



UBA INVESTMENTS LIMITED

開明投資有限公司*

(incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2003

The board of directors (the “Directors”) 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 2003 as follows:

		For the six months ended	
		30 September	
		2003	2002
		(Unaudited)	(Unaudited)
		HK\$	HK\$
	<i>Notes</i>		
Turnover	(2)	22,920,335	6,113,124
Other revenue	(2)	2,867	49,412
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		22,923,202	6,162,536
Purchase costs of listed securities		(21,154,826)	(1,392,691)
Net unrealised holding gain (loss) on other investments, listed		10,200,799	(18,542,017)
Provision for amounts due from investee companies		(5,000,000)	–
Administrative and other operating expenses		(1,168,468)	(1,219,863)
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Profit (Loss) from operations	(3)	5,800,707	(14,992,035)
Finance costs	(4)	(457)	(61,113)
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Profit (Loss) before taxation		5,800,250	(15,053,148)
Income taxes	(5)	–	200,000
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Net profit (loss) for the period attributable to shareholders		<u>5,800,250</u>	<u>(14,853,148)</u>
Basic earning (loss) per share	(6)	<u>0.55 cents</u>	<u>(1.43 cents)</u>

NOTES TO CONDENSED INTERIM REPORTS

1. Accounting policies

In the current period, the Group has adopted Statement of Standard Accounting Practice (“SSAP”) 12 (revised) “Income taxes” issued by the Hong Kong Society of Accountants. The adoption of SSAP 12 (revised) represents a change in accounting policy which has no material effect on the results for the current or prior accounting period. Accordingly, no prior period adjustment has been required.

2. Turnover and other revenue

The Group principally invests in listed and unlisted securities, including equity securities and convertible bonds. Revenues recognized during the period are as follows:

	For the six months ended 30 September	
	2003	2002
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Turnover		
Proceeds from sale of listed securities	22,785,039	1,693,124
Dividend income from listed and unlisted securities	135,296	4,420,000
	<u>22,920,335</u>	<u>6,113,124</u>
Other income		
Interest on bank deposits	2,867	36,912
Other revenues	–	12,500
	<u>2,867</u>	<u>49,412</u>
Total revenues	<u>22,923,202</u>	<u>6,162,536</u>

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

3. Profit (Loss) from operations

Profit (Loss) from operations has been arrived at after (crediting) charging:

	For the six months ended 30 September	
	2003	2002
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Overprovision of auditors' remuneration in previous year	(32,000)	–
Gain on disposal of an investee company	–	(12,500)
Investment management fee	709,018	752,441
Staff cost, including HK\$7,200 (2002: HK\$ 7,200) to defined contributions MPF scheme	229,200	229,200
	<u>229,200</u>	<u>229,200</u>

4. Finance costs

	For the six months ended 30 September	
	2003	2002
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Interest on:		
Bank overdrafts	3	–
Other borrowings wholly repayable within five years	454	61,113
	<u>457</u>	<u>61,113</u>

5. Income Taxes

Income taxes in the condensed consolidated income statement represented overprovision of profit tax payable in respect of prior year.

Provision for Hong Kong profits tax has not been made as there are no assessable profits for the six months ended 30 September 2003 (2002: Nil).

Deferred tax has not been provided for the Group and the Company as there were no significant timing differences giving rise to deferred tax liabilities as at 30 September 2003.

6. Basic earning (loss) per share

The basic earning (loss) per share is based on the Group's profit attributable to shareholders for the period of HK\$5,800,250 (2002: loss of HK\$14,853,148) and the weighted average number of ordinary shares of 1,059,778,200 shares (2002: 1,037,879,873) in issue during the period.

No diluted earning (loss) per share for 2003 and 2002 are presented respectively as the Company does not have dilutive potential ordinary shares.

INTERIM DIVIDEND

The Directors have resolved not to declare any interim dividend in respect of the six months ended 30 September 2003 (2002: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the period under review, the spread of severe acute respiratory syndrome ("SARS") hit our economy and investment sentiment which sent the Hang Seng Index to a 5 year low of 8,332 in April.

While the SARS was confirmed under control by the end of June and the tension over the enactment of Article 23 legislation was eased in early July, more good news flow in by supportive measures of Chinese government. Investors' confidence was restored. Some of these measures included the DIY tourists or otherwise known as "individual visit scheme" for Mainland China visitors and the Closer Economic Partnership Agreement ("CEPA") and its six annexes subsequently signed in late October.

The stock market rose sharply in September on the expectations of the economic recovery such as decline in unemployment rate and fall in the number of bankruptcy petitions. Supplemented by the better than expected economic figures released by the US, the momentum for the Hang Seng Index hit its highest for 16 months in September. The index of 11,230 at the end of September was 30% higher than 31 March 2003 and 24% higher than September 2002.

Due to the improved investment market sentiment, we had realised part of our investment portfolio. Accordingly, the proceeds from sale of listed securities increased to HK\$22.8 million and the result from operations turned from losses in the corresponding period to profit in the current period.

PROSPECTS

With continuous liquidity inflows since September, the Hang Seng Index broke through the resistance level of 12,000 in late October. However, on 23 October, the Hang Seng Index suffered its biggest decline in two years of 501 points as a result of investors' profit taking, on the excuses of the weakness of US and Japan stock markets and downgrading of Hong Kong's stock market by some international broker houses. The most recently revised economic growth forecast of 3% for the current year and 3.5% for the next 5 years by the Financial Secretary are generally endorsed by various financial institutions.

We are of the view that the recent correction is healthy which gives investors a breather to re-assess the market after the index has gone up by nearly 4,000 points, approximately 48% increase from the lowest point of 8,332.

We will be cautious in selecting mid-cap consumers and industrial shares which will benefit from the signing of the CEPA, or recovery of the local and US economy.

We continue to see vast growth potentials in our premium and quality portfolio.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 September 2003, the Group had bank balances and cash of HK\$2,440,439 (31 March 2003: HK\$1,586,533) and had no other borrowing. The Directors believe that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

Capital Structure

There was no change to the Group's capital structure for the six months ended 30 September 2003.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2003, the Group employed a total of 5 full-time employees, including the executive directors of the Group. Employees' remuneration are fixed and determined with reference to the market rate.

CODE OF BEST PRACTICE

Save and except that the independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings of the Company, none of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended September 30, 2003 in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2003, there was no repurchase, sale or redemption by the Company's listed securities by the Company or any of its subsidiaries.

**PUBLICATION OF RESULTS ON THE STOCK
EXCHANGE'S WEBSITE**

All the information required by paragraphs 46(1) to 46(6) inclusive of Appendix 16 of the Listing Rules will be published on the Stock Exchange's website in due course.

By Order of the Board
Li Kwok Cheung, George
Executive Director

Hong Kong, 31 October 2003

* *For identification only*

Please also refer to the published version of this announcement in China Daily.