



YU MING INVESTMENTS LIMITED

(Incorporated in Hong Kong under the Companies Ordinance)

2003 INTERIM RESULTS

RESULTS

The Board of Directors of Yu Ming Investments Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2003 as follows:

		Unaudited	
		Six months ended 30th June	
		2003	2002
	Note	HK\$	HK\$
TURNOVER			
INTEREST INCOME FROM			
DEBT SECURITIES		1,922,216	4,685,812
BANK INTEREST INCOME		1,774,263	4,269,494
DIVIDEND INCOME		389,924	200,325
		<u>4,086,403</u>	<u>9,155,631</u>
SUNDRY INCOME			
LOAN INTEREST INCOME		447,948	1,445,042
EXCHANGE (LOSS)/GAIN		(393,160)	18,964,004
OTHER SUNDRY INCOME		2,388,231	79,133
		<u>2,443,019</u>	<u>20,488,179</u>
		<u>6,529,422</u>	<u>29,643,810</u>
EXPENSES			
MANAGEMENT FEE EXPENSES		4,521,984	5,820,537
OTHER OPERATING EXPENSES		4,821,063	2,413,190
		<u>9,343,047</u>	<u>8,233,727</u>
		<u>(2,813,625)</u>	<u>21,410,083</u>
PROFIT ON DISPOSAL OF			
INVESTMENT SECURITIES		26,712,776	613,890
PROFIT ON DISPOSAL OF			
DEBT SECURITIES		12,845,387	6,347,976
IMPAIRMENT OF			
INVESTMENT SECURITIES		-	(7,000,000)
IMPAIRMENT OF			
ASSOCIATED COMPANIES		-	(3,389,915)
BAD DEBT RECOVERY/(PROVISION)		20,901,876	(6,200,000)
UNREALIZED PROFITS/(LOSSES) ON			
DEBT SECURITIES		12,829,046	(15,467,121)
UNREALIZED LOSSES ON			
OTHER INVESTMENTS		(686,800)	(41,250)
		<u>69,788,660</u>	<u>(3,726,337)</u>
OPERATING PROFIT/(LOSS)			
FINANCIAL EXPENSES		(38,843)	(351,566)
SHARE OF PROFITS LESS LOSSES OF			
ASSOCIATED COMPANIES		5,100,195	7,887,130
		<u>74,850,012</u>	<u>3,809,227</u>
PROFIT BEFORE TAXATION			
TAXATION	1		
COMPANY & SUBSIDIARIES		-	-
ASSOCIATED COMPANIES		-	(22,500)
		<u>74,850,012</u>	<u>3,786,727</u>
PROFIT AFTER TAXATION			
MINORITY INTERESTS		-	50,594
		<u>74,850,012</u>	<u>3,837,321</u>
PROFIT ATTRIBUTABLE			
TO SHAREHOLDERS		<u>74,850,012</u>	<u>3,837,321</u>
INTERIM DIVIDEND		-	33,823,440
		<u>-</u>	<u>33,823,440</u>
EARNINGS PER SHARE	2		
- BASIC (in cent)		<u>4.43</u>	<u>0.23</u>

Notes:

(1) Hong Kong profits tax has been provided at the rate of 17.50% on the estimated assessable profits for the period (2002: 16%).

(2) **Earnings per share**

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of HK\$74,850,012 (2002: HK\$3,837,321) and the number of ordinary shares in issue during the period amounting to 1,691,171,989 (2002: 1,691,171,989).

For the period ended 30th June, 2002, the diluted earnings per share was not disclosed as the exercise of the share options outstanding would have no dilutive effect.

For the period ended 30th June, 2003, there was no diluting effect on earnings per share as the share options expired in May 2003.

INTERIM DIVIDEND

The directors have resolved not to declare an interim dividend for the period (2002: HK2 cents per share).

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OF OPERATION

During the six months ended 30th June, 2003, the Group derived most of its income from disposal of listed and unlisted shares, debt securities, distribution from the restructuring of Tem Fat Hing Fung (Holdings) Limited ("Tem Fat"), appreciation of debt securities, and rental income from Argyle Centre, a shopping mall in Mongkok.

FINANCIAL POSITION

During the period, the Group retains a strong liquidity and financial position, with immaterial gearing.

OPERATION REVIEW

As at 30th June, 2003, the Group's major investments are its interests in Argyle Centre and a portfolio of equity and debt securities.

Argyle Centre is a fully leased shopping mall located in a prime spot in Mongkok, the busiest shopping district in Kowloon. Stable rental income benefited from low interest rates through a leveraged structure in an associated company.

The debt securities portfolio of the Group generated good income and capital gain.

The Group is a substantial creditor in Tem Fat, which completed its restructuring exercise in early 2003. The Group received both cash from the rescuing investor and shares in Tem Fat as settlement of debt owed by Tem Fat resulting in a debt recovery of approximately HK\$20.9 million.

As at 30th June, 2003, the Group's investments are based in Hong Kong dollar, United States dollar and the euro. The Group plans to hedge its exposure in the euro at the appropriate moment.

The Group's total staff costs for the period amounted to approximately HK\$231,000.

The Company has given a guarantee to a bank to secure 33 $\frac{1}{3}$ % of the outstanding indebtedness due by its associated companies, of which the Group controlled 33 $\frac{1}{3}$ % interest in each. The amount of outstanding indebtedness due by the associated companies to this bank at 30th June, 2003 was approximately HK\$408 million (at 31st December, 2002: approximately HK\$421 million).

The Company has given a guarantee to a financial institution to secure borrowing facilities to a wholly-owned subsidiary in the amount not exceeding US\$15 million. There was no outstanding indebtedness at 30th June, 2003 and 31st December, 2002.

The Group takes the view that, with an improving economy, investment opportunities will come by more frequently.

Prospects

The Group has to stay liquid in order to respond swiftly to such attractive investment opportunities as exemplified by the Group's minority investment in the Hong Kong International Exhibition Centre ("HKIEC"), together with The Government of the Hong Kong Special Administrative Region, the Airport Authority and Dragages et Travaux Publics (HK) Limited. The directors are optimistic about the prospects of the HKIEC and expect it to benefit from the consistent growth of the exhibition industry in the years ahead.

To fund our participation in HKIEC and to conserve cash for further investment opportunities, the Directors have resolved not to declare an interim dividend for the period.

AUDIT COMMITTEE

The Company has established an audit committee in accordance with paragraph 14 of the Code of Best Practice.

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a general review of the unaudited interim financial report for the six months ended 30th June, 2003. In carrying

out this review, the audit committee has relied on the review by the Group's external auditors as well as obtaining explanations from management. At the request of the directors, the Group's external auditors have carried out a review of the unaudited interim financial review in accordance with the Statement of Auditing Standards 700 issued by the Hong Kong Society of Accountants.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The 2003 Interim Report containing all the information required by paragraphs 46(1) to 46(6) of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") will be published on the website of the Stock Exchange in due course.

By order of the Board
Peter Lee Yip Wah
Secretary

Hong Kong, 3rd September, 2003

Please also refer to the published version of this announcement in The Standard.