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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 2020

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 2020 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>Notes</i>	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Gross proceeds from disposal of trading securities		<u>2,388</u>	<u>10,154</u>
Revenue	4	3,129	3,201
Net loss on financial assets at fair value through profit or loss	5	(20,270)	(31,391)
Net gain on other investment at fair value through profit or loss		444	75
Other revenue		-	131
Administrative and other operating expenses		(2,305)	(2,639)
Finance costs	6	-	(302)
Loss before taxation	7	(19,002)	(30,925)
Income tax expense	8	-	-
Loss for the period and total comprehensive loss attributable to owners of the Company		(19,002)	(30,925)
Loss per share			
Basic and diluted	9	(1.49)cents	(2.43)cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	30 September 2020 (unaudited) HK\$'000	31 March 2020 (audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		-	-
CURRENT ASSETS			
Amounts due from investee companies		2,065	2,275
Amounts due from related companies		1,831	1,408
Deposits		66	66
Financial assets at fair value through profit or loss	10	86,233	103,800
Other investment		1,083	639
Cash and bank balances		3,550	5,745
		94,828	113,933
CURRENT LIABILITY			
Accruals		255	358
NET CURRENT ASSETS		94,573	113,575
TOTAL ASSETS LESS CURRENT LIABILITIES		94,573	113,575
NON-CURRENT LIABILITY			
Deferred tax liabilities		191	191
NET ASSETS		94,382	113,384
CAPITAL AND RESERVES			
Share capital		12,717	12,717
Reserves		81,665	100,667
TOTAL EQUITY		94,382	113,384
NET ASSET VALUE PER SHARE	11	HK\$0.07	HK\$0.09

NOTES TO THE CONDENSED 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, 300 Des Voeux Road Central, Hong Kong.

The Company and its subsidiaries (collectively referred to as the "Group") are engaged in investment holding and trading of securities.

The condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company and all values (including comparative information) are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

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.

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 Group annual consolidated financial statements for the year ended 31 March 2020.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are effective for the Group's financial year beginning on or after 1 April 2020:

HKAS 1 and HKAS 8 (Amendments)	<i>Definition of Material</i>
HKFRS 9, HKAS 39 and HKFRS 7(Amendments)	<i>Interest Rate Benchmark Reform</i>
HKFRS 3 (Amendments)	<i>Definition of a Business</i>

The application of the Amendments to References to the Conceptual Framework in HKFRSs and the amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE

	For the six months ended 30 September	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Dividend income from:		
- Listed equity investments	3,129	3,201
- Unlisted equity investments	-	-
	<u>3,129</u>	<u>3,201</u>

No analysis of the Group's revenue 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 revenue 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 investment and the disclosures of information regarding customers would not be meaningful.

5. NET LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The following is the analysis of net loss on investment of the Group for the six months ended 30 September 2020 and 2019. The amounts of realised loss represent the fair value difference between the beginning of the period or purchase date in the period and the disposal date of financial instruments while the amounts of unrealised loss represent the change of the fair value during the period of financial instruments held by the Group as at the period-end:

	For the six months ended 30 September	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Net loss on financial assets at fair value through profit or loss		
- Listed equity investment		
- Realised	(16)	(570)
- Unrealised	(12,490)	(30,483)
- Unlisted equity investment		
- Unrealised	(7,764)	(338)
	<u>(20,270)</u>	<u>(31,391)</u>

6. FINANCE COSTS

	For the six months ended 30 September	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Interest on other borrowings wholly repayable within five years	-	302

7. LOSS BEFORE TAXATION

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

	For the six months ended 30 September	
	2020 (unaudited) HK\$'000	2019 (unaudited) HK\$'000
Investment management fee paid to a related company	836	1,107
Staff costs (including director's remuneration) , including defined contributions of HK\$10,500 (2019: HK\$10,500) to MPF Scheme	306	326
Short -term lease expense	132	132
Allowance for expected credit loss on amounts due from investee companies	210	-

8. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made for the six months ended 30 September 2020 and 2019 as the Group sustained a tax loss during the period.

9. LOSS PER SHARE

The calculation of the basic loss per share for the six months ended 30 September 2020 is based on the Group's loss attributable to owners of the Company for the period of approximately HK\$19,002,000 (2019: HK\$30,925,000) and 1,271,732,200 (2019: 1,271,732,200) ordinary shares in issue during the period.

The Company does not have dilutive potential ordinary shares for the six months ended 30 September 2020 and 2019.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2020 (unaudited) HK\$'000	31 March 2020 (audited) HK\$'000
Financial Assets at fair value through profit or loss:		
Listed equity securities in Hong Kong (Note (a))	81,362	91,165
Unlisted equity securities (Note (b) &(c))	4,871	12,635
	<u>86,233</u>	<u>103,800</u>
Market value of listed equity securities in Hong Kong	<u>81,362</u>	<u>91,165</u>

- (a) The fair value of the listed equity securities (excluded suspended trading securities) are determined based on the quoted market closing price available on the Stock Exchange at the end of the reporting period.
- (b) The fair values of unlisted equity securities were arrived on the basis of valuation carried out by a firm of independent professional valuers. The fair value of the business valuation of unlisted equity securities was valued by using market approach and the put option value of unlisted equity securities was valued by using binomial model.
- (c) The Group entered into a conditional agreement for sale of approximately 16.67% of the entire issued share capital and the amount due from Diamond Motto Limited on 18 August 2020 at consideration of approximately HK3.6 million and will result in a loss on disposal of approximately HK\$1.34 million. As at the date of this announcement, this conditional agreement has not yet been completed.

11. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of approximately HK\$94,382,000 (31 March 2020: HK\$113,384,000) and 1,271,732,200 (31 March 2020: 1,271,732,200) ordinary shares in issue as at 30 September 2020.

12. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 September 2020 (2019: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group recorded a net loss attributable to owners of the Company of approximately HK\$ 19,002,000 for the six months ended 30 September 2020 as compared to the net loss of approximately HK\$30,925,000 in the corresponding period of last year. The decrease in the net loss was mainly due to decrease in realised and unrealised loss on financial assets at fair value through profit or loss of approximately HK\$20.3 million for the period ended 30 September 2020 as compared with HK\$31.4 million in last corresponding period. Gross proceeds from disposal of trading securities significantly decreased 76% from HK\$10.1 million to HK\$2.4 million compared with the corresponding period of last year as the Group reduced the investment desire on trading listed securities under the uncertainty of economic environment during this period. Therefore it was not in line with the increasing transaction volume of approximately 51% in Hang Seng Index during the same period. Moreover, the Group maintained cash and bank balances of approximately HK\$3.55 million and HK\$5.75 million for six months period ended 30 September 2020 and year ended 31 March 2020 respectively which the Group considered healthy and to maintain good liquidity. The net asset value decreased by 16.8% from HK\$ 113.4million to HK\$94.4 million which underperformed the Hang Seng Index (“HSI”), but was also in line with the decrement of 0.6% of HSI during this period.

During the period, the global and local equity markets have experienced intense volatility. As at 30 September 2020, the Group's proactive investment strategy was to maximise profit for shareholders during this period, and the Group's investment portfolio was well diversified and comprised of different sectors including bank, telecommunications, transportation, retail businesses, properties, manufacturing, construction etc, in which investment in listed securities amounted HK\$81.4 million (31 March 2020: HK\$91.2 million) and unlisted investment with fair value at HK\$4.9 million (31 March 2020: HK\$12.6 million) which are matched with the Group's strategy. All dividend income were from the listed securities investment during the period.

The short term strategy of the Group is to trade the listed securities and maintain sufficient dividend income level for the Group's operation. The long term strategy is to balance the listed and unlisted investment so as to make better returns for our shareholders and to maintain sufficient liquidity for future actions when fluctuation in stock markets and investing in unlisted investment may bring higher potential.

During the corresponding period the trend of the stock markets were similar between United States (“U.S.”) and China but opposite in Hong Kong. Both U.S. and China equity markets had experienced an uptrend. The uptrend was mainly due to the effect of the bank stimulus with fiscal stimulus in U.S. and China brought economies back from the brink and led the economic recovery and bull market in stocks was born.

The negative impact of elevated uncertainty surrounding the COVID-19 pandemic was carrying over from last period, which led to a depressing economy in U.S. in the beginning of second quarter of 2020. However, the U.S. Federal Reserve (the “Fed”) indicated that interest rates would remain nearly 0% through 2022. In addition, the Fed initiated Quantitative Easing (the “QE”) and the state purchased unlimited amount of Treasury securities and agency mortgage-backed-securities which stimulated the equity market. Together with the good economic data, such as reduction in unemployment rate and improvement in PMI which drove the U.S. economy and stimulated the U.S. stock market during this period. The Dow Jones Index increased by 26.76% from 21,917 at end of March 2020 to 27,781 at end of September 2020.

Meanwhile, the China stock markets sentiment was similar to U.S. and Europe during this period as the epidemic of COVID-19 started to ease in China. In addition, Chinese Government announced a series of stabilized policy to stimulate economy, together with the good economic data just like the uptrend of the Caixin China Manufacturing Purchasing Managers Index (“PMI”) from April 2020 at 49.4 to 53 at the end of September 2020 and the increase in the valuation of the RMB against USD by 5.8%. In addition, the GDP had significant improvement as the first quarter 2020 dropped of 6.8% to growth of 4.9% in the third quarter 2020. The Shanghai Composite Index increased 17.02% from 2,750 at end of March to 3,218 at the end of September 2020.

Hong Kong equity market was sensitive to the news on the global economic situation, especially the negative impact from COVID-19 pandemic and the positive impact from QE of U.S. and Chinese economic stimulate policy. However the U.S. President instructed executive order to abolish the preferential tariff rates for exports to United States from Hong Kong in June 2020 set off the aforesaid positive effects and led the economic downturn. As a result, the HSI slightly decreased 0.61% from 23,603 at the end of March 2020 to 23,459 at the end of September 2020.

Prospects

We expect the global stock markets to be full of challenges in the coming few months, especially the uncertainty of the impact from the U.S. president election and the effect from COVID-19 all over the world. In addition, without a new wave of the Employment Support Scheme from Hong Kong Government, a wave of layoffs began to emerge and the Hong Kong economy entering a turbulent market environment with a downward trend.

Due to these reasons, the Group remains cautiously optimistic about the outlook of the global as well as Hong Kong equity markets. We may seek and evaluate good investment opportunities to enrich our investment portfolios. We may invest in more unlisted equity securities with good potential to be listed. It is our future business decisions by building on our successful experience in the past. We will also continue to adopt and maintain a cautious and pragmatic investment approach in order to bring better returns for our shareholders.

Investment Review

The Group holds a lot of listed investment and two unlisted investment with fair value as at the period ended 30 September 2020. The top ten listed investment and the unlisted investment represented significant portion in the net assets of the Group as at the period ended 30 September 2020 as below:

Listed securities investment

Name of investee companies	As at 30 September 2020			As at 31 March 2020		
	Number of share	Fair Value <i>HK\$'000</i>	Approximately % of total assets of the Group	Number of share	Fair Value <i>HK\$'000</i>	Approximately % of total assets of the Group
CK Hutchison Holdings Limited (Stock Code: 0001)	50,000	2,330	2.46%	40,000	2,092	1.84 %
PCCW Limited (Stock Code: 0008)	5,800,265	26,797	28.26%	5,800,265	24,767	21.74%
MTR Corporation Limited (Stock Code:0066)	182,643	6,986	7.37%	178,000	7,129	6.26%
i-Control Holdings Limited (Stock Code:1402)	6,000,000	2,430	2.56%	-	-	-
JBB Builders International Limited (Stock Code:1903)	4,644,000	2,926	3.09%	4,644,000	2,740	2.40%
Yi Hua Holdings Limited (Stock Code: 2213)	26,578,278	2,684	2.83%	26,578,278	5,183	4.55%
Bank of Communications Co., Limited (Stock Code:3328)	1,200,000	4,464	4.71%	1,000,000	4,750	4.17%
Bank of China Limited (Stock Code: 3988)	4,600,000	11,040	11.64%	4,600,000	13,662	11.99%
Gemilang International Limited (Stock Code: 6163)	4,791,250	4,360	4.60%	4,791,250	5,989	5.26%
Kwong Man Kee Group Limited (Stock Code: 8023)	30,003,000	7,291	7.69%	30,003,000	14,101	12.38%
		<u>71,308</u>	<u>75.21%</u>		<u>80,413</u>	<u>70.59%</u>

A brief description of the business, financial performance and prospect of the listed securities investment is as follows:

1. CK Hutchison Holdings Limited ("CKH Holdings")

CKH Holdings is incorporated in Cayman Islands and is principally engaged in property development and investment hotel and serviced suite operation, property and project management, and investment in infrastructure businesses and securities, ownership and leasing of movable assets.

Pursuant to the interim report of CKH Holdings for the six months ended 30 June 2020, it recorded revenue of approximately HK\$124,651 million, total comprehensive income of approximately HK\$13,532 million and net assets of approximately HK\$597,600 million. Excluding the adverse translation exchange impacts, EBITDA and EBIT dropped 10% and 19% respectively against the same period last year in local currencies, primarily reflecting the adverse underlying performances in Husky and Retail. CKH Holdings's first half results also included a net gain attributable to ordinary shareholders of HK\$9.2 billion arising from the dilution of CKH Holdings's attributable interest in Vodafone Hutchison Australia ("VHA"), renamed TPG Telecom Limited, following the merger of VHA with TPG Corporation Limited ("TPG", formerly known as TPG Telecom Limited) effective in late June 2020.

The Group believes that, the world has experienced many unexpected shocks in first half of 2020. However, recent developments in June and July suggest some signs of moderate stabilization with various markets in Europe and in the Mainland gradually relaxing the restrictive measures. Should these trends continue, the second half could provide a more constructive operating environment for CKH Holdings. Under these exceptional circumstances, operationally, CKH Holdings will continue to focus on recovering revenue, maintaining stringent but flexible costs, capital expenditure and investment controls, as well as accelerating digital solutions and access capabilities. Financially, CKH Holdings will maintain strong and resilient financial fundamentals through prudent management of debt levels and liquidity across all business. Therefore, the Group holds 50,000 shares in CKH Holdings, representing 0.001% interest in the issued share capital of CKH Holdings based on the interim report of CKH Holdings at 30 June 2020, and derived a dividend income of approximately HK\$122,000 for the period ended 30 September 2020.

2. PCCW Limited ("PCCW")

PCCW is incorporated in Hong Kong and is principally engaged in the provision of telecommunication services, internet and multimedia services, sale and rental of equipment and technical services, investment in and development of infrastructure, properties and technology-related business.

Pursuant to the interim report for PCCW for the six months ended 30 June 2020, PCCW recorded revenue of approximately HK\$18,281 million, total comprehensive income of approximately HK\$133 million and net assets of approximately HK\$14,838 million. Despite a material decline in roaming revenue because of travel restrictions, HKT Limited ("HKT") total revenue excluding mobile product sales held steady at HK\$13,636 million due to the scale and resilience of the Telecommunications Services ("TSS") segment. HKT's total revenue decreased by 3% to HK\$14,606 million, reflecting softer mobile product sales due to the subdued consumer sentiment. Total EBITDA of HKT decreased by 3% to HK\$5,546 million with margin held stable.

The Group believes that, as the world settles in the period post the COVID-19 peak, the attempt to gradually resume normal international sports leagues and tournaments is expected to improve subscriptions for Now TV. Viu TV will continue to produce quality programs to sustain a stable growth of local viewership. HKT will actively drive 5G adoption by consumers and enterprises. Therefore, the Group holds 5,800,265 shares in PCCW, representing 0.075% interest in the issued share capital of PCCW based on the interim report of PCCW at 30 June 2020 and derived a dividend income of approximately HK\$1,326,000 for the period ended 30 September 2020.

3. MTR Corporation (“MTR”)

MTR is incorporated in Hong Kong and is principally engaged in provision in the following businesses – railway design, construction, operation, maintenance and investment in Hong Kong, the Mainland China and a number of major overseas cities.

Pursuant to the interim report of MTR for the period ended 30 June 2020, MTR recorded loss of approximately HK\$311 million, total comprehensive loss for approximately HK\$771 million and net assets of approximately HK\$180,021 million. For the first half of 2020, recurrent business profit attributable to shareholders decreased by 83.8% to HK\$433 million. Property development profit for the period increased from HK\$775 million to HK\$5,200 million. As a result, underlying business profit increased by 63.8% to HK\$5,633 million. Including the revaluation loss of investment properties of HK\$5,967 million, net loss attributable to shareholders of the Company was HK\$334 million, compared to a net profit of HK\$5,506 million in the same period in 2019.

The Group believes that, the past six months have been one of the most unsettling periods in recent memory. As Hong Kong recovers from the impact of COVID-19, MTR, as a major public transportation service provider, looks forward to playing a leading role in helping the city build back better. Therefore, the Group holds 182,643 shares in MTR, representing 0.003% interest in the issued share capital of MTR based on the interim report of MTR at 30 June 2020. No dividend was received during the period.

4. i-Control Holdings Limited (“i-Control”)

i-Control is incorporated in Cayman Islands and is principally engaged in provision of video conferencing and multimedia audiovisual solution (“VCMA”) and related system integration services in Hong Kong.

Pursuant to the annual report for the year ended 31 March, 2020, i-Control recorded revenue of approximately HK\$158 million, total comprehensive income of approximately HK\$2 million, and net assets of approximately HK\$141 million. Profit for the year decreased from approximately HK\$23.5 million for the year ended 31 March 2019 to approximately HK\$2.6 million for the year ended 31 March 2020, which was mainly due to (i) decreased in revenue and gross operating profit; and (ii) transfer of listing expenses incurred in relation to the Main Board Transfer during the year. Excluding the transfer of listing expenses, i-Control’s adjusted profit for the year ended 31 March 2020 would be approximately HK\$17.6 million, representing a decrease of approximately 25.2% as compared to the previous year.

The Group believes that, during the year, i-Control maintained its market position as one of the leading service providers of VCMA maintenance services. i-Control continued to expand its market share in the VCMA solution industry in the PRC by expanding its coverage of sales and marketing as well as engineering and maintenance in the PRC market. Therefore, the Group holds 6,000,000 shares in i-Control, representing 0.6% interest in the issued share capital of i-Control based on the annual report of i-Control at 31 March, 2020 and derived a dividend income of approximately HK\$26,000 for the period ended 30 September 2020.

5. JBB Builders International Limited (“JBBI”)

JBBI is incorporated in Cayman Islands. It is an investment holding company and its subsidiaries are principally engaged in the provision of marine construction services and building and infrastructure services.

Pursuant to the annual report for JBBI for the year ended 30 June 2020, JBBI recorded revenue of approximately RM125 million, total comprehensive income of approximately RM3 million and net assets of approximately RM\$135 million. During the year ended 30 June 2020, JBBI had completed a total of 7 marine construction contracts, which comprised of 6 reclamation and related works contracts and 1 marine transportation contracts with aggregate original contract sum of approximately RM42.6 million, and total of 7 building and infrastructure contracts with aggregate original contract sum of approximately RM132.8 million.

The Group believes that, going forward, JBBI will continue to leverage the strong financial position of JBBI and to explore new business opportunities including projects in public and private sector in Malaysia, Singapore and Hong Kong and at the same time strengthen the presence and market position in marine construction and building and infrastructure services industry. Therefore, the Group holds 4,644,000 shares in JBBI, representing 0.929% interest in the issued share capital of JBBI based on the annual report of JBBI at 30 June 2020. No dividend was received during the period.

6. Yi Hua Holdings Limited (“Yi Hua Hldg”)

Yi Hua Hldg is incorporated in Cayman Islands and is principally engaged in operations of department stores in the People’s Republic of China (“PRC”). Following various acquisitions from 2016 to 2018, Yi Hua Hldg has also expanded its operations into property investment, property development and property management business.

On 18 August 2020, Yi Hua Hldg was ordered to be wound up by the High Court in HCCW 393/2019. On 25 August 2020, the High Court ordered that Mr. Lai Kar Yan and Ho Kwok Leung Glen of Deloitte Touche Tohmatsu be appointed as the Joint and several Liquidators of Yi Hua Hldg. Trading in the shares of Yi Hua Hldg on the Stock Exchange, which has been suspended with effect from 3:33p.m. on 18 August 2020, remains suspended and will continue to be so until further notice.

On 25 August 2020, Yi Hua Hldg received a letter (the “Letter”) from the Stock Exchange, in which, among other things, the Stock Exchange sets out the following resumption guidance (the “Resumption Guidance”) for Yi Hua Hldg.

- (i) have the winding-up order against Yi Hua Hldg withdrawn or dismissed and the appointment of any liquidators (provisional or not) discharged.
- (ii) publish all outstanding financial results and address any audit modifications; and
- (iii) have the winding-up order against Yi Hua Hldg withdrawn, inform the market of all material information for shareholders and investors to appraise the Yi Hua Hldg’s position or dismissed and the appointment of any liquidators (provisional or not) discharged.

The Group believes that, Yi Hua Hldg is taking appropriate steps to comply with the Resumption Guidance and the Listing Rules as stated in the Letter in order to have the trading in the shares of Yi Hua Hldg resumed. The Group will closely monitor and follow up the case of continued suspension of shares trading of Yi Hua Hldg and take all necessary and appropriate actions in due course. The Group holds 26,578,278 shares in Yi Hua Hldg, representing 2.650% interest in the issued share capital of Yi Hua Hldg based on the interim report of Yi Hua Hldg at 30 June 2019. No dividend was received during the period.

7. Bank of Communications Co. Ltd. (“Bank Com.”)

Bank Com. is incorporated in the PRC and is principally engaged in provision of banking and related financial services.

Pursuant to the interim report of Bank Com. for the period ended 30 June 2020, Bank Com. recorded net profit of approximately RMB36,997 million, total comprehensive income of approximately RMB35,990 million and net assets of approximately RMB814,132 million. During the period, Bank Com. realized a profit for the shareholders of the Bank of approximately RMB36,505 million, an decrease of 14.61% compared with prior period. Return on average total assets (“ROA”) was 0.72% and return on average equity (“ROE”) was 10.07%.

The Group believes that, since 2020, the pandemic of COVID-19 has spread around the world, becoming the most severe shock to hit the global economy after the 2008 global financial crisis. With the normalization of domestic pandemic prevention and control and gradual improvements in domestic demand, China’s economy is recovering and expects the positive economic growth over the year. Overall, both opportunities and challenges exist in the banking industry. Therefore, the Group holds 1,200,000 shares in Bank Com., representing 0.0016% interest in the issued share capital of Bank Com. based on the interim report of Bank Com. at 30 June 2020 and derived a dividend income of approximately HK\$381,000 for the period ended 30 September 2020.

8. Bank of China Limited (“BOC”)

BOC is incorporated in the PRC and are principally engaged in provision of a full range of corporate banking, personal banking, treasury operations, investment banking, insurance and other services to its customers in the Chinese mainland, Hong Kong, Macau, Taiwan and other major international financial centres.

Pursuant to the interim report of BOC for the six month ended 30 June 2020, BOC recorded profit of approximately RMB107,812 million, total comprehensive income of approximately RMB119,889 million and net assets of approximately RMB2,088,613 million. BOC realized a profit attributable to equity holders of the Bank of RMB100,917 million, a decrease of 11.51% compared with the same period of the prior year. Return on average total assets (ROA) was 0.92%, and return on average equity (ROE) was 11.10%.

The Group believes that, BOC adhered to the general principle of pursuing progress while ensuring stability, and applied the new development philosophy. With 2020 designated as the “Year of Enhanced Implementation”. BOC will stimulate vitality, respond with agility and achieve breakthroughs in key areas. It will endeavour to combine performing its responsibilities and planning for its own development, solving present difficulties and resolving long-term problems, and tackling external challenges and defending the risk bottom line, in order to seek out new opportunities from crisis conditions, break new ground in the midst of changes, and realise high-quality development amid difficulties and challenges. Therefore, the Group holds 4,600,000 shares in BOC, representing 0.0016% interest in the issued share capital of BOC based on the interim report of BOC at 30 June 2020 and derived a dividend income of approximately HK\$861,000 for the period ended 30 September 2020.

9. Gemilang International Limited ("Gemilang")

Gemilang is incorporated in Cayman Islands and is principally engaged in design and manufacture bus bodies and assemble buses and has over 25 years of track record in the industry.

Pursuant to the interim report of Gemilang ended 30 April 2020, Gemilang recorded revenue of approximately US\$16 million, total comprehensive loss of US\$0.46 million and net assets of US\$19 million. During the period, all revenue was derived from the sales of aluminium buses and bus bodies. The demand in aluminium bus and bus body will continue to experience a higher growth due to increasing demand for the use of materials that meets environmental standards. Aluminium will likely be the preferred material for buses, in particular electric buses, due to its lighter weight and better energy efficiency.

The Group believes that following the relieve of the COVID-19 pandemic, the regional lockdown restriction began to ease gradually. Gemilang believes that public transport is vital to keep economy running. Being a participant in the supply chain of transportation system, they will continue to maintain the competitive edge and being endeavor to recover from the adverse impact brought by the COVID-19 during the second half of the financial year ending 31 October 2020. Therefore, the Group holds 4,791,250 shares in Gemilang representing 1.906% interest in the issued share capital of Gemilang based on the interim report of Gemilang at 30 April 2020. No dividend was received during the period.

10. Kwong Man Kee Group Limited ("KMK")

KMK is incorporated in Cayman Islands and is principally engaged in provision of engineering services in flooring, screeding, anti-skid surfacing, specialized texture painting and waterproofing works.

Pursuant to the annual report of KMK for the year ended 31 March 2020, KMK recorded revenue of approximately HK\$95 million, total comprehensive income of approximately HK\$6 million and net assets of approximately HK\$84 million. The revenue, which is principally generated from the provision of car park flooring services projects, decreased to approximately HK\$95.0 million or 19.4%, for year ended 31 March 2020 from approximately HK\$117.9 million for year ended 31 March 2019. The decrease for revenue was mainly driven by the delay in commencement and work progress of some projects caused by the social unrest in Hong Kong since June 2019 and the ongoing COVID-19 outbreak in 2020.

The Group believes that, in light of the prevailing market and economic uncertainty (in particular, the impact of social unrest and recent COVID-19 outbreak) and the keen competition in the car park flooring market, KMK will focus on the following business strategies in order to strengthen its market position and income stream: (i) explore any new opportunities to diversify its business; (ii) keep track of any new construction and projects and refurbishment project in car park flooring markets in Hong Kong and Macau; (iii) expand the business in their ancillary service, i.e. specialized texture painting and waterproofing works; and (iv) take measures to control the operating cost, such as the labour and material costs, as well as general administrative expenses. KMK will adhere to these strategies and cope with future challenges in order to achieve continuous growth for KMK and the shareholders' value as a whole. Therefore, the Group holds 30,003,000 shares in KMK, representing 5% interest in the issued share capital of KMK based on the annual report of KMK at 31 March 2020. No dividend was received during the period.

Unlisted investment

Name of investee companies	Proportion of shares capital owned	As at 30 September 2020			Approximately % of total assets of the Group (by Fair Value)	Proportion of shares capital owned	As at 31 March 2020		Approximately % of total assets of the Group (by Fair Value)
		Cost	Fair Value	Cost			Fair Value		
		HK\$'000	HK\$'000	HK\$'000			HK\$'000		
Guangdong Jingyeng Aquaculture Company Limited	1.60%	4,220	1,998	2.11%	1.60%	4,220	3,530	3.10%	
Diamond Motto Limited	16.67%	11,667	2,873	3.03%	16.67%	11,667	9,105	7.99%	

A brief description of the business, financial performance and prospect of the unlisted securities investment are as follows:

1. Guangdong Jingyeng Aquaculture Company Limited ("Jingyeng Aquaculture ")

Jingyeng Aquaculture is incorporated in The People's Republic of China and is principally engaged in business of aquaculture and feed production during the period.

Pursuant to the unaudited financial statement for the nine months ended 30 September 2020, Jingyeng Aquaculture recorded net profit of approximately RMB1.70 million and net assets of approximately RMB215.6 million. Jingyeng Aquaculture's net profit margin for the period was about 1.51%.

The Group believes that there will be steady growth in aquaculture and feed production business in China and it is beneficial to Jingyeng Aquaculture. Therefore, the Group holds 1.6% interest in the issued share capital of Jingyeng Aquaculture. No dividend was derived during the period. The net assets attributable to the Group was approximately HK\$3,938,000 (2020: HK\$3,748,000).

2. Diamond Motto Limited ("Diamond Motto")

Diamond Motto is incorporated in the British Virgin Islands and was principally engaged in business of investment holding during the period. LMP International Limited ("LMP") is the only investment of Diamond Motto. The principal activities of LMP are the trading of furnishings and provision of interior design, fitting out and decoration services.

Pursuant to the unaudited interim financial statements of Diamond Motto for the period ended 30 September 2020, Diamond Motto recorded net loss of approximately HK\$2.04 million and net assets of approximately HK\$70,000.

The Group holds 50 shares in Diamond Motto, representing 16.67% interest in the issued share capital of Diamond Motto. No dividend was derived during the period. Based on the unaudited financial statements of Diamond Motto at 30 September 2020, the Group's share of the net assets of Diamond Motto was approximately HK\$12,000 (2020: HK\$314,000). The Group entered into a conditional agreement for sale of approximately 16.67% of the entire issued share capital and the amount due from Diamond Motto Limited on 18 August 2020 at consideration of approximately HK3.6 million and will result in a loss on disposal of approximately HK\$1.34 million. As at the date of this announcement, this conditional agreement has not yet been completed.

In addition, the net realised and unrealised loss on financial assets at fair value through profit or loss for the period ended 30 September 2020 amounted to approximately HK\$20.3 million was mainly due to the listed securities and the relevant breakdown are as follows:

<u>Name of investee companies</u>	<u>Realised</u>		<u>Unrealised</u>		<u>Net realised and unrealised gain/(loss)</u> <i>HK\$'000</i>
	<u>Disposal consideration</u> <i>HK\$'000</i>	<u>Cost of investment</u> <i>HK\$'000</i>	<u>Net gain/(loss)</u> <i>HK\$'000</i>	<u>Net gain/(loss)</u> <i>HK\$'000</i>	
<i>Listed investment</i>					
PCCW Limited (Stock Code: 0008)	-	-	-	2,030	2,030
China Construction Bank Corporation (Stock Code: 0939)	1,220	(1,248)	(28)	(25)	(53)
Yi Hua Holdings Limited (Stock Code: 2213)	-	-	-	(2,498)	(2,498)
Bank of Communications Co., Limited (Stock Code:3328)	1,168	(1,156)	12	(1,287)	(1,275)
Bank of China Limited (Stock Code:3988)	-	-	-	(2,622)	(2,622)
Gemilang International Limited (Stock Code: 6163)	-	-	-	(1,629)	(1,629)
Kwong Man Kee Group Limited (Stock Code: 8023)	-	-	-	(6,811)	(6,811)
Others	-	-	-	352	352
			(16)	(12,490)	(12,506)
<i>Unlisted investment</i>	-	-	-	(7,764)	(7,764)
Total			(16)	(20,254)	(20,270)

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 September 2020, the Group had bank balances and cash of approximately HK\$3,550,000 (31 March 2020: HK\$5,745,000). The Board believes that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

As at 30 September 2020, 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 (2020: nil) as there was no debt as at 30 September 2020 (31 March 2020: 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 2020.

Capital commitment and contingent liabilities

As at 30 September 2020, 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 2020 before recommending them to the Board for approval.

The Committee comprises four independent non-executive directors, namely Mr. CHAN Chung Yee, Alan, Dr. FUNG Lewis Hung, Mr. TANG Hon Bui, Ronald and Mr. KWOK Ming Fai.

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 2020, 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. TANG Hon Bui, Ronald was unable to attend the annual general meeting ("AGM") on 14 August 2020 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 2020, the Group employed a total of 3 full-time employees (2019: 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 four independent non-executive directors, Mr. CHAN Chung Yee, Alan, Dr. FUNG Lewis Hung, Mr. TANG Hon Bui, Ronald and Mr. KWOK Ming Fai 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 four independent non-executive directors, Mr. CHAN Chung Yee, Alan, Dr. FUNG Lewis Hung, Mr. TANG Hon Bui, Ronald and Mr. KWOK Ming Fai 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 2020, 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 2020 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, 27 November 2020

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, Mr. TANG Hon Bui, Ronald and Mr. KWOK Ming Fai as independent non-executive directors.

** For identification only*