,200 (31 March 2014: 1,059,778,200) ordinary shares in issue as at 30 September 2014.

## 13. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 September 2014 (2013: Nil).



## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group recorded a net profit attributable to equity shareholders of approximately HK\$ 35,340,000 for the six months ended 30 September 2014 as compared to the net profit of approximately HK\$6,246,000 in the corresponding period of last year. The significant increase in the net profit was mainly due to the unrealised gain on financial assets at fair value through profit or loss amounting HK\$33,760,000. The turnover decreasing 23% from HK\$133.7 million to HK\$103.4 million compared with the corresponding period of last year was due to the deliberate decision making by the Company on new investment and trading listed securities under the ever changing global markets for the period. Although the turnover dropped, the rise of net assets value of the Group outperformed the Hang Seng Index (“HSI”) during this period. Moreover, the Group maintains a healthy cash and bank balances of approximately HK\$5.3 million and HK\$5.6 million respectively as at period ended 30 September 2014 and year ended 31 March 2014. The net asset value also increased by 33% to HK\$ 141.1 million from HK\$105.9 million.

During the corresponding period, the global and local equity markets had experienced intense volatility and these markets, as a whole, dropped at the start of second quarter, and rebounded in May, but slumped during September 2014. The volatility was mainly due to the worry by the investors regarding the serious confrontation between Russia and the West over Ukraine. Political risk in Russia and in Europe led to a general pullback in global equity markets during April 2014. However, the inflation gauge “personal consumption expenditures index”(“PCE”) in US keeping below 2%, and the continuous implementation of the Quantitative Easing Three scheme (“QE3”) announced by the Chief of US Federal Reserve (the “Fed”) Janet Yellen (“Yellen”) enhanced investors confidence in global equity markets. Dow Jones Index rebounded nearly 7% from 16,015 in April to 17,122 at end of August 2014. In addition, the European Central Bank (“ECB”) Chief Mario Draghi (“Draghi”) suggested keeping their lending rates locked near zero percent for coming years. Draghi cut interest rates 10 basis points to 0.15%, and lowering the deposit facility rate to -0.1% in June which stimulated the European equity markets. However, the Islamic State of Iraq, Syria invasion in Iraq and the referendum on Scotland’s independence brought a negative impact on global stock markets at end of third quarter 2014.

The mainland stock market sentiment was clouded by the uncertainties at the beginning of second quarter 2014. The slowdown in China property sector dragged gross domestic product (“GDP”) growth to be revised from 7.5% to 7.35 -7.4%. The State has said that the economic slow down is within their expectations and as present there is no plan to roll out any large scale of stimulus. The People’s Bank of China (PBOC) continues to maintain stable monetary policy and monetary base which aim at easing policy support the agricultural and SME sectors. In order to lower the funding cost, it is reported that the PBOC will inject RMB500 billion to provide liquidity support to the five state banks. The market has expected the PBOC still has room to cut the interest rate by rolling out more fiscal policy stimulus.

The Hong Kong equity market was sensitive to the news on the weak global economic situation. However, the HSI had dropped in September due to the uncertain political environment of ‘Occupy Central Movement’ will drag the economy afterwards. And the market is worried about the prolonged protest may have negative impact on the Hong Kong economy and affect its social stability. As well as the Hong Kong GDP growth has slowed to 1.8% in 2Q from 2.6% in 1Q due to the plunge in tourist spending. The Hong Kong Government had revised downward GDP growth to 2-3% for 2014.

## **Prospects**

We expect the continuous implementation of QE3 will let the low interest rate trend be kept for some time and will maintain the liquidity in the global stock markets. In addition, the follow up working conference in November after 2014 Fourth Plenary Session of the 18th Central Committee of the Communist Party of China may announce more mini-stimulus plans to stimulate the economic growth in China. Shanghai – Hong Kong Stock Connect Programme will also bring more investors and capital inflow into local stock markets. The aforesaid factors may have positive impact toward the global and local equities markets. However, we also remain cautious when to wind down further the scale of QE3 by the Fed and the effect of “Occupy Central Movement” which may add volatility to the markets.

The Group will continue to adopt and maintain conservative but proactive investment approach in order to bring better return for our shareholders.

## **FINANCIAL REVIEW**

### **Liquidity and Financial Resources**

As at 30 September 2014, the Group had bank balances and cash of HK\$5,278,027 (31 March 2014: HK\$5,617,202). The Board believes that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

As at 30 September 2014, part of the listed equity securities of the Group and the Company had been pledged to secure margin facilities provided by a related company.

### **Gearing Ratio**

Gearing ratio had not been presented (2014: nil) as there was no debt as at 30 September 2014 (31 March 2014: HK\$ 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 2014.

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

As at 30 September 2014, 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 2014 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 complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the “CG Code”) throughout the six months ended 30 September 2014, except for the following.

### **Code Provision A.4.1**

Under the code provision A.4.1, non-executive directors should be appointed for a specific term and subject to re-election. None of the independent non-executive directors of the Company were appointed for a specific term. None of the non-executive directors has entered or proposed to enter into any service contracts with the Company or its subsidiaries. But all directors of the Company are subject to the retirement by rotation according to the provisions under article 157 of the Articles of Association of the Company. As such, the Board considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the CG Code.

### **Code Provision A.6.7**

Under the code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. The independent non-executive director, Mr. CHAN Chung Yee, Alan was unable to attend the annual general meeting (“AGM”) of the Company held on 15 August 2014 due to his other business engagements. This constitutes a deviation from code provision A.6.7 of the CG Code. Moreover, non attendance of this Independent Non-executive Director may also constitute deviation from code provision E.1.2 of the CG Code. Despite of that independent non-executive director, all the other directors of the Company were present in the AGM.

## **EMPLOYMENT AND REMUNERATION POLICIES**

As at 30 September 2014, the Group employed a total of 4 full-time employees (2013: 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 three independent non-executive directors, Mr. CHAN Chung Yee, Alan, Dr. FUNG Lewis Hung and Mr. TANG Hon Bui, Ronald and one executive director, Mr. CHENG Wai Lun, Andrew. The Remuneration Committee has adopted the terms of reference in conformity with the CG Code. During the past one year, the remuneration committee had one meeting.

## **NOMINATION COMMITTEE**

The Nomination Committee was set up on 21 March 2012, the members comprised of three independent non-executive directors, Mr. CHAN Chung Yee, Alan, Dr. FUNG Lewis Hung and Mr. TANG Hon Bui, Ronald and one executive director, Mr. CHENG Wai Lun, Andrew. The Nomination Committee has adopted the terms of reference in conformity with the CG Code.

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

During the six months ended 30 September 2014, 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 2014 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, 17 November 2014

*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*