UBA INVESTMENTS LIMITED
開 明 投 資 有 限 公 司*

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 768)

FINAL RESULTS
FOR THE YEAR ENDED MARCH 31, 2004

RESULTS

The board of directors (the "Board") of UBA Investments Limited (the "Company") is pleased to announce that the audited consolidated results of the Company and its subsidiaries (together the "Group") for the year ended March 31, 2004 with comparative figures for the preceding financial year are as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	**2004** *HK$*	2003 *HK$*
Turnover	(2)	**56,603,865**	8,179,890
Costs of listed securities disposed		**(50,139,324)**	(2,384,280)
Net unrealised holding gain (loss) on other investments, listed		**14,419,930**	(17,817,923)
Other revenue	(2)	**770,308**	644,574
Loss in value of investments in unlisted equity securities		**(200,000)**	(2,484,000)
Provision for amounts due from investee companies		**(7,171,281)**	(2,083,400)
Administrative and other operating expenses		**(2,663,286)**	(2,211,963)
Profit (Loss) from operations	(3)	**11,620,212**	(18,157,102)
Finance costs	(4)	**(29,974)**	(61,113)
Profit (Loss) before taxation		**11,590,238**	(18,218,215)
Taxation	(5)	**–**	200,000
Net profit (loss) for the year attributable to shareholders		**11,590,238**	(18,018,215)
Earnings (Loss) per share	(6)		
– Basic		**1.1 cents**	(1.7 cents)
– Diluted		**N/A**	N/A

Notes:

1. **Adoption of Hong Kong Financial Reporting Standards**

In the current year, the Group has adopted, for the first time, the following Hong Kong Financial Reporting Standard ("HKFRS") issued by the Hong Kong Society of Accountants ("HKSA"). The term HKFRS is inclusive of Statements of Standard Accounting Practice ("SSAPs") and Interpretations approved by HKSA.

SSAP 12 (Revised)	Income taxes

SSAP 12 (Revised) requires deferred tax asset and liabilities to be provided in full using the liability method, on temporary difference arising between the tax base of an asset or a liability and its carrying amount in the financial statements at any point in time. Deferred tax assets or liabilities arising from temporary differences need to be measured at the tax rates enacted or substantially enacted at the balance sheet date.

The adoption of revised SSAP as outlined above does not have material impact on results reported in the current or prior year, though the terminology used and certain disclosures have been revised in line with the new requirements.

2. **Turnover, other revenue and segment information**

The Group principally invests in listed and unlisted securities, including equity securities and convertible bonds.

	2004	2003
	HK$	*HK$*
Turnover		
Proceeds from sale of listed equity securities	**54,086,786**	2,697,639
Dividend income from:		
Listed equity securities	**2,502,268**	1,062,251
Unlisted equity securities	**14,811**	4,420,000
	56,603,865	8,179,890
Other revenue		
Interest income	**688,308**	632,074
Other income	**82,000**	12,500
	770,308	644,574

No analysis of the Group's turnover and contribution to operating profit for the year 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 charging:

	2004	2003
	HK$	*HK$*
Auditors' remuneration	**80,000**	80,000
Provision for bad debts	**–**	50,000
Investment management fee	**1,471,517**	958,242
Staff costs including contributions of HK$14,400 (2003: HK$14,384) to defined contribution MPF scheme	**458,400**	458,384

4. Finance costs

	2004	2003
	HK$	*HK$*
Interest on:		
Bank overdrafts	**203**	1
Other borrowings wholly repayable within five years	**29,771**	61,112
	29,974	61,113

5. Taxation

	2004	2003
	HK$	*HK$*
Taxation in the consolidated income statement represents:		
Hong Kong profits tax		
Overprovision in respect of prior year	**–**	200,000

Provision for Hong Kong profits tax has not been made as there are no assessable profits for the year.

6. Earnings (Loss) per share

The basic earnings (loss) per share is based on the Group's net profit attributable to shareholders of HK$11,590,238 (2003: loss of HK$18,018,215) and the weighted average number of 1,059,778,200 (2003: 1,048,671,500) ordinary shares in issue during the year.

There is no diluted earnings per share for the years ended March 31, 2004 and 2003 presented since the Company has no dilutive potential ordinary shares.

DIVIDEND POLICY

The Board will soon consider a clear dividend policy. After all, shareholders are justified in their expectations for a reasonable return on investment. Such policy should also embrace methodology to appreciate share value and enhance share liquidity.

The Board have resolved not to recommend a payment of final dividend.

BUSINESS REVIEW

For the year under review, the outbreak of the severe acute respiratory syndrome ("SARS") at the beginning of the year did abate the consumer confidence and the investment sentiment. In the second half of the year, the general investment environment continued to rebound swiftly after SARS had been overcome.

The Hang Seng Index climbed from 8,634 to 12,682 as at our year end, an increase of approximately 47% when compared with the beginning of our financial year. The boom of the securities market was mainly due to growing global economy and robust economic development in Mainland China.

The war in Iraq, tension and terrorist attacks in various parts of the world together with the attacks on Iraqi oil export terminals, added political uncertainties. Uncertain political environment in Iraq imposed pressure on the crude oil price. The stock market was under influence of these uncertainties.

Perhaps it was unfortunate that the Group's investee companies did not fall into categories that have benefited from favourable policies such as CEPA, Individual Travel Scheme etc implemented by the Central Chinese Government to help Hong Kong, after the economy was adversely affected by SARS and other infectious diseases.

Although it is appropriate to make a provision of HK$200,000 against impairment in the value of investment in such company, the Board will review its investment and divestment policies, and to take decisive action at the most favourable opportunities.

PROSPECTS

The Group's business prospects are invariably rooted in the macro environment of China as it affects Hong Kong.

One policy which will benefit the Group is the Pan Pearl River Delta Agreement which effectively establishes a Common Market covering the nine southwestern provinces and the two SARs of Hong Kong and Macau. This market represents some 30% of the Chinese population.

However, the State policy to cool down the over-heated economy is seemingly less favourable to the Group. Although the Group has no investment in those industries most badly affected, there will still be no general escape from the effects of rising production cost stems such as raw material, fuel energy etc as they affect China.

The pilot scheme permitting PRC residents to visit the territory on an individual basis will continue to play a major role in boosting the tourist-related industries.

After the implementation of Closer Economic Partnership Arrangement ("CEPA") since the beginning of year 2004 and the Pan- Pearl River Delta agreement create a closer integration with the Mainland which allows Hong Kong taking the advantages of robust economy in the PRC.

With deflationary pressure diminishing and employment situation recuperating consumer confidence of the locals should continue to improve, which in turn would lead to further recovery of our economy and the stock market. The satisfactory bidding price in the recent land auctions showed a great confidence in the Hong Kong economy in the coming future.

However, at the opening of the second session of the 10th National People's congress on 5 March, Premier Wen Jiabao pointed out that there were excessively broad scale of investment, serious problems of over-heated investment, technical laggards and over-capacity, redundant construction in some industries and region. In particular, the buoyant automobile and property markets boosted substantially investments not only in these industries, but also in related raw material industry like aluminum, cement and steel. Then the Chinese government has adopted a number of measures in an effort to cool down the overheated economy.

It is not certain the market reaction towards the subsequent cooling measures of credit policies and administrative mechanisms. Harsh macroeconomic controls by the PRC may lead to a hard landing rather than soft landing of the economy.

Another problem is the shortage of electricity supply which have now spread to 21 provinces in China, is one of the major problem that will hinder the operating results of those manufacturers situated there.

For the local economy, the government expects a GDP growth of 6% which we consider to be achievable given no unforeseeable political or natural disaster incidents occur. The extension of the Individual Travel Scheme to Hong Kong to more provinces will also boost over retail and hospitality industry.

Looking ahead, concerns over interest rate increase in the US and the PRC, high oil price, slowing down of the economic growth in the US and a cooling off China's economy all lead to a cautious investment sentiment. Moves in other major stock markets such as the Wall Street will also have a great impact on our securities market.

Philosophy

The Group's business philosophy may be due for some changes, following the implementation of more stringent rules and regulations governing the formation of new Chapter 21 Investment Vehicles, of which the Group is one. This would however, mean that competition from new entrants is unlikely. Market players will still be limited to fewer than 20 such companies.

Hopefully, the immediate prospects would be more investment items trying to attract the Group's interest, and more funds routing their investment through investment vehicles. It will be against such background, and drawing reference from the couple of top performing investment vehicles, that the Group's investment policies will be formulated.

FINANCIAL REVIEW

Liquidity and financial resources

As at March 31, 2004, the Group had bank balances and cash of HK$1,276,005 (2003: HK$1,586,533). The Board believe that the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

As at March 31, 2004 part of listed equity securities of the Group and the Company had been pledged to secure margin facilities and loans granted by a related company.

Capital structure

There has been no change to the capital structure of the Company since April 1, 2003.

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at March 31, 2004, the Group had no material capital commitment and contingent liabilities.

FOREIGN CURRENCY FLUCTUATION

The Board believe that the foreign exchange risk is minimal as the Group mainly uses Hong Kong dollars to carry out its business transactions.

EMPLOYMENT

As at March 31, 2004, the Group employed a total of 5 employees, including the executive directors of the Company.

SHARE OPTIONS

The Company does not have share option scheme.

CODE OF BEST PRACTICE

The Company has complied throughout the year ended March 31, 2004 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except that independent non-executive directors of the Company were not appointed for a specific term but are subject to retirement by rotation according to the provision of the Company's bye-laws.

AUDIT COMMITTEE

The Company has established an audit committee according to "A Guide for the Formation of an Audit Committee" published by the Hong Kong Society of Accountants. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group.

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

During the year ended March 31, 2004, there was no repurchase, sale or redemption of 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 45(1) to 45(3) 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, July 7, 2004

* *For identification only*

As at the date of this announcement, the executive directors of the Company comprise Mr. Li Kwok Cheung, George and Mr. Cheng Wai Lun, Andrew. The non-executive director of the Company comprises Mr. Kwok Hong Yee, Jesse. And the independent non-executive directors of the Company comprise Mr. Wong Wai Kwong, David and Dr. Lewis Hung Fung.

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