



YU MING INVESTMENTS LIMITED

(Incorporated in Hong Kong under the Companies Ordinance)

ANNOUNCEMENT OF 2003 RESULTS

RESULTS

The Board of Directors of Yu Ming Investments Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st December, 2003 as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2003

		Year ended 31st December,	
	Note	2003 HK\$	2002 HK\$
TURNOVER			
INTEREST INCOME FROM DEBT SECURITIES		3,697,106	8,457,644
BANK INTEREST INCOME		3,592,553	7,711,270
DIVIDEND INCOME		389,924	686,419
		7,679,583	16,855,333
SUNDRY INCOME			
LOAN INTEREST INCOME		1,036,442	2,242,314
EXCHANGE (LOSS)/GAIN		(4,391,351)	29,755,357
OTHER SUNDRY INCOME		2,469,638	4,100,425
		(885,271)	36,098,096
		6,794,312	52,953,429
EXPENSES			
INCENTIVE FEE EXPENSES		23,463,680	–
MANAGEMENT FEE EXPENSES		9,236,394	10,768,209
OTHER OPERATING EXPENSES		5,121,372	5,990,369
		37,821,446	16,758,578
		(31,027,134)	36,194,851
PROFIT ON DISPOSAL OF INVESTMENT SECURITIES		108,586,564	38,613,890
PROFIT ON DISPOSAL OF DEBT SECURITIES		25,728,444	6,862,147
PROFIT ON DISPOSAL OF OTHER INVESTMENTS		2,421,240	–

IMPAIRMENT OF INVESTMENT SECURITIES		(582,062)	(41,172,546)
IMPAIRMENT OF ASSOCIATED COMPANIES		–	(3,698,481)
BAD DEBT RECOVERY/(PROVISION)		19,815,374	(6,200,000)
UNREALIZED PROFITS/(LOSSES) ON DEBT SECURITIES		10,555,783	(23,835,790)
UNREALIZED LOSSES ON OTHER INVESTMENTS		–	(1,459,300)
OPERATING PROFIT		135,498,209	5,304,771
FINANCIAL EXPENSES		(888,038)	(380,558)
SHARE OF PROFITS LESS LOSSES OF ASSOCIATED COMPANIES		3,992,343	14,110,168
PROFIT BEFORE TAXATION		138,602,514	19,034,381
TAXATION	1		
COMPANY & SUBSIDIARIES		4,781,725	(648,133)
ASSOCIATED COMPANIES		16,961	(57,237)
PROFIT AFTER TAXATION		143,401,200	18,329,011
MINORITY INTERESTS		–	50,594
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		143,401,200	18,379,605
EARNINGS PER SHARE	2		
– BASIC		8.48 cents	1.09 cents
– DILUTED		N/A	N/A

Notes:

- Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessable profits for the year (2002: 16%).
- Earnings per share**
The calculation of basic and diluted earnings per share are based on the Group's profit attributable to shareholders of HK\$143,401,200 (2002: HK\$18,379,605) and the number of ordinary shares in issue during the year amounting to 1,691,171,989 (2002: 1,691,171,989).

For the year ended 31st December, 2002, the diluted earnings per share was not disclosed as the exercise of the share options outstanding would have no dilutive effect.

For the year ended 31st December 2003, there was no diluting effect on earnings per share as the share options expired in May 2003.

FINAL DIVIDEND

The Board of directors have resolved not to declare a final dividend for the year ended 31st December, 2003 (2002: HK2 cents per share).

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Monday, 17th May, 2004 to Friday, 21st May, 2004, both days inclusive. In order to qualify for the attendance of the annual general meeting of the Company to be held on 21st May, 2004, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrars of the Company, Secretaries Limited, G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 14th May, 2004.

MANAGEMENT DISCUSSION AND ANALYSIS

Results of Operation

The Group derived most of its profits from disposal of investments in equity and debt securities, and partial recovery of debt from the restructuring of Tem Fat Hing Fung (Holdings) Limited, and the Group's interests in Argyle Centre, a shopping mall in Mongkok.

Financial Position

During the year, the Group retains a strong liquidity and financial position, with little gearing.

Operation Review

In 2003, the Group's major investments were in Hong Kong equity, international debts and the investment in Argyle Centre.

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. Share of profit from this associated company was lowered by non-cash revaluation deficit and therefore did not fully reflect the contribution of the rental income.

The Group disposed of a significant portion of the equity portfolio and debt securities in 2003, realizing good profit for the Group.

In August 2003, the Group joined a private sector consortium ("JV") to invest with the Hong Kong Government and the Airport Authority to develop and operate the Hong Kong International Exhibition Centre ("IEC") at the Hong Kong International Airport. IEC will have 66,000 sqm of exhibition space on one level, the largest column-free exhibition facility in Hong Kong. Soft opening is expected by the end of 2005. IEC has a capacity of expanding into a 100,000 sqm exhibition facility. As at 31st December, 2003, the Group had 37.85% interest in JV and has a right until 23rd August, 2004 to increase its interest in JV to 60% at cost from a connected person. That JV in turn has 13.5% interest in IEC.

As at 31st December, 2003, most of the Group's investments are based in Hong Kong dollar and United States dollar and are therefore not exposed to significant foreign currency risks. The Group invests in Euro denominated debt securities from time to time, and it is the Group's intention to hedge the currency exposure of debt securities to an extent considered appropriate by the investment manager.

The Group's total staff costs for the year amounted to approximately HK\$390,000.

The Company has given a guarantee to a bank to secure 33 $\frac{1}{3}$ % of the outstanding indebtedness due by an associated company holding the Argyle Centre, of which the Group controlled 33 $\frac{1}{3}$ % interest in it. The amount of outstanding indebtedness due by the associated company to this bank at 31st December, 2003 was approximately HK\$393 million (at 31st December, 2002: approximately HK\$421 million).

The Company has given a guarantee to a financial institution to secure borrowing facilities available to a wholly-owned subsidiary in the amount not exceeding equivalent US\$15 million. The outstanding indebtedness at 31st December, 2003 was approximately Euro 7.4 million (at 31st December, 2002: nil).

Prospects

The Group is optimistic about the prospects of Argyle Centre and IEC. The recovery of the retail activities in Hong Kong and the property market is expected to enhance the return and value of Argyle Centre. The location of IEC next to the Hong Kong International Airport connects it to more than 140 cities worldwide on some 75 airlines. Visa-free entry to a majority of those cities makes IEC a competitive exhibition facility in the region. Hong Kong already enjoys a leading position in exhibition business in the region, we believe IEC will complement Hong Kong's other exhibition facilities to continue its preeminence.

The Group will continue to invest in international debt securities, while at the same time cautiously approach the Hong Kong equity market.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

During the year, there was no purchase, sale or redemption by the Company or any of its subsidiaries of its listed shares.

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

The 2003 Annual Report containing all the information required by paragraphs 45(1) to 45(3) 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, 15th March, 2004

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at 1001, 10th Floor, AON China Building, 29 Queen's Road Central, Hong Kong on Friday, 21st May, 2004 at 3:00 p.m. for the following purposes:

1. To receive and consider the financial statements and the reports of the directors and auditors for the year ended 31st December, 2003.
2. To re-elect directors and to authorise the board to fix the remuneration of directors.
3. To re-appoint auditors and to fix their remuneration.

By Order of the Board
Peter Lee Yip Wah
Secretary

Hong Kong, 15th March, 2004

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and on a poll, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the share registrars of the Company, Secretaries Limited, G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The register of members will be closed from Monday, 17th May, 2004 to Friday, 21st May, 2004, both days inclusive. In order to qualify for the attendance of the annual general meeting of the Company to be held on 21st May, 2004, all completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrars of the Company, Secretaries Limited, G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 14th May, 2004.

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