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 2005

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 2005 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	
		2005	2004
		(unaudited)	(unaudited)
	Notes	***HK$***	*HK$*
Turnover	*3*	**33,251,086**	4,834,464
Other Revenues	*3*	**105,368**	15,210
		33,356,454	4,849,674
Purchase costs of listed securities		**(29,691,322)**	(4,454,823)
Unrealised holding gain on financial assets at fair value through profit or loss		**286,470**	–
Unrealised holding loss on other investments		**–**	(9,651,674)
Provision for impairment loss on investment in securities		**–**	(500,000)
Investment management fee		**(730,434)**	(696,849)
Administrative and other operating expenses		**(481,113)**	(426,001)
Profit (loss) from operations	*4*	**2,740,055**	(10,879,673)
Finance costs	*5*	**(175,076)**	(12,045)
Profit (loss) before taxation		**2,564,979**	(10,891,718)
Taxation	*6*	**–**	–
Net profit (loss) for the period attributable to shareholders		**2,564,979**	(10,891,718)
Basic earning (loss) per share	*7*	**HK0.24 cents**	(HK1.03 cent)

CONDENSED CONSOLIDATED BALANCE SHEET

	30 September 2005	31 March 2005
	(unaudited)	(audited)
	HK$	*HK$*
Assets And Liabilities		
Non-current assets		
Fixed assets	**28,218**	26,866
Available-for-sales financial assets	**59,762,855**	–
Investments in securities	**–**	59,543,885
	59,791,073	59,570,751
Current assets		
Financial assets at fair value through profit or loss	**9,469,600**	–
Investments in securities	**–**	7,500,080
Amount due from investee companies	**27,387,718**	20,945,000
Loans and other receivables	**2,626,164**	5,060,058
Bank balances and cash	**223,098**	3,813,037
	39,706,580	37,318,175
Current liabilities		
Accruals	**261,615**	143,473
Interest bearing borrowings	**3,670,089**	2,546,653
Amount due to a related party	**–**	526,794
	3,931,704	3,216,920
Net current assets	**35,774,876**	34,101,255
Net Assets	**95,565,949**	93,672,006
Equity		
Capital and reserves		
Share capital	**10,597,782**	10,597,782
Reserves	**84,968,167**	83,074,224
	95,565,949	93,672,006

NOTES TO CONDENSED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The unaudited condensed interim financial statements are prepared in accordance with Hong Kong Accounting Standard ("HKAS") No. 34: Interim Financial Reporting and other relevant HKASs and Interpretations, the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

The accounting policies and methods of computation used in the preparation of the interim financial statements are the same as those adopted in preparing the annual financial statements for the year ended 31 March 2005 except for the new adoption of new HKFRSs and HKASs as disclosed in note 2 below.

2. **Changes in accounting policies**

(a) **Impact of new/revised HKFRSs and HKASs**

The HKICPA has issued a number of new HKFRSs and HKASs and Interpretations, which are effective for the accounting periods commencing on or after 1 January 2005. The Group has adopted the following HKFRSs and HKASs issued up to 30 September 2005 which are pertinent to its operations and relevant to these interim financial statements.

HKAS 1	Presentation of Financial Statements
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 3	Business Combination

The adoption of these new/revised HKFRSs and HKASs has resulted in the following changes to the Group's accounting policies that have affected the amount reported or disclosures for the current or prior year.

(i) The adoption of HKAS 1 has affected the presentation of share of net after-tax results of associates and other disclosures.

(ii) The adoption of HKFRS 3, HKAS 36 and HKAS 38 results in a change in the accounting policy for goodwill. From the year ending 31 March 2005 onwards, goodwill is tested annually for impairment, as well as when there is indication of impairment.

(iii) The adoption of HKAS 32 and HKAS 39 has resulted in a change in accounting policy for recognition, measurement, derecognition and disclosure of financial instruments. Following the adoption of HKAS 32 and HKAS 39, the financial assets have been classified into available-for-sale financial assets, financial assets at fair value through profit or loss, and loans and receivables.

The Group has redesignated "investment in securities" as "available-for-sale financial assets", and "financial assets at fair value through profit or loss" at 1 April 2005.

The change in policies is adopted by way of an adjustment in increasing the opening balance of retained earnings as at 1 April 2005 by HK$13,924,464. Comparative amounts have not been restated nor has the opening balance of the fair value reserve been restated as this is prohibited by the transitional arrangements in HKAS 39.

(b) **New accounting policies**

The accounting policies used for the condensed consolidated financial statements for the six months ended 30 September 2005 are the same as those set out in note 1 to the 2005 annual financial statements except for the following:

2.1 Investments

From 1 April 2004 to 31 March 2005:

The Group classified its investments in securities, other than subsidiaries, associates and jointly controlled entities, as investment in securities.

(a) Investment securities

Investment securities including those listed and unlisted securities which were held for non-trading purpose were stated at fair value at the balance sheet date. Changes in the fair value of individual securities were credited or debited to the investment revaluation reserve until the security was sold, or was determined to be impaired. Upon disposal, the cumulative gain or loss representing the difference between the net sales proceeds and the carrying amount of the relevant security, together with any surplus/deficit transferred from the investment revaluation reserve, was dealt with in the income statement.

Where there was objective evidence that individual investments were impaired the cumulative loss recorded in the investment revaluation reserve was taken to the income statement.

From 1 April 2005 onwards:

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months of the balance sheet date.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. During the period, the Group did not hold any investments in this category.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognized on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realized and unrealized gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealized gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognized in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains or losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the income statement – is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement.

2.2 Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the income statement.

2.3 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.4 Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognized either as cash is collected or on a cost-recovery basis as conditions warrant.

2.5 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entity are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK dollars, which is the Group's functional and presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Translation differences on non-monetary items, such as financial instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation difference on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(c) *Group Companies*

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognized as a separate component of equity.

3. Turnover and other revenues

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	
	2005	2004
	(Unaudited)	(Unaudited)
	HK$	*HK$*
Turnover		
Proceeds from sale of listed securities	**–**	4,588,144
Proceeds from sale of financial assets at fair value through profit or loss	**18,936,915**	–
Proceeds from sale of available-for-sale financial assets	**12,109,597**	–
Dividend income	**2,204,574**	246,320
	33,251,086	4,834,464
Other revenues		
Interest on bank deposits	**39,184**	21
Other revenue	**66,184**	15,189
	105,368	15,210
Total revenues	**33,356,454**	4,849,674

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.

4. Profit (Loss) from operations

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

	For the six months ended 30 September	
	2005	2004
	(Unaudited)	(Unaudited)
	HK$	*HK$*
Staff cost, including HK$6,400 (2004: HK$5,858) to defined contributions MPF scheme	**152,400**	108,808
Depreciation	**2,836**	–
Minimum lease payments on properties under operating lease	**120,000**	–

5. Finance costs

	For the six months ended 30 September	
	2005	2004
	(Unaudited)	(Unaudited)
	HK$	*HK$*
Interest on:		
Bank overdrafts	**–**	3,184
Other borrowings wholly repayable within five years	**175,076**	8,861
	175,076	12,045

6. Taxation

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

Reconciliation between the tax expenses and accounting profit at applicable tax rate.

	For the Six months ended 30 September 2005 (Unaudited) *HK$*
Profit before taxation	2,564,979
Notional tax charge on profit before taxation, calculated at the applicable tax rate of 17.5% (2004: 17.5%)	448,871
Tax effect of profit not subject to taxation	(586,598)
Tax loss	(137,727)

7. 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$2,564,979 (2004: loss of HK$10,891,718) and the weighted average number of ordinary shares of 1,059,778,200 shares (2004: 1,059,778,200) in issue during the period.

No diluted earning (loss) per share for the six months ended 30 September 2005 and 2004 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 2005 (2004: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Operation Review

For the six months ended 30 September 2005, the Group recorded a turnover of HK$33,251,086 which was more than last year's HK$4,834,464. The profit attributable to shareholders was HK2,564,979 when compared to last year's loss of HK$10,891,718.

For the period under review, the profit was mainly attributable to dividend income of HK$2,204,574 from holding of listed securities and the gain from realization of financial assets of HK$1,355,190. The Group also made a new investment in a company in the business of trading of Chinese herbs where management of the Group anticipated a positive capital appreciation in view of the increasing public awareness over the application of Chinese herbs in medical and healthcare in Hong Kong.

Prospects

Given the present continuous economic recovery in Hong Kong and the commitment of the Hong Kong Special Administrative Government in boosting the economic environment in Hong Kong, there is a general improvement in the overall economy.

The Closer Economic Partnership Arrangements (CEPA) with China together with the Individual Travel Scheme implemented by the Central Chinese Government will continue to bring positive economic impact on Hong Kong. With the continuous infrastructural development in Hong Kong and the Mainland, major projects such as the Hong Kong-Zhuhai-Macao Bridge and Guangzhou-Shenzhen-Hong Kong Express Rail Link will build a stronger geographical link between Hong Kong, China and Macau. The Group has diversified its investment in Macau properties which the management believes to be an investment with growth potential and capital appreciation for medium to long-term strategic investment purpose.

The interest rates of the Federal Reserve at the US have increased continuously over the past few months from 2.75% in April 2005 to 4.25% in December 2005. As Hong Kong's interest rates follow the ones in the US under the exchange rate peg system, the interest rate in Hong Kong is expected to grow. In the present increasing interest rate environment, there is a potential adverse impact over the property and investment market.

Looking ahead, the Group will continue to closely monitor both its listed and unlisted investments. Under the present dynamic economic environment in Hong Kong, the management of the Group will continue to manage its investment portfolio and to look into any new profitable investment opportunities to maximize the return of our shareholders.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 September 2005, the Group had bank balances and cash of HK$223,098 (31 March 2005: HK$3,813,037) 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 2005.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Listing Rules have recently been amended by the Stock Exchange by replacing the Code of Best Practice in Appendix 14 by a new Code on Corporate Governance Practices ("Code") and adding a new Appendix 23 on the requirements for a Corporate Governance Report to be included in annual reports of listed Issuers. Subject to certain transitional arrangements, the amendments took effect on 1 January 2005.

The Company has complied with the Code throughout the six months ended 30 September 2005, with deviations from code provisions A.4.1 of the Code only in respect of the service term of directors.

None of the existing non-executive directors (including independent non-executive directors) of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the Code. However, all the directors of the Company are subject to the retirement provisions under article 157A of the Articles of Association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

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.

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, 2005 before recommending them to the Board for approval.

The Committee comprises three independent non-executive directors, namely Mr. Wong Wai Kwong, David, Dr. Lewis Hung Fung and Mr. Ip Man Tin, David.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 September 2005 and 31 March 2005, the Group employed a total of 4 full-time employees, including the executive directors of the Group. Employees' remuneration are fixed and determined with reference to the market rate.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group's assets and liabilities are denominated in Hong Kong Dollars and, therefore, the Group has no significant exposure to foreign exchange fluctuation.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2005, 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 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, 15 December 2005

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 China Daily.