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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 2018

#### 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 2018 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>2018 (unaudited) HK\$</b>	2017 (unaudited) HK\$
Gross proceeds from disposal of trading securities		<b><u>29,548,886</u></b>	<u>75,264,344</u>
<b>Revenue</b>	5	<b>1,726,406</b>	6,934,244
Other revenues	6	<b>3,907</b>	7
Administrative and other operating expenses		<b>(2,272,555)</b>	(2,491,400)
Finance costs	7	<b>(56,550)</b>	(102,522)
<b>(Loss) /profit before taxation</b>	8	<b>(598,792)</b>	4,340,329
Income tax expense	9	<b>-</b>	-
<b>(Loss) /profit for the period attributable to equity holders of the Company</b>		<b><u>(598,792)</u></b>	<u>4,340,329</u>
<b>(Loss) / Earnings per share</b>			
Basic and diluted	10	<b><u>(0.06)cents</u></b>	<u>0.41cents</u>

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

	<b>2018</b> <b>(unaudited)</b> <b>HK\$</b>	2017 (unaudited) HK\$
<b>(Loss) /profit for the period attributable to equity holders of the Company</b>	<u><b>(598,792)</b></u>	<u>4,340,329</u>
<b>Other comprehensive income/(loss)</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Available-for-sale financial assets:		
Fair value changes during the period and net movement in investment fair value reserves (recycling)	-	(1,550,950)
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Financial assets at fair value through other comprehensive income:		
Fair value changes during the period and net movement in investment fair value reserves (non-recycling)	<u><b>5,511,892</b></u>	<u>-</u>
<b>Total comprehensive income attributable to equity holders of the Company</b>	<u><b>4,913,100</b></u>	<u><b>2,789,379</b></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	<b>30 September 2018 (unaudited) HK\$</b>	<b>31 March 2018 (audited) HK\$</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		682	1,267
Available-for-sale financial assets	11	-	28,272,770
Financial assets at fair value through other comprehensive income	11	<u>42,456,476</u>	<u>-</u>
		<b>42,457,158</b>	<b>28,274,037</b>
<b>CURRENT ASSETS</b>			
Amounts due from investee companies		<u>2,737,382</u>	2,737,382
Amounts due from related companies		944,239	2,327,582
Deposits		66,060	66,060
Financial assets at fair value through profit or loss	12	<u>103,657,055</u>	104,598,419
Cash and bank balances		<u>4,349,191</u>	10,532,557
		<u>111,753,927</u>	<u>120,262,000</u>
<b>CURRENT LIABILITIES</b>			
Accruals		<u>80,000</u>	359,103
		<u>80,000</u>	<u>359,103</u>
<b>NET CURRENT ASSETS</b>			
		<b>111,673,927</b>	<b>119,902,897</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		<u>(1,812,180)</u>	<u>(1,812,180)</u>
<b>NET ASSETS</b>			
		<u><b>152,318,905</b></u>	<u><b>146,364,754</b></u>
<b>CAPITAL AND RESERVES</b>			
Share capital		<u>10,597,782</u>	10,597,782
Reserves		<u>141,721,123</u>	135,766,972
<b>TOTAL EQUITY</b>			
		<u><b>152,318,905</b></u>	<u><b>146,364,754</b></u>
<b>NET ASSET VALUE PER SHARE</b>	13	<u><b>0.144</b></u>	<u>0.138</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 unaudited 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 2018 except for the accounting policy changes that are expected to be reflected in the 2019 annual financial statements. Details of any changes in accounting policies are set out in note 3.

### **3. NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the Group has been impacted by HKFRS9 in relation to classification and measurement of financial assets. Details of the changes in accounting policies are discussed below.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period

HKFRS 9 replaces the provisions of HKAS 39 that related to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments and impairment of financial assets.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 April 2018 in accordance with the transition requirements. The Group has recognized the cumulative effect of initial application as an adjustment to the opening equity at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

### 3. NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONT’D)

#### Classification and measurement

On 1 April 2018, the Group’s management has classified its financial instruments into the appropriate HKFRS 9 categories. There is no significant impact on the classification and measurement of the available-for-sale financial assets (“AFS”) elected to be classified as financial assets at amortised cost and fair value through other comprehensive income (“FVOCI”) which is stated at fair value before. However, gains or loss realized on the sale of financial assets at FVOCI will no longer be transferred to profit or loss on sale, but instead reclassified below the line from the fair value reserve (non-recycling) to retained earnings. Equity investments classified as AFS and stated at cost before are elected to be classified as FVOCI and remeasured at fair value. With respect to the Group’s financial assets reclassified as financial assets at fair value through profit or loss (“FVTPL”), any fair value change is recognised in profit or loss as it arises.

The main effects resulting from this reclassification and remeasurement are as follows:

	<i>Note</i>	AFS HK\$ (Unaudited)	FVTPL HK\$ (Unaudited)	FVOCI HK\$ (Unaudited)
Opening balance 1 April 2018				
- HKAS 39		28,272,770	104,598,419	-
Reclassify non-trading listed equity from AFS to FVOCI	(a)	(19,326,590)	-	19,326,590
Reclassify the non-trading unlisted equity from AFS to FVOCI	(a)	(8,946,180)	-	8,946,180
Revalue the non-trading unlisted equity reclassified from AFS to FVOCI	(a)	-	-	1,041,051
Opening balance 1 April 2018				
- HKFRS 9		-	104,598,419	29,313,821

The impact of these changes on the Group’s equity is as follows:

	<i>Note</i>	Effect on Fair Value reserve (recycling) HK\$ (Unaudited)	Effect on Fair Value reserve (non -recycling) HK\$ (Unaudited)	Effect on retained profit HK\$ (Unaudited)
Opening balance 1 April 2018				
- HKAS 39		6,312,563	-	36,890,054
Reclassify non-trading listed equity from AFS to FVOCI	(a)	(6,312,563)	6,312,563	-
Revalue the non-trading unlisted equity reclassified from AFS to FVOCI	(a)	-	1,041,051	-
Opening balance 1 April 2018				
- HKFRS 9		-	7,353,614	36,890,054

### 3. NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONT’D)

Notes:

#### (a) Remaining equity investments previously classified as AFS

The Group elected to present in other comprehensive income changes in the fair value of all its remaining equity investments previously classified as AFS because such investment is held as long-term strategic investment that is not expected to be sold in the short to medium term. As a result, a listed equity investment with fair value of HK\$19,326,590 was reclassified from AFS to FVOCI and total fair value gain of HK\$6,312,563 was reclassified from the fair value reserve (recycling) to the fair value reserve (non-recycling) on 1 April 2018.

And unlisted equity investments with cost of HK\$8,946,180 was reclassified from AFS to FVOCI and remeasured at fair value of HK\$9,987,231 with fair value gain of HK\$1,041,051 adjusted to fair value reserve (non-recycling).

#### Impairment of financial assets

The Group is required to revise its impairment methodology under HKFRS 9 for each classes of assets. The provision for doubtful debts for these financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting inputs to the impairment calculation, based on the Group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### 4. ACCOUNTING POLICIES

The accounting policies used in the unaudited condensed consolidated financial statement are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31 March 2018 except for the adoption of the HKFRS 9. The HKICPA has issued the following amendments and new or amended standards which are not yet effective in these financial statements and the Group have not been early adopted in these consolidated financial statements:

HKFRS 10 and HKAS 28 (Amendment)	<i>Sales of Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup></i>
HKFRS 16	<i>Leases<sup>1</sup></i>
HKFRS 17	<i>Insurance Contract<sup>2</sup></i>
HK(IFRIC) 23	<i>Uncertainty over Income Tax Treatments<sup>1</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1<sup>st</sup> January, 2019

<sup>2</sup> Effective for annual periods beginning on or after 1<sup>st</sup> January, 2021

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

The Group has been evaluating the impact of these new or revised standards and amendments. So far, the Group considers that these new or revised standards and amendments are unlikely to have a significant impact on the Group's result of operations and financial position..

## 5. REVENUE

	For the six months ended 30 September	
	2018 (unaudited) HK\$	2017 (unaudited) HK\$
Net realised and unrealised (loss)/gain on financial assets at fair value through profit or loss	(3,228,842)	2,973,598
Dividend income from listed equity securities	4,955,248	3,960,646
	<u>1,726,406</u>	<u>6,934,244</u>

No analysis of the Group's turnover and contribution to operating profit for the period set out by principal activities and geographical markets is provided as the Group has only one single business segment, investment holding and all the consolidated turnover and the consolidated results of the Group are attributable to the markets in Hong Kong.

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

## 6. OTHER REVENUES

	For the six months ended 30 September	
	2018 (unaudited) HK\$	2017 (unaudited) HK\$
Other revenue		
Interest income	7	7
Other income	3,900	-
	<u>3,907</u>	<u>7</u>

## 7. FINANCE COSTS

	For the six months ended 30 September	
	2018 (unaudited) HK\$	2017 (unaudited) HK\$
Interest on other borrowings wholly repayable within five years	<u>56,550</u>	<u>102,522</u>

## 8. (LOSS) /PROFIT BEFORE TAXATION

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

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	<b>2017</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$</b>	<b>HK\$</b>
Depreciation	<b>585</b>	1,260
Investment management fee paid to a related company	<b>1,124,665</b>	1,241,246
Staff costs, including defined contributions of HK\$10,500 (2017: HK\$10,500) to MPF Scheme	<b>310,700</b>	295,200
Minimum lease payments on properties under operating leases	<b>132,000</b>	132,000

## 9. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made for the period ended 30 September 2018 and 30 September 2017 as the Group did not generate any assessable profits during the period.

## 10. (LOSS) /EARNINGS PER SHARE

The calculation of the basic earnings per share for the six months ended 30 September 2018 is based on the Group's loss attributable to equity holders of the Company for the period of HK\$598,792 (For the six months ended 30 September 2017: profit HK\$4,340,329) and 1,059,778,200 (For the six months ended 30 September 2017: 1,059,778,200) ordinary shares in issue during the period.

The Company does not have dilutive potential ordinary shares for the six months ended 30 September 2018 and 2017 respectively.



## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<b>30 September 2018 (unaudited) HK\$</b>	31 March 2018 (audited) HK\$
Equity securities designated at FVOCI		
Unlisted equity and debt securities	<b>21,748,625</b>	-
Listed equity securities in Hong Kong	<b>20,707,851</b>	-
	<b>42,456,476</b>	-
Available-for-sale financial assets (AFS)		
Unlisted equity and debt securities, at cost	-	17,580,180
Less: Provision for impairment loss	-	(8,634,000)
	-	8,946,180
Listed equity securities in Hong Kong	-	19,326,590
	-	28,272,770
Market value of listed equity securities	<b>20,707,851</b>	19,326,590

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

	<b>30 September 2018 (unaudited) HK\$</b>	31 March 2018 (audited) HK\$
Equity securities, - listed in Hong Kong at fair value	<b>98,008,238</b>	103,857,202
Derivative financial instruments at fair value	<b>648,817</b>	741,217
Unlisted convertible debt securities at fair value	<b>5,000,000</b>	-
	<b>103,657,055</b>	104,598,419
Market value of listed equity securities	<b>98,008,238</b>	103,857,202

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.

## 13. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of HK\$152,318,905 (31 March 2018: HK\$146,364,754) and 1,059,778,200 (31 March 2018: 1,059,778,200) ordinary shares in issue as at 30 September 2018.

#### **14. INTERIM DIVIDEND**

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 September 2018 (2017: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group recorded a net loss attributable to equity shareholders of approximately HK\$ 600,000 for the six months ended 30 September 2018 as compared to the net profit of approximately HK\$4,300,000 in the corresponding period of last year. The turnaround from net profit to net loss was mainly due to realized and unrealized loss on financial assets at fair value through profit or loss of approximately HK\$3,200,000, as compared realized and unrealized gain of HK\$3,000,000 in last corresponding period. Gross proceeds from disposal of trading securities significantly decreased 60% from HK\$75 million to HK\$30 million compared with the corresponding period of last year as the Group has to focus more on unlisted investments expecting to bring better returns than trading in listed securities based on historical records. During this period, the Group has invested HK\$12 million in unlisted investments at cost, which included HK\$7 million payment of the capital commitment to the remaining balance of one of the existing project in financial assets at fair value through other comprehensive income and HK\$5 million in a new unlisted convertible debt securities under financial assets at fair value through profit or loss. Therefore, it is not in line with the increasing transaction volume of approximately 16% in Hang Seng Index during the same period. Moreover, the Group maintains cash and bank balances of approximately HK\$4.4 million and HK\$10.5 million for six month periods ended 30 September 2018 and year ended 31 March 2018 respectively. The decrease in cash and bank balances were mainly due to investment in unlisted investment during this period. Although the cash and bank balance decreased as at this period end, it is still healthy and maintains good liquidity. The net asset value increased by 4.0% from HK\$ 146.4 million to HK\$152.3 million, which is outperform the Hang Seng Index (“HSI”) which decrease of 7.7% during this period, which is mainly due to the fair value change in the unlisted investments.

During the period, the Group’s investment portfolio was well diversified and comprised of different sectors of businesses including telecommunications, retail businesses, properties and financial institutions, etc, in which the financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss totaled approximately HK\$42 million and HK\$104 million respectively (31 March 2018: HK\$28 million under available-for-sales financial assets and HK\$105 million under financial assets at fair value through profit or loss) . For financial assets at fair value through other comprehensive income during the period, there was no further investment of listed securities but an increase in the investment of unlisted equities of HK\$7 million at cost.

The top ten investments under financial assets at fair value through profit or loss incurred significant portion in the net assets of the Group and all of these investments were listed securities in Hong Kong as below:

Name of investee companies	As at 30 September 2018			As at 31 March 2018		
	Number of share	Fair Value <i>HK\$</i>	Approximately % of total assets of the Group	Number of share	Fair Value <i>HK\$</i>	Approximately % of total assets of the Group
CK Hutchison Holdings Limited (Stock Code: 0001)	40,000	3,608,000	2.34%	40,000	4,062,630	2.53%
Power Assets Holdings Limited (Stock Code: 0006)	20,000	1,090,000	0.71%	-	-	-
PCCW Limited (Stock Code: 0008)	4,888,000	22,289,280	14.45%	4,888,000	22,191,520	14.94%
Yi Hua Holdings Limited (Stock Code: 2213)	26,578,278	26,578,278	17.23%	28,970,278	28,970,278	19.50%
Bank of Communication Company Limited (Stock Code:3328)	1,600,000	9,392,000	6.09%	-	-	-
Xinjiang Xinxin Mining Industry Company Limited (Stock Code: 3833)	1,600,000	1,376,000	0.89%	1,600,000	1,664,000	1.12%
Bank of China Limited (Stock Code:3988)	2,600,000	9,048,000	5.87%	-	-	-
Gemilang International Limited (Stock Code: 6163)	4,791,250	10,540,750	6.84%	5,991,250	16,835,413	11.33%
Kwong Man Kee Group Limited (Stock Code: 8023)	10,518,000	6,626,340	4.30%	10,518,000	5,048,640	3.40%
Chi Ho Development Holdings Limited (Stock Code: 8423)	1,820,000	3,312,400	2.15%	2,070,000	2,980,800	2.01%
		<u>93,861,048</u>	<u>60.87%</u>		<u>81,753,281</u>	<u>54.83%</u>

During the corresponding period, the global and local equity markets had experienced intense volatility. The trend of the stock markets are extremely difference between U.S., China and Hong Kong. The difference was mainly due to the effect of the beginning of a tariff war between U.S. and China as well as the effect from interest rate hike in U.S..

Entered into the second quarter , a prologue to the trade war was given between U.S. and China when undertaking the effect from the U.S. President Donald Trump ("Trump") announced across-the-board tariffs on steel and aluminum towards China in March 2018. As Trump identified China setting low valuation in RMB and allowing cheap imports into the U.S. goods market and leading uncompetitive. Therefore, Trump started to level the playing field on trade and reduce the US trade deficit by imposed tariffs toward China, and this trade restriction against China as a long-overdue rebalancing of unfair trade practices. Trump then started to impose exclusive 10% to 25% tariff on at least US\$250 billion worth of China's products during this period which included steel and aluminum, Chinese technology products, etc. Although China retaliated with a set of levies, including on the US produce, cars, aircraft and agricultural products, the size of these tariff has just put them on US\$110 billion worth U.S. products which represented the export from China are more than the US export almost twice and as a result US then be in a strong position toward this trade war and led the valuation of U.S. dollars raised. Together with the good economic data, like low unemployment rate, and led the Fed to increase interest rate 0.25% each in June and September 2018 respectively. The Dow Jones Index increased sharply by 9.77% from 24,103 at end of March to 26,458 at the end of September 2018.

Meanwhile, the China stock market sentiment was in opposite to US and Europeans. In order to increase the stability of the banking system funds, optimize the liquidity structure of commercial banks and financial markets. The Chinese central bank reduced its required reserve ratio two times from April to September 2018 at 1% and 0.5% respectively. So that the financial institutions can increase the support to small enterprises, private enterprises and the source of funds for innovative enterprises promote the healthy development of the real economy. However, being seriously affected by the trade war with U.S., the economic data became worse just as the GDP dropped to 6.5%, the Caixin China Manufacturing Purchasing Managers Index at September 2018 was reaching the 15 months low at 50 since June 2017 and the valuation of RMB dropped around 9.7% during this period. As a result the Shanghai Composite Index dropped 10.95% from 3,168 at end of March to 2,821 at the end of September 2018.

Hong Kong equity market was sensitive to the news on the global economic situation, especially the negative effect from trade war between U.S. and China, as well as the interest rate hike in U.S. up to the end of this period. U.S. has already increased eight times interest rate since the end of December 2015 up to the end of this period. Hong Kong finally followed the upward adjustment of U.S. and raised the interest rate by 0.125% in September 2018, which is the first time to increase interest rate since 2006. This act may increase the financing cost for corporations and individuals which increase their burden damaging the consumption of the Hong Kong economy. Together with the impact from trade war between U.S. and China which also affect the trading and manufacturing industries and led the Hong Kong economy become worse. As a result, the HSI decreased 7.66% from 30,093 in March to 27,788 at the end of September 2018.

### **Prospects**

We expect the global stock markets are full of challenges in the coming few months especially there will be high probability to increase interest rate again by the Fed before the end of year 2018, as well as the unpleasant development on the trade war between U.S. and China as Trump may impose huge amount tariff on China products again, up to US\$500 billion worth of China's products. Together with risk on the devaluation of the currency from many emerging countries expanded rapidly, these bring a ripple effect to the worldwide investors and reduce their investment desire. Due to these reasons, the Group will continue to adopt and maintain a conservative but proactive investment approach so as to bring better returns for our shareholders.

## **FINANCIAL REVIEW**

### **Liquidity and Financial Resources**

As at 30 September 2018, the Group had bank balances and cash of HK\$4,349,191 (31 March 2018: HK\$10,532,557). The Board believes that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

As at 30 September 2018, 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 (2018: nil) as there was no debt as at 30 September 2018 (31 March 2018: 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 2018.

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

As at 30 September 2018, the Group had no material capital commitment and contingent liabilities.

### **Material Acquisition and Disposal**

During the Period, the Group had not made any material acquisition or disposal of subsidiaries and associates.

### **Exposure to foreign currency fluctuation and related hedges**

The Board believes that the foreign exchange risk is minimal as the Group mainly uses Hong Kong dollars to carry out its business transactions. Therefore, there was no material foreign exchange exposure to the Group.

### **Share Option**

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 2018 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 2018, 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") on 17 August 2018 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 and EGM.

**EMPLOYMENT AND REMUNERATION POLICIES**

As at 30 September 2018, the Group employed a total of 3 full-time employees (2017: 3), 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 2018, 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 2018 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**  
**WONG Yun Kuen**  
*Chairman*

Hong Kong, 21 November 2018

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

*\* For identification only*