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UBA INVESTMENTS LIMITED

開明投資有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 768)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

RESULTS

The Board of directors (the “Board”) of UBA Investments Limited (the “Company”) is pleased to announce that the consolidated financial results of the Company and its subsidiaries (the “Group”) for the year ended 31st March, 2021 together with the comparative audited figures for the previous financial year are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH, 2021

	<i>Notes</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
Gross proceeds from disposal of trading securities		<u>2,581</u>	<u>17,600</u>
Revenue	5	3,695	3,889
Net loss on financial assets at fair value through profit or loss	6	(8,215)	(42,456)
Net gain/(loss) on other investment at fair value through profit or loss		444	(41)
Other revenue and other income	7	350	258
Administrative and other operating expenses		(5,163)	(6,252)
Finance costs	8	-	(402)
Loss before taxation	9	<u>(8,889)</u>	<u>(45,004)</u>
Income tax credit	10	191	489
Loss and total comprehensive loss for the year attributable to owners of the Company		<u>(8,698)</u>	<u>(44,515)</u>
Loss per share			
Basic and diluted	11	<u>(0.68) HK cents</u>	<u>(3.50) HK cents</u>
Dividend		<u>Nil</u>	<u>Nil</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH, 2021

	<i>Notes</i>	2021 HK\$'000	2020 HK\$'000
NON-CURRENT ASSET			
Property, plant and equipment		-	-
CURRENT ASSETS			
Amounts due from investee companies		-	2,275
Amounts due from related companies		810	1,408
Deposits		66	66
Financial assets at fair value through profit or loss	12	101,302	103,800
Other investment		1,083	639
Cash and bank balances		1,772	5,745
		105,033	113,933
CURRENT LIABILITY			
Accruals		(347)	(358)
NET CURRENT ASSETS		104,686	113,575
TOTAL ASSETS LESS CURRENT LIABILITY		104,686	113,575
NON-CURRENT LIABILITY			
Deferred tax liabilities		-	(191)
NET ASSETS		104,686	113,384
CAPITAL AND RESERVES			
Share capital		12,717	12,717
Reserves		91,969	100,667
TOTAL EQUITY		104,686	113,384
NET ASSET VALUE PER SHARE	13	HK\$0.08	HK\$0.09

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

UBA Investments Limited (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 of the Company 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 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

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention except the financial assets at fair value through profit or loss (“FVTPL”) and other investment are stated at fair value and on the basis that the Group is a going concern.

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the current year for the preparation of the consolidated financial statements:

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

The application of *the Amendments to References to the Conceptual Framework in HKFRSs* and amendments to HKFRSs in the current year had no material impact on the Group’s consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

4. NEW AND AMENDMENTS TO HKFRSs ON ISSUE BUT NOT YET EFFECTIVE

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and related Amendments ¹
HKFRS 16 (Amendments)	Covid-19 Related Rent Concessions ⁴
HKFRS 16 (Amendments)	Covid-19 Related Rent Concessions beyond 30 June 2021 ⁶
HKFRS 3 (Amendments)	Reference to the Conceptual Framework ²
HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2 ⁵
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2018-2020 ²
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and related amendments to International Interpretation 5 (2020) ¹
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies ¹
HKAS 8 (Amendments)	Definition of Accounting Estimates ¹
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹
HKAS 16 (Amendments)	Property, Plant and Equipment – Proceeds before Intended Use ²
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract ²
AG 5 (Amendments)	Merger Accounting for Common Control Combination ²

¹ Effective for annual periods beginning on or after 1st January, 2023.

² Effective for annual periods beginning on or after 1st January, 2022.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1st June, 2020.

⁵ Effective for annual periods beginning on or after 1st January, 2021.

⁶ Effective for annual periods beginning on or after 1st April, 2021.

The directors of the Company anticipate that the application of the all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

5. REVENUE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Dividend income from:		
- Listed equity investment	<u>3,695</u>	<u>3,889</u>

No analysis of the Group's revenue and contribution to operating profit for the current and prior years 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 performance of the markets in Hong Kong.

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

6. 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 years ended 31st March, 2021 and 2020. The amounts of realised gain/(loss) represent the fair value difference between the beginning of the year or purchase date in the year and the disposal date of financial instruments while the amounts of unrealised loss represent the change of the fair value during the year of financial instruments held by the Group as at the year end:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
(Loss)/gain on financial assets at FVTPL		
- Listed equity investment		
- Realised	4	(556)
- Unrealised	(848)	(37,761)
- Unlisted equity investment		
- Realised	(5,291)	-
- Unrealised	(2,080)	(4,139)
	<u>(8,215)</u>	<u>(42,456)</u>

7. OTHER REVENUE AND OTHER INCOME

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Other Revenue		
Bank interest income	-	258
Government grant (Note)	35	-
	<u>35</u>	<u>258</u>
Other Income		
Reversal of ECL on amount due from investee companies	<u>315</u>	<u>-</u>

Note:

The Group recognised government grant of approximately HK\$35,000 (2020: HK\$ nil) which related to Employee Support Scheme provided by the Hong Kong Government for the year ended 31st March, 2021.

8. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest on other borrowings wholly repayable within five years	<u>-</u>	<u>402</u>

9. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging/(crediting):

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Auditors' remuneration	252	252
Investment management fee paid to a related company	1,621	2,075
Staff costs (including directors' remuneration), including defined contributions of approximately HK\$24,000 (2020: HK\$24,000) to MPF Scheme	1,024	954
Short-term lease expenses	264	264
(Reversal of)/allowance for ECL on amounts due from investee companies	(315)	313

10. INCOME TAX CREDIT

Tax credit in the consolidated statement of profit or loss and other comprehensive income represents:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Deferred tax credit	(191)	(489)

On 21st March, 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28th March, 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong profits tax had been made as the Group has no assessable profits for the years ended 31st March, 2021 and 2020.

11. LOSS PER SHARE

The basic loss per share is based on the Group's loss attributable to owners of the Company of approximately HK\$8,698,000 (2020: HK\$44,515,000) and 1,271,732,200 (2020: 1,271,732,200) weighted average number of shares for the purpose of basic loss per ordinary shares for the years ended 31st March, 2021 and 2020.

Basic loss per share is the same as diluted loss per share as the Company has no dilutive potential ordinary shares for both years.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Listed equity securities in Hong Kong at fair value (Note (a))	99,852	91,165
Unlisted equity securities at fair value (Note (b) and (c))	<u>1,450</u>	<u>12,635</u>
	<u>101,302</u>	<u>103,800</u>
Market value of listed equity securities (Note (a))	<u>99,548</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.

As at 31st March, 2021, the fair value of suspended trading securities listed in Hong Kong amounting to approximately HK\$304,000 was reference to the valuation carried by a firm of independent professional valuers. The fair value of suspended trading securities listed in Hong Kong was valued by using market approach.

The market value of listed equity 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. For the year ended 31st March, 2021, the fair value of the business valuation of unlisted equity securities was valued by using market approach (2020: 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) During the year ended 31st March, 2021, Loyal Grace Investments Limited, a wholly owned subsidiary of the Company, disposed its 16.67% entire equity interest of Diamond Motto Limited (“Diamond Motto”) with carrying amount of approximately HK\$9,105,000 and the amount due from Diamond Motto with gross carrying amount of approximately HK\$2,590,000 to Shen You Holdings Limited (“Shen You”), a company which shares are listed on GEM of the Stock Exchange, for a consideration of 16,852,711 shares of Shen You (the “Consideration Shares”). As at 9th February 2021, being the date of completion, the market value of the Consideration Shares was approximately HK\$6,404,000. The Group recognised realised loss on financial assets at FVTPL of approximately HK\$5,291,000.

13. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of the Group amounted to approximately HK\$104,686,000 (2020: HK\$113,384,000) and 1,271,732,200 (2020: 1,271,732,200) ordinary shares in issue as at 31st March, 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended 31st March, 2021, UBA Investments Limited and its subsidiaries (the “Group”) recorded a loss attributable to owners of approximately HK\$8.7 million (2020: HK\$44.5 million) of which unrealised loss of HK\$0.85 million (2020: unrealised loss HK\$37.8 million) in relation to the listed securities and realised and unrealised loss of HK\$5.3 million and HK\$2.1 million respectively (2020: unrealised loss HK\$4.1 million) in relation to the unlisted equity investment. The loss per share was HK\$0.0068 (2020: HK\$0.035). Gross proceeds from disposal of trading securities significantly decreased 85% from HK\$17.6 million to HK\$2.6 million as the Group reduced the investment proportion on trading listed securities under the uncertainty of economic environment affected by COVID-19 pandemic during the period. In order to minimize the potential loss generated in the highly volatile stock markets under the COVID-19, the Group needs to be prudent and kept those high yield and blue chip listed securities in order to generate dividend for operations and sufficient fund for the coming investment opportunities. Therefore, it was not in line with the increasing transaction volume of approximately 67% in Hang Seng Index (“HSI”) compared with last year. As at 31st March, 2021, the net assets of the Group were approximately HK\$104.7million (2020: HK\$113.4 million). The net assets decreased by 7.7% when compared with last year, which is not in line with the increase of 20% in HSI during this year mainly due to the realised loss on disposal of unlisted equity investment amount HK\$ 5.3 million and unrealised loss on unlisted equity investment amount HK2.1 million. In addition, it was because the increase of share price of those high yield listed securities kept by the Group underperformed HSI.

During the corresponding period, the global and local equity markets had experienced intense volatility. The Group's proactive investment strategy was to maximize profit for shareholders during the period, through investment in listed securities with relatively high yield and more stable, especially the bank and telecommunication sectors which contributed 86% in dividend income in which all dividend income were generated from listed securities investment during the year.

As at 31st March, 2021, 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\$99.9 million (2020: HK\$91.2 million) and unlisted investment with fair value at amount HK\$1.5 million (2020: HK\$12.6 million) which match with the strategy of the Group. The significant decrease of the unlisted investment was mainly due to one of the unlisted investment was disposed during the year.

The strategy of the Group in short term is to trade listed securities depending on the market sentiment and to maintain sufficient dividend level for the Group operation. For the long term strategy, it is to balance the listed and unlisted investment so as to bring better returns for our shareholders and to maintain sufficient liquidity for the future actions when fluctuation in stock markets and investing in unlisted investment may have higher potentials. In addition, the Group would conduct further review on acquisition of the unlisted equity investment from time to time in the future.

During the corresponding year, the trend of the stock markets were similar between United States (“U.S.”), China and Hong Kong. All these equity markets had experienced an uptrend. It was mainly due to the effect of the fiscal stimulus in U.S. and China and the release of the COVID-19 vaccines around the world bringing 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 along with surging COVID infections in the world, which led to a depressing economy in U.S. and European countries in the beginning of second quarter of 2020. However, the U.S. Federal Reserve (the “Fed”) indicated that interest rates would remain nearly 0% throughout 2022. In addition, the Fed initiated Quantitative Easing (the “QE”) and the State purchased unlimited amount of Treasury securities and agency mortgage-backed-securities together with the US\$ 1.9 trillion American Rescue Plan announced by the New U.S. President Joe Biden, which include at least 400 billion US dollars to solve the COVID crisis by expanding the scope of testing and COVID vaccination, etc, which stimulated the equity markets. Together with the good economic data, such as reduction in unemployment rate and improvement in PMI, and most important is the release of COVID-19 vaccines during the year brought positive market sentiment to the investors and drove the U.S. economy and stimulated the U.S. stock markets during the year. The Dow Jones Index increased sharply by approximately 50% from 21,917 at the end of March 2020 to 32,981 at the end of March 2021.

Meanwhile, the China stock markets sentiment had experienced an uptrend which was similar to U.S. and Europe during the year as the epidemic of COVID-19 started to ease in China, especially after the release of the COVID-19 vaccines during the year. In addition, the Chinese Government announced a series of stabilized policies to stimulate economy, especially after the announcement of the Fourteenth Five-Year Plan for National Economic and Social Development in which the Chinese Government will focus on the new generation of information technology, biotechnology, new energy, new materials, high-end equipment, etc (“new economy business”) which lead to increase in the prospects and confidence in new economy business companies. 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 50.6 at the end of March 2021 and the increase in the valuation of the RMB against USD by approximately 8% during the year. In addition, the GDP had significant improvement as the first quarter 2021 increased 18.3% comparing with last corresponding period. The Shanghai Composite Index increased approximately 25% from 2,750 at the end of March 2020 to 3,441 at the end of March 2021.

Back to the Hong Kong Stock Markets, which were highly sensitive to the news of the global economy, especially the negative impact from COVID-19 pandemic and U.S. executive order to abolish the preferential tariff rates for exports to United States from Hong Kong in June 2020. However, the positive impact from QE of U.S., Chinese economic stimulate policy and the release of COVID-19 vaccines during the year outweighed the negative impact. As a result, the HSI also increase significantly approximately 20% from 23,603 at the end of March 2020 to 28,378 at the end of March 2021.

Prospects

Notwithstanding positive impacts the year, we expect global economy will be full of challenges in the coming few months even though benefiting from the rebound economics in U.S., Europe and PRC, low interest rate environment worldwide and the release of the COVID -19 vaccines, which may enhance the investment desire and confidence of investors around the world and keep the global stock markets flourishing. On the flip side, we also remain cautious of the impact of the COVID-19 pandemic outbreak seriously in other backward countries which may bring negative effect toward the global economics.

Due to these reasons, the Group remains cautiously optimistic about the outlook of the global as well as Hong Kong equity markets. We may consider investing in more relatively high yield listed securities and maintain sufficient liquidity for future investment opportunities to enrich our investment portfolios. 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 hold lot of listed investment and one unlisted investment at fair value as at the year ended 31st March, 2021. The top ten listed equity investment and the unlisted equity investment represented significant portion in the net assets of the Group as at the year ended 31st March, 2021 as below:

Listed securities investment

Name of investee companies	As at 31st March, 2021			As at 31st 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	3,098	2.95%	40,000	2,092	1.84 %
PCCW Limited (Stock Code: 0008)	5,800,265	25,405	24.19%	5,800,265	24,767	21.74%
MTR Corporation Limited (Stock Code: 0066)	183,775	8,094	7.71%	178,000	7,129	6.26%
i-Control Holdings Limited (Stock Code: 1402)	6,000,000	3,300	3.14%	-	-	-
JBB Builders International Limited (Stock Code: 1903)	4,644,000	2,786	2.65%	4,644,000	2,740	2.40%
Bank of Communications Co., Limited (Stock Code: 3328)	1,200,000	5,940	5.65%	1,000,000	4,750	4.17%
Bank of China Limited (Stock Code: 3988)	4,600,000	13,616	12.96%	4,600,000	13,662	11.99%
Gemilang International Limited (Stock Code: 6163)	4,791,250	4,312	4.11%	4,791,250	5,989	5.26%
Kwong Man Kee Group Limited (Stock Code: 8023)	30,003,000	12,751	12.14%	30,003,000	14,101	12.38%
Shen You Holdings Limited (Stock Code: 8377)	16,852,711	7,752	7.38%	-	-	-
		<u>87,054</u>	<u>82.88%</u>		<u>75,230</u>	<u>66.04%</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 ports and related services, retail, infrastructure, energy and telecommunication industries.

Pursuant to the annual report for the year ended 31st December, 2020, CKH Holdings recorded revenue of approximately HK\$266,396 million, total comprehensive income of approximately HK\$54,715 million and net assets of approximately HK\$630,063 million.

On a Pre-IFRS 16 basis, EBITDA and EBIT decreased 13% and 24% respectively against last year, primarily reflecting the adverse full year performances due to the pandemic. Comparing against the first half of the year, excluding the one-time transactional gains, as well as the share of Husky’s impairment and other charges, all operations have seen some recovery in the second half, with the overall underlying EBITDA and EBIT increasing 38% and 65% respectively against the first six months of 2020. Profit attributable to ordinary shareholders for 2020 of HK\$29,000 million, a decrease of 27% compared to 2019. On a Post-IFRS 16 basis, profit attributable to ordinary shareholders of HK\$29,143 million decreased by 27% from 2019. Earnings per share were HK\$7.56 for the year ended 31st December, 2020, a decrease of 27%.

The Group concurs with that CKH Holdings believes that, in 2021, CKH Holdings will continue to react nimbly to changing business conditions, which will likely be similar to the second half of 2020, while continuing to prioritise health and safety for employees and customers and preserving strong balance sheet and liquidity. CKH Holdings’ year end net debt to net total capital ratio of 22.2% is expected to be further reduced following the various transactions completing in 2021. CKH Holdings is in a strong financial position and expects solid performance in 2021. 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 annual report at 31st December, 2020, and derived a dividend income of HK\$122,000 for the year ended 31st March, 2021.

2. PCCW Limited (“PCCW”)

PCCW is incorporated in Hong Kong and is principally engaged in telecommunications, media, IT solutions, property development and investment, and other business.

Pursuant to the report for the year ended 31st December, 2020, PCCW recorded revenue of approximately HK\$38,046 million, total comprehensive income of approximately HK\$674 million and net assets of approximately HK\$13,554 million. PCCW recorded a steady performance for the year ended 31st December, 2020, even as the COVID-19 pandemic persisted throughout the year and severely disrupted normal economic activity and life around the world.

The Group believes that, the economic outlook in 2021 for Hong Kong and the world is clouded by the pandemic and external factors including persistent tensions between China and the US. But with PCCW established local leadership and strong regional presence, PCCW are determined to continue deploying technology, creativity and innovation to support customer needs under the new normal and in the post-pandemic recovery. Therefore, the Group holds 5,800,265 shares in PCCW, representing 0.075% interest in the issued share capital of PCCW based on the annual report at 31st December, 2020 and derived a dividend income of HK\$1,855,000 for the year ended 31st March, 2021.

3. MTR Corporation Limited (“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 of China and a number of major overseas cities.

Pursuant to the annual report for the year ended 31st December, 2020, MTR recorded total revenue of approximately HK\$42,541 million, net loss of approximately HK\$4,809 million and net assets of approximately HK\$176,981 million. The financial results were affected by the significant impact of the COVID-19 pandemic. Loss arising from recurrent businesses for the year was HK\$1,126 million. Property development profit for the year decreased by 1.3% to HK\$5,507 million. As a result, profit arising from underlying businesses decreased by 58.5% to HK\$4,381 million.

The Group believes that while in the near terms economic outlook remains challenging, MTR has reasons to be optimistic about their medium to long-term future. Despite the fact that businesses suffered to varying degrees in 2020, MTR is in a solid financial position, and they continue to drive a number of projects and developments that offer strong potential. Therefore, the Group holds 183,775 shares in MTR, representing 0.003% interest in the issued share capital of MTR based on the annual report at 31st December, 2020. No dividend was received during the year.

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 interim report for the six months ended 30th September, 2020, i-Control recorded revenue of approximately HK\$75 million, total comprehensive income of approximately HK\$9 million and net assets of approximately HK\$142 million. Profit for the period increased from approximately HK\$1,130,000 for the six months ended 30th September, 2019 to approximately HK\$9,495,000 for the six months ended 30th September, 2020, which was mainly due to the decreased in gross operating profit net off with the effect of (i) no non-recurring transfer listing expenses incurred in relation to the transfer of listing during the period; (ii) decrease in income tax expenses; and (iii) subsidy from employment Support Scheme of approximately HK\$2,312,000. Excluding the subsidy from Employment Support Scheme, i-Control’s adjusted profit for the period would be approximately HK\$7,183,000.

The Group concurs with i-Control will continue to closely monitor the development of COVID-19 and new precautionary measures and evaluate the policies of the i-Control to minimize the epidemic’s impact on the business of i-Control. Meanwhile, i-Control will seize business opportunities with gradual relaxation in anti-epidemic measures and continue to seek and explore new opportunities to expand the i-Control’s business in order to support long-term development of i-Control. 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 interim report ended at 30th September, 2020 and derived a dividend income of approximately HK\$26,000 for the year ended 31st March, 2021.

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 interim report ended 31st December, 2020, JBBI recorded revenue of approximately RM34.6 million, total comprehensive loss of approximately RM8 million and net assets of approximately RM128 million. Revenue decreased by approximately RM56.7 million or 62.1% from approximately RM91.3 million for the six months ended 31st December, 2019 to approximately RM34.6 million for the six months ended 31st December, 2020. The substantial decline in revenue is mainly attributable to (i) the reduction in volume of work for marine construction services and building and infrastructure services following the completion of certain key contracts which contributed to a substantial portion of the revenue for the six months ended 31st December, 2019; and (ii) the suspension of the JBBI’s ongoing contracts, postponement of the scheduled construction works and further delay in the commencement of new contracts secured in earlier periods due to the long lasting COVID-19 Outbreak and the enforcement of the conditional Restriction of Movement Order by Malaysia government.

The Group concurs with JBBI continue to leverage the advantageous financial position of JBBI and to explore new business opportunities in Malaysia, Singapore and Hong Kong and at the same time strengthen JBBI presence and market position in marine construction and building and infrastructure services industry. Therefore, the Group holds 4,644,000 shares in JBBI, representing 0.93% interest in the issued share capital of JBBI based on the interim report ended 31st December, 2020. No dividend was received during the year.

6. 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 annual report for the year ended 31st December, 2020, Bank Com. recorded profit of approximately RMB79,570 million, total comprehensive income of approximately RMB 71,021 million and net assets of approximately RMB878,628 million. During the period, Bank Com. realised a profit attributable to shareholders of Bank Com. of approximately RMB78,274 million, an increase of approximately 1.28% compared with prior year. Return on average total assets (“ROA”) was 0.77% and return on average equity (“ROE”) was 11.35%.

The Group concurs with Bank Com. believes that, looking forward into 2021, the international economic situation will remain complex and challenging, and the global economy recovery is still going to be tottering, but the fundamentals of China’s long-term economic development remain positive. The pandemic prevention and control results will continue to consolidate, and the macro policies will remain their continuity, stability and sustainability. The implementation of policy would be more targeted and effective. Overall, during 2021 and the period of the “14th Five-Year Plan” , the banking industry will switch from rapid growth to a new phase of high-quality development, with opportunities going together with challenges. Therefore, the Group holds 1,200,000 shares in Bank Com., representing 0.002% interest in the issued share capital of Bank Com. based on the annual report at 31st December, 2020 and derived a dividend income of HK\$381,000 for the year ended 31st March, 2021.

7. Bank of China Limited (“BOC”)

BOC is incorporated in the PRC and is principally engaged in provision 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 annual report for the year ended 31st December, 2020, BOC recorded profit of approximately RMB205,096 million, total comprehensive income of approximately RMB182,234 million and net assets of RMB2,162,837 million. BOC realised a profit attributable to equity Holders of RMB192,870 million, a year-on-year increase of 2.92%. Return on average total assets (“ROA”) was 0.87%, and return on average equity (“ROE”) was 10.61%.

The Group concurs with BOC believes that, in 2021, the banking industry will face a complicated operating environment. From an international perspective, the world economic situation remains complication and grim. The global economic recovery is expected to be unstable and uneven, and the potential risks caused by COVID-19 pandemic should not be ignored. From a domestic perspective, China’s economy is in good condition from a long-term perspective, with the new development pattern being built at an accelerating pace and endogenous capacity gradually improving. Therefore, the Group holds 4,600,000 shares in BOC, representing 0.002% interest in the issued share capital of BOC based on the annual report at 31st December, 2020 and derived a dividend income of HK\$861,000 for the year ended 31st March, 2021.

8. Gemilang International Limited (“Gemilang”)

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

Pursuant to the annual report for the year ended 31st October, 2020, Gemilang recorded revenue of approximately US\$31 million, total comprehensive income of approximately US\$0.3 million and net assets of approximately US\$20 million. Gemilang recorded a revenue of approximately US\$31 million, representing a significant decrease of approximately 50.68% from approximately US\$63 million in the financial year ended 31st October, 2019. The decrease in revenue was primarily due to the decrease in the delivery of bus bodies to Singapore and the United Arab Emirates during the year as compared to the year ended 31st October, 2019.

The Group believes that Gemilang objective is to become one of the leading bus manufacturing solution providers in Asia. Gemilang believes the Asia market has a lot of growth potential as countries continue to urbanise with a growth population and bus is a convenient and cost efficient form of public transportation that can be implemented in many areas. Gemilang believes they are well positioned and equipped with the technological capability to capture this opportunity. Therefore, the Group holds 4,791,250 shares in Gemilang, representing 1.906% interest in the issued share capital of Gemilang based on the annual report at 31st October, 2020. No dividend was received during the year.

9. 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 and concrete repairing.

Pursuant to the interim report ended 30th September, 2020, KMK recorded revenue of approximately HK\$64 million, and total comprehensive income of approximately HK\$11 million and net assets of approximately HK\$96 million. During the period, the increase of revenue was mainly driven by the increase in the number of projects undertaken by KMK during the six months ended 30th September, 2020.

The Group concurs with KMK believes that, in light of the prevailing market and economic uncertainty (in particular, the impact of COVID-19 pandemic) and the keen competition in car park flooring market, KMK will continue to strengthen its market position and income stream by focusing on the following business strategies: (i) explore any new opportunities to diversify its business; (ii) keep track of any new construction projects and refurbishment projects in car park flooring markets in Hong Kong and Macau; (iii) expand the business in 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. Therefore, the Group holds 30,003,000 shares in KMK, representing 5% interest in the issued share capital of KMK based on the interim report at 30th September, 2020. No dividend was received during the year.

10. Shen You Holdings Limited (“Shen You”)

Shen You is incorporated in Cayman Islands and is principally engaged in the manufacture and trading of sewing threads and broad categories of garment accessories.

Pursuant to the annual report for the year ended 31st December, 2020, Shen You recorded revenue of approximately HK\$45 million, total comprehensive loss of approximately HK\$12 million and net assets of approximately HK\$46 million. Shen You’s net loss decreased to approximately HK\$15.6 million for the year ended 31 December, 2020 from approximately HK\$19.2 million for the year ended 31st December, 2019, representing a decrease of approximately 18.9%. Such decrease in net loss was mainly due to the decrease in impairment losses on financial assets of approximately HK\$3.0 million and decreased in the finance cost of approximately HK\$0.9 million during the year ended 31st December, 2020.

The Group believes that Shen You would continue to review the existing businesses from time to time with a view to improving the business operation and financial position of Shen You. Shen You is in the course of feasibility study to invest in new business related to quality thoroughbred, acquire the horse racing and breeding operations.

Therefore, the Group entered into and completed a sales and purchase agreement with Shen You to sell one of the Group unlisted investment Diamond Motto for an aggregate of 16,852,711 of Shen You shares as consideration during the year. The Group holds 16,852,711 shares in Shen You, representing 4.74% interest in the issued share capital of Shen You after the completion of the above transaction on 9th February, 2021. No dividend was received during the year.

Unlisted equity investment

Name of investee companies	Proportion of shares capital own	As at 31st March, 2021			Approximately % of total assets of the Group (by Fair Value)	As at 31st 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		
Guangzhou Jingyeng Aqua-Culture Company Limited	1.60%	4,220	1,450	1.38%	1.60%	4,220	3,530	3.10%	
Diamond Motto Limited	-	-	-	-	16.67%	11,667	9,105	7.99%	

A brief description of the business, financial performance and prospect of the unlisted securities investment is 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 year.

Pursuant to the annual report for the year ended 31st December, 2020, Jingyeng Aquaculture recorded net profit was approximately RMB3.4 million and net assets of approximately RMB218 million. Jingyeng Aquaculture’s net profit margin for the year was about 1.94%.

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 year. The net assets attributable to the Group was approximately HK\$4,130,000 (2020: HK\$3,748,000).

2. Diamond Motto Limited (“Diamond Motto”)

On 18th August, 2020, the Group entered into a sales and purchase agreement with Shen You, a company listed on the Stock Exchange of Hong Kong Limited with stock code 8377. Pursuant to the agreement, the Group together with three other Vendors sold the entire interests in the issued share capital of and loans due from Diamond Motto for an aggregate stated consideration of HK\$14,500,000, by way of an aggregate of 67,441,860 consolidated shares, representing HK\$0.215 per share. The Group agreed to sell its entire shares, representing approximately 16.67% of the entire issued share capital of Diamond Motto, and the amount due from Diamond Motto for a stated consideration of HK\$3,623,333, which was satisfied by Shen You by way of allotting and issuing an aggregate of 16,852,711 consolidated shares of HK\$0.05 each in the issued share capital of Shen You. On 2nd February, 2021, an Extraordinary General Meeting (“EGM”) of Shen You was held and the shareholders of Shen You approved the sales and purchase transaction and the allotment and issuance of its shares as consideration, and completion of the transaction took place on 9th February, 2021. Being the date of completion on 9th February, 2021, the market value of Shen You’s shares was approximately HK\$6,404,000. The total of the carrying amount of Diamond Motto (HK\$9,105,000) and the gross carrying amount of the amount due from Diamond Motto (HK\$2,590,000) were approximately HK\$11,695,000. Therefore, the Group recognized a loss on disposal amount approximately HK\$5,291,000 during the year.

In addition, the net realised and unrealised gain/(loss) on financial assets at fair value through profit or loss for the year ended 31st March, 2021 amounted to approximately HK\$8.2 million was mainly due to the listed and unlisted investment 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>Disposal cost/carrying amount 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)	-	-	-	638	638
MTR Corporation Limited (Stock Code:0066)	-	-	-	965	965
China Construction Bank Corporation Limited (Stock Code: 0939)	1,221	(1,250)	(29)	6	(23)
i-Control Holdings Limited (Stock Code: 1402)	-	-	-	1,263	1,263
Yi Hua Holdings Limited (Stock Code: 2213)	-	-	-	(5,183)	(5,183)
Bank of Communications Co., Limited (Stock Code: 3328)	1,167	(1,154)	13	188	201
Xinjiang Xinxin Mining Industry Co., Ltd. (Stock Code: 3833)	-	-	-	1,072	1,072
Gemilang International Limited (Stock Code: 6163)	-	-	-	(1,677)	(1,677)
Kwong Man Kee Group Limited (Stock Code: 8023)	-	-	-	(1,350)	(1,350)
Shen You Holdings Limited (Stock Code: 8377)	-	-	-	1,348	1,348
Others	193	(173)	20	1,882	1,902
			4	(848)	(844)
<i>Unlisted investment</i>					
Diamond Motto Guangzhou Jingyeng Aqua-Culture Company Limited	3,814	(9,105)	(5,291)	-	(5,291)
	-	-	-	(2,080)	(2,080)
Total			(5,287)	(2,928)	(8,215)

FINANCIAL REVIEW

Liquidity and financial resources

As at 31st March, 2021, the Group had bank balances and cash of approximately HK\$1,772,000 (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 31st March, 2021, 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: HK\$ nil) as there was no debt as at 31st March, 2021 (2020: HK\$ nil).

Dividend

The Board has resolved not to recommend any payment of final dividend.

Capital structure

There was no change to the Group's capital structure for the year ended 31st March, 2021.

Capital commitment and contingent liabilities

As at 31st March, 2021, the Group had no material capital commitment and contingent liabilities.

Material Acquisition and Disposal

During the Year, 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 options

The Company does not have share option scheme.

AUDIT COMMITTEE

The Audit Committee of the Group had reviewed the consolidated results of the Group for the year ended 31st March, 2021, including the accounting principles and accounting practices adopted by the Group, and discussed matters relating to auditing, internal controls and risk management system, financial reporting and internal audit function. The figures in respect of the preliminary announcement of the Group's results for the year ended 31st March, 2021 have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

The audit committee of the Group consists of 4 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 year ended 31st March, 2021, 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 was 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 14th 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 31st March, 2021, the Group employed a total of 3 full-time employees (2020: 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 22nd 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 executive director, Mr. CHENG Wai Lun, Andrew. During the past one year, the remuneration committee had one meeting.

NOMINATION COMMITTEE

The Nomination Committee was set up on 21st March, 2012 and the members comprised of 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 executive director, Mr. CHENG Wai Lun, Andrew. During the past one year, the nomination committee had two meetings.

REPURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Company's listed securities during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the Code of Conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in Model Code during the year.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company is scheduled to be held on Friday, 20th August, 2021 (the "AGM"). The register of members of the Company will be closed from Tuesday, 17th August, 2021 to Friday, 20th August, 2021, both days inclusive, during which period no transfer of shares will be registered. In order to determine the identity of the shareholders who are entitled to attend and vote at the annual general meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than on 4:30 p.m. on Monday, 16th August, 2021.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website (<http://www.hkex.com.hk>) and the Company's website (<http://www.uba.com.hk>) under the section of "Annual Report and Announcements". The 2021 annual report will be dispatched to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

By order of the Board
UBA INVESTMENTS LIMITED
WONG Yun Kuen
Chairman and Executive Director

Hong Kong, 22nd June, 2021

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*