



# 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 2004

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 2004 and the Group’s state of affairs as at that date together with the comparative figures as follows:

		For the six months ended 30 September	
	Notes	2004 (unaudited) HK\$	2003 (unaudited) HK\$
Turnover	(3)	4,834,464	22,920,335
Other Revenue	(3)	15,210	2,867
		<u>4,849,674</u>	<u>22,923,202</u>
Purchase costs of listed securities		(4,454,823)	(21,154,826)
Net unrealized holding (loss) gain on other investments, listed		(9,651,674)	10,200,799
Provision for amounts due from investee companies		(500,000)	(5,000,000)
Administrative and other operating expenses		(1,122,850)	(1,168,468)
(Loss) Profit from operations	(4)	(10,879,673)	5,800,707
Finance costs	(5)	(12,045)	(457)
(Loss) Profit before taxation		(10,891,718)	5,800,250
Taxation	(6)	0	0
Net (loss) profit for the period attributable to shareholders		<u>(10,891,718)</u>	<u>5,800,250</u>
Basic (loss) earning per share	(7)	<u>(HK1 cent)</u>	<u>HK0.55 cent</u>

# CONDENSED CONSOLIDATED BALANCE SHEET

	30 September 2004 (unaudited) HK\$	31 March 2004 (audited) HK\$
<b>Assets And Liabilities</b>		
Non-current assets		
Investments in securities	54,634,476	67,518,700
Current assets		
Investments in securities	11,960,000	12,477,600
Amount due from investee companies	17,509,000	20,174,000
Accounts and other receivables	5,558,880	843,903
Bank balances and cash	178,318	1,276,005
	<u>35,206,198</u>	<u>34,771,508</u>
Current liabilities		
Accruals	373,966	133,000
Interest-bearing borrowings	0	1,798,782
	<u>373,966</u>	<u>1,931,782</u>
Net current assets	34,832,232	32,839,726
Net Assets	<u>89,466,708</u>	<u>100,358,426</u>
<b>Equity</b>		
Capital and reserves		
Share capital	10,597,782	10,597,782
Share premium	92,564,355	92,564,355
Accumulated losses	(13,695,429)	(2,803,711)
	<u>89,466,708</u>	<u>100,358,426</u>

## NOTES TO CONDENSED FINANCIAL STATEMENTS

### 1. Basis of Preparation

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) and the Statement of Standard Accounting Practice No. 25 (“SAAP 25”) Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants.

### 2. Significant Accounting Policies

The condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain investments in securities.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2004.

### 3. 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:

	<b>For the six months ended 30 September</b>	
	<b>2004 (unaudited) HK\$</b>	<b>2003 (unaudited) HK\$</b>
Turnover		
Proceeds from sale of listed securities	<b>4,588,144</b>	22,785,039
Dividend income from listed and unlisted securities	<b>246,320</b>	135,296
	<b><u>4,834,464</u></b>	<u>22,920,335</u>
Other revenues		
Interest on bank deposits	<b>21</b>	2,867
Other revenue	<b>15,189</b>	–
	<b><u>15,210</u></b>	<u>2,867</u>
Total revenues	<b><u><u>4,849,674</u></u></b>	<u><u>22,923,202</u></u>

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

### 4. (Loss) Profit from operations

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

	<b>For the six months ended 30 September</b>	
	<b>2004 (unaudited) HK\$</b>	<b>2003 (unaudited) HK\$</b>
Overprovision of auditors' remuneration in previous year	<b>0</b>	(3,200)
Investment management fee	<b>696,849</b>	709,018
Staff cost, including HK\$5,858 (2003: HK\$7,200) to defined contributions MPF scheme	<b>108,808</b>	229,200
	<b><u><u>108,808</u></u></b>	<u><u>229,200</u></u>

## 5. Finance costs

	For the six months ended 30 September	
	2004 (unaudited) HK\$	2003 (unaudited) HK\$
Interest on:		
Bank overdrafts	3,184	3
Other borrowings wholly repayable within five years	8,861	454
	<u>12,045</u>	<u>457</u>

## 6. Taxation

Hong Kong profit tax has not been provided as the Group has no assessable profit during the period.

## 7. Basic loss/earning per share

The basic loss/earning per share is based on the Group's loss attributable to shareholders for the period of HK\$10,891,718 (2003: profit of HK\$5,800,250) and the weighted average number of ordinary shares of 1,059,778,200 shares (2003: 1,059,778,200 shares) in issue during the period.

No diluted loss/earning per share for the six months ended 30 September 2004 and 2003 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 2004 (2003: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### *Operation Review*

For the six months ended 30 September 2004, the Group recorded a turnover of HK\$4,834,464 which was less than last year's HK\$22,920,335, and the loss attributable to shareholders was HK\$10,891,718 when compared to last year's profit of HK\$5,800,250. The loss for the period was mainly comprised of a net unrealized loss of HK\$9,651,674 of the Group's listed investment. The Directors believe that the temporarily increase of the net unrealized loss will not affect the Group's listed investment's long-term value.

In addition, in view of the continuous unfavourable operating result of an investment project, a provision of HK\$500,000 was made by the Group during the period.

### ***Prospects***

The surge of crude oil price to above US\$55 per barrel and the Federal Reserve's policy to raise interest rate may have impact on the global economy. The Directors has anticipated such impact on the Group should be minimal. With the speculation of local economic recovery, particularly in the sectors of properties and retail, and the anticipation of impressive corporate earnings growth, the view of Hong Kong stock market should remain positive in the coming six months.

## **FINANCIAL REVIEW**

### ***Liquidity and Financial Resources***

As at 30 September 2004, the Group had bank balances and cash of HK\$178,318 (31 March 2004: HK\$ 1,276,005) 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 2004.

## **EMPLOYMENT AND REMUNERATION POLICIES**

As at 30 September 2004 and 31 March 2004, the Group employed a total of 7 full-time employees, including the executive directors of the Group. Employees' remuneration are fixed and determined with reference to the market rate.

## **REVIEW BY AUDIT COMMITTEE**

The Audit Committee has reviewed the unaudited interim financial statements for the six months ended 30 September 2004.

## **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 in accordance with the Company's articles of association, 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, 2004 in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules Governing the Listing of the Listing Rules.

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

During the six months ended 30 September 2004, 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, 29 October 2004

*As at the date of this announcement, the board of the Company consists of Mr. Li Kwok Cheung, George, Mr. Cheng Wai Lun, Andrew and Dr. Wong Yun Kuen as executive directors and Mr. Wong Wai Kwong, David, Dr. Lewis Hung Fung and Mr. Ip Man Tin, David as independent non-executive directors.*

*\* For identification only*

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