



For the
nine months
ended
30 September

2002

Quarterly Report

Techpacific Capital Limited

(incorporated in the Cayman Islands with limited liability)

Characteristics of The Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Exchange")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Exchange takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this document.

This document, for which the directors of Techpacific Capital Limited collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Exchange for the purpose of giving information with regard to Techpacific Capital Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this document is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this document misleading; and (3) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

ABOUT TECHPACIFIC CAPITAL LIMITED

Techpacific Capital Limited (“Techpacific” or the “Company,” and together with its subsidiaries the “Group”) is a Hong Kong-based investment banking, fund management and investment group listed on GEM of the Exchange (HK GEM 8088), with representation in Mainland China, Korea, Singapore, Indonesia, the Philippines, the United Kingdom (covering the Middle East) and other parts of Asia.

The Group operates the following complementary lines of business:

Crosby Limited (“Crosby”) is Techpacific’s corporate finance advisory arm. Crosby raises equity and debt capital for issuers and borrowers in Asia and elsewhere from a network of corporate and institutional investors. In addition, Crosby acts as a strategic advisor and provides mergers and acquisitions, restructuring, structured finance and corporate finance advisory services for companies doing business in Asia.

Techpacific Venture Capital oversees two funds: one is the US\$66 million (HK\$515 million) Nirvana Fund targeted mainly at early stage technology ventures in Asia, and the other is the US\$32 million (HK\$250 million) Hong Kong Government’s Applied Research Fund (which is managed via Softech Investment Management Company Limited, a joint venture between Techpacific and Softbank).

RESULTS

The board of directors (the "Board") of the Company is pleased to announce the unaudited consolidated results of the Company for the nine months and three months ended 30 September 2002 (the "Results"), together with the comparative unaudited figures of the corresponding periods in 2001, as follows:

	Notes	Nine Months Ended 30 September		Three Months Ended 30 September	
		2002 US\$'000	2001 US\$'000	2002 US\$'000	2001 US\$'000
Turnover	2	4,029	5,926	338	2,502
Other revenue	2	251	1,557	77	414
Total revenue		4,280	7,483	415	2,916
Operating expenses		(15,652)	(18,538)	(2,150)	(6,626)
Loss from operations		(11,372)	(11,055)	(1,735)	(3,710)
Amortization of goodwill		(108)	(3,416)	(36)	(1,769)
Provision for impairment in investments		(946)	(17,943)	-	(8,884)
Write off of fixed assets		-	(612)	-	(529)
Provision for impairment loss in fixed assets		-	(342)	-	(342)
Profit on investment disposals		1,218	-	501	-
Share of losses in associates		(29)	(360)	(4)	(34)
Loss before and after taxation	3	(11,237)	(33,728)	(1,274)	(15,268)
Minority interests		(56)	3,286	(12)	975
Loss attributable to shareholders		(11,293)	(30,442)	(1,286)	(14,293)
Loss per share – Basic	5	(USD 0.45 cent)	(USD 1.22 cent)	(USD 0.05 cent)	(USD 0.57 cent)

The loss attributable to shareholders represents the only movement to the Accumulated Losses for the nine months and three months ended 30 September 2002.

Notes:

1. Basis of presentation

The principal accounting policies adopted in preparing the unaudited consolidated results conform to International Accounting Standards.

The unaudited consolidated results of the Company include the results of all companies now comprising the Group. All significant intra-group transactions and balances have been eliminated in preparing the consolidated financial statements.

2. Turnover and other revenue

Turnover comprises fees for corporate finance and other advisory services, fees from placement of shares or loan arrangements, fund management fees and consultancy fees income.

Other revenue comprises interest income and fees from incubation services.

3. Taxation

No income tax has been provided for in the nine months or three months ended 30 September 2002 as neither the Group nor any of its associated companies derived any profit that is subject to income tax.

4. Movement in reserves

	Share premium		Capital reserve		Capital redemption reserve	
	2002	2001	2002	2001	2002	2001
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January	52,209	52,444	9,228	4,589	11	-
Decrease arising from the acquisition of minority interest of a subsidiary	-	-	(64)	-	-	-
Increase arising from the issue of new shares for the acquisition of a subsidiary	-	-	-	5,132	-	-
(Decrease)/increase arising from repurchase of own shares	-	(26)	-	-	-	2
At 31 March	52,209	52,418	9,164	9,721	11	2
(Decrease)/increase arising from repurchase of own shares	-	(209)	-	-	-	9
Decrease arising from the issue of new shares for the acquisition of a subsidiary	-	-	-	(535)	-	-
At 30 June	52,209	52,209	9,164	9,186	11	11
Increase arising from the issue of new shares for the acquisition of a subsidiary	-	-	-	22	-	-
At 30 September	52,209	52,209	9,164	9,208	11	11

	Investment revaluation reserve		Foreign exchange reserve	
	2002	2001	2002	2001
	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January	(113)	(186)	(470)	(179)
Increase/(decrease) in fair value of listed investments	67	(626)	-	-
Increase/(decrease) in exchange difference on consolidation	-	-	25	(491)
At 31 March	(46)	(812)	(445)	(670)
Increase in fair value of listed investments	131	129	-	-
(Decrease)/increase in exchange difference on consolidation	-	-	(442)	185
Transfer to income statement on disposal of a subsidiary	-	-	797	-
At 30 June	85	(683)	(90)	(485)
Increase/(decrease) in fair value of listed investments	227	(231)	-	-
Increase/(decrease) in exchange difference on consolidation	-	-	10	(222)
At 30 September	312	(914)	(80)	(707)

5. Loss per share

The calculation of the basic loss per share for the nine months ended 30 September 2002 is based on the loss attributable to shareholders of US\$11,293,438 (2001: US\$30,442,397) and the weighted average number of shares of 2,502,577,245 (2001: 2,490,423,765).

The calculation of the basic loss per share for the three months ended 30 September 2002 is based on the loss attributable to shareholders of US\$1,285,885 (2001: US\$14,292,775) and the weighted average number of shares of 2,502,577,245 (2001: 2,502,577,245).

No diluted loss per share is shown, as the exercise of the share options granted by the Company would have an anti-dilutive effect on the loss per share for the nine months and three months ended 30 September 2002. As of 30 September 2002, Nil (2001: 103,932,283) options are currently exercisable, following the termination on 27 March 2002 of the then existing option schemes and the adoption of a new scheme, as referred to in the following share options note.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 30 September 2002 (2001: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospects

Overview

The business environment continued to be difficult during the three month period under review (the "Review Period"). Many companies are delaying strategic decisions and are unwilling to embark on capital-raising exercises given the unsettled nature of financial markets. Many investment banks operating in Asia have announced staff cutbacks in the period.

Your Company has continued to be active in promoting Crosby's investment banking services and has been able to secure some mandates despite the difficult marketing conditions. On the Asset Management side, the necessary shareholder approvals for the restructuring of Nirvana Capital Limited (the "Nirvana Fund") were secured. More detail is provided below in the divisional review.

In order to more closely match the Company's cost base to its current revenues, the Board has implemented a review of all Group cash expenditures. As a result of this review, ongoing staff costs will be significantly reduced. Due to restructuring costs that will arise in the fourth quarter the full benefit of this review will not be seen until the first quarter of 2003.

Setting aside the impact of the discontinued Spike business on the prior period results, it is possible to compare the performance of the remaining Investment Banking and Asset Management businesses. Excluding Spike, we have seen a decrease in revenue during the Review Period but the loss attributable to shareholders has narrowed to US\$1.286 million for the three months to 30 September 2002 from US\$1.901 million for the three months to 30 June 2002 (three months to 30 September 2001: US\$13.071 million). The Board believes this loss will further narrow as the staff cost reductions take effect.

On a more personal note, the Board accepted the resignation on 21 August 2002 of Mr. Junichi Goto as non-executive director of the Company and the resignation on 23 September 2002 of Mr. David Cosgrave as Company Secretary. The Board would like to take this opportunity to thank Mr. Goto and Mr. Cosgrave for their contributions to the Company. Mr. Cosgrave is succeeded as Company Secretary by Mr. Stephen Smith.

Divisional Review

Investment Banking – Crosby

Your Company's investment banking business, Crosby, operates in a highly competitive sector. The market remains extremely lean for new equity capital-raising but there is activity on the debt capital-raising and restructuring side. Despite the challenging market, Crosby has been successful in securing several key mandates and in October signed a US\$50 million structured debt financing for a regional telecommunications company. The financial close for this transaction is anticipated in the fourth quarter.

During the Review Period the Crosby business was separately capitalized. A streamlining of group companies to reduce administrative costs is also underway.

PT Crosby Indonesia was established with a small team and has already secured a number of investment banking assignments within South East Asia. These include a number of fee-paying Mergers & Acquisitions mandates in the natural resources and manufacturing sectors.

A further initiative in Hong Kong has been the development of the Financial Sponsors Group. This group has been able to leverage Techpacific's existing technology-focused investor base into other sectors such as natural resources, logistics, pulp & paper and financial services. Crosby's Singapore operation has also established the Structured Finance Group. This new operation will seek to capitalize on Crosby senior management's expertise in the leasing and receivables financing areas. The team is focused on transactions between US\$50 – 150 million, utilizing Crosby's relationships in the Middle East.

Asset Management

Nirvana Fund

The Nirvana Fund directors' proposals to reduce the size of the Fund and repatriate capital to the Fund's shareholders, and the manager's initiative to reduce management fees, were all approved by shareholders in an Extraordinary General Meeting held on 15 August 2002.

The manager believes that its actions to resolve the situation arising from the significant deterioration in the market for early-stage technology private equity are in the best interests of the Fund's shareholders. These measures met with overwhelming investor approval. The manager will continue to seek, on behalf of the Fund's shareholders, the most advantageous exits in the time available for each of the portfolio companies.

Applied Research Fund

Given the unsettled condition of the early-stage technology market in Hong Kong, only a small proportion of the funds under management by Softech Investment Management Company Limited (the fund manager for the Applied Research Fund) has so far been deployed. However, the investment outlook has shown signs of improvement recently. The fund manager has appraised several interesting opportunities in the past quarter and expects to finalize one such investment in the Biotech sector shortly.

The manager remains optimistic that the balance of the Applied Research Fund will be invested in promising Hong Kong technology ventures during the remainder of the Fund's investment period.

Spike

The liquidation of the Spike group companies, reported in the Interim Report for the six months ended 30 June 2002 ("Interim Report"), is continuing under the auspices of the liquidator, Ferrier Hodgson.

The Company does not expect any recovery from the liquidation. Since full provision for the Spike group was made in the Interim Report financial statements, there is no financial impact on the Company in this period.

Detailed Group results for the three months ended 30 September are as follows:

	Notes	Investment Banking Asia Techpacific Group Excluding Spike		(Discontinued) Digital Services Asia and Australia Spike		Total Techpacific Group Including Spike	
		2002 US\$'000	2001 US\$'000	2002 US\$'000	2001 US\$'000	2002 US\$'000	2001 US\$'000
Turnover	2	338	407	-	2,095	338	2,502
Other revenue	2	77	385	-	29	77	414
Operating expenses		(2,150)	(2,742)	-	(3,884)	(2,150)	(6,626)
Loss from operations		(1,735)	(1,950)	-	(1,760)	(1,735)	(3,710)
Amortization of goodwill		(36)	(1,769)	-	-	(36)	(1,769)
Provision for impairment in investments		-	(8,884)	-	-	-	(8,884)
Write off of fixed assets		-	(171)	-	(358)	-	(529)
Provision for impairment loss in fixed assets		-	(342)	-	-	-	(342)
Profit on investment disposals		501	-	-	-	501	-
Share of losses in associates		(4)	(82)	-	48	(4)	(34)
Loss before and after taxation	3	(1,274)	(13,198)	-	(2,070)	(1,274)	(15,268)
Minority interests		(12)	127	-	848	(12)	975
Loss attributable to shareholders		(1,286)	(13,071)	-	(1,222)	(1,286)	(14,293)

DISCLOSURE OF INTERESTS

(a) Directors' Interests In Securities

As at 30 September 2002, the interests of the directors of the Company in the shares of the Company (the "Shares") and in the share capital of any of its associated corporations (within the meaning of the SDI Ordinance) which were required to be notified to the Company and the Exchange pursuant to section 28 of the SDI Ordinance (including interests which they were taken or deemed to have under section 31 of, or Part 1 of the Schedule to, the SDI Ordinance) or which were required, pursuant to section 29 of the SDI Ordinance, to be entered in the register required to be kept therein, or which were required pursuant to Rules 5.40 of the GEM Listing Rules relating to securities transactions by the directors of the Company to be notified to the Company and the Exchange were as follows:

(i) Equity interests in the Company

Name	Personal Interest	Family Interest	Corporate Interest	Other Interest
Robert John Richard Owen	107,957,606	-	-	-
Ilyas Tariq Khan (Notes 1 & 2)	79,994,076	-	513,498,147	-
Johnny Chan Kok Chung (Note 3)	207,805,852	16,097,387	-	-
Max Carrol Chapman, Jr.	18,448,931	1,635,744	-	-
Francis Yuen Tin Fan (Note 4)	-	-	929,400	-

Note 1: TW Indus Limited held 188,208,147 Shares. TW Indus Limited was beneficially wholly-owned by Ilyas Tariq Khan.

Note 2: ECK & Partners Limited held 325,290,000 Shares. ECK & Partners Limited was beneficially owned as to 61.43% by Ilyas Tariq Khan, as to 20% by Robert John Richard Owen, and as to 18.57% by Johnny Chan Kok Chung. Ilyas Tariq Khan is deemed to have interests in 325,290,000 Shares under the SDI Ordinance since he is entitled to exercise more than one third of the voting power at general meetings of ECK & Partners Limited.

Note 3: Yuda Udomritthiruj held 16,097,387 Shares. Yuda Udomritthiruj, an employee of a subsidiary of the Company, is the wife of Johnny Chan Kok Chung and, accordingly, for the purposes of the SDI Ordinance, her shares are included in the shareholdings of Johnny Chan Kok Chung.

Note 4: Latlink Investments Limited held 929,400 Shares. Latlink Investments Limited was beneficially owned as to 50% by Francis Yuen Tin Fan and as to the remaining 50% by his wife.

(ii) Directors' right to acquire Shares

At the Extraordinary General Meeting held on 27 March 2002, all existing option schemes were terminated, all existing options cancelled and a new option scheme was adopted. No director of the Company received any rights under the new scheme, except as follows:

Name	Effective Date	Option Shares	Subscription Price
Johnny Chan Kok Chung (Note 1)	27 March 2002	2,500,000	HK\$0.0704

Note 1: The holding is comprised of 2,500,000 options in which Yuda Udomritthiruj, an employee of a subsidiary of the Company, was interested. Yuda Udomritthiruj is the wife of Johnny Chan Kok Chung and, accordingly, for the purposes of the SDI Ordinance, her options are included in the options held by Johnny Chan Kok Chung.

(iii) Interests in Crosby Limited (formerly known as techpacific.com Capital Limited), a subsidiary of the Company

Name	Personal Interest	Family Interest	Corporate Interest	Other Interest
Robert John Richard Owen	3,000	-	-	-
Ilyas Tariq Khan (Note 1)	1	-	110,001	-
Johnny Chan Kok Chung	30,000	-	-	-

Note 1: TW Indus Limited held 110,001 shares in Crosby Limited. TW Indus Limited was beneficially wholly-owned by Ilyas Tariq Khan.

(b) Share Options

At the Extraordinary General Meeting held on 27 March 2002, all the then existing option schemes were terminated, all then existing options were cancelled and a new share option scheme was adopted.

No options relating to any previous scheme have ever been exercised. None of the options issued under the new scheme will vest prior to 28 March 2003 and cannot be exercised prior to that date.

During the period from 27 March 2002 to 30 June 2002, 248,244,700 options were granted by the Company under the new scheme. During the three months ended 30 September 2002, Nil options were granted under the new scheme.

During the three months ended 30 September 2002, 19,624,700 options under the new scheme lapsed in relation to seven employees leaving the Group. No options had lapsed for the period from 27 March 2002 to 30 June 2002. Pursuant to the terms of the new share option scheme, options lapse with effect from the date of cessation of employment of employees. Under rule 23.03(3) (Note 1) of the Rules Governing the Listing of Securities on GEM, options that have lapsed under the terms of the scheme will not be counted as part of the total number of securities subject to the scheme mandate limit of 10% of issued share capital.

As at 30 September 2002, options to subscribe for an aggregate of 228,620,000 ordinary shares of US\$0.001 each in the Company pursuant to the new share option scheme were outstanding.

Save as disclosed above, during the period from 27 March 2002 to 30 September 2002, none of the directors and employees of the Company or its subsidiaries was granted options to subscribe for Shares.

(c) Substantial Shareholders

So far as the directors are aware, as at 30 September 2002, the holders of 10% or more of Shares were as follows:

Name	Number or approximate attributable number of shares	Approximate percentage or approximate attributable percentage holding of shares currently in issue
Ilyas Tariq Khan (Note 1)	593,492,223	23.72%
ECK & Partners Limited (Note 2)	325,290,000	13.00%
tekbank.com Limited (Note 3)	302,055,000	12.07%

Note 1: The interest of Ilyas Tariq Khan included 188,208,147 Shares held by TW Indus Limited which was beneficially wholly-owned by him and 325,290,000 Shares held by ECK & Partners Limited which was beneficially owned as to 61.43% by him.

Note 2: ECK & Partners Limited held a direct interest in 325,290,000 Shares. Ilyas Tariq Khan was beneficially interested in 61.43% of the share capital of ECK & Partners Limited and, therefore, Ilyas Tariq Khan was also interested in these 325,290,000 Shares which are duplicated within the 593,492,223 Shares in which Ilyas Tariq Khan was interested.

Note 3: tekbank.com Limited is a company wholly-owned by the Kuwait Fund for Arab Economic Development, a development finance agency owned by the government of Kuwait.

Save as disclosed above, the directors are not aware of any other persons who were, as at 30 September 2002, interested in 10% or more of the Shares.

(d) Sponsor's Interest

As notified by the Company's sponsor, BNP Paribas Peregrine Capital Limited (the "Sponsor"), as at 30 September 2002, Yi Hua Assets Limited, an associate of the Sponsor (as defined in the GEM listing rules) held 16,380,675 Shares.

Save as disclosed herein, neither the Sponsor nor its directors or employees or associates (as referred to in Note 3 to rule 6.35 of the GEM Listing Rules) had any interests in the securities of the Company, including options or rights to subscribe for such securities.

Pursuant to the agreement entered into between the Company and the Sponsor, the Sponsor will receive a fee for acting as the Company's retained sponsor for the period from 17 April 2000 to 31 December 2002.

(e) Competing Interests

The directors are not aware of any business or interest, as of 30 September 2002, of the directors, initial management shareholders of the Company or their respective associates, which was required to be disclosed pursuant to Rule 11.04 of the GEM Listing Rules.

AUDIT COMMITTEE

As required by Rule 5.23 of the GEM Listing Rules, the Company established an audit committee on 31 March 2000 with written terms of reference in compliance with Rules 5.20 and 5.25 of the GEM Listing Rules, which deal clearly with its authority and duties. The audit committee members comprise Alec Tsui Yiu Wa, Max Carrol Chapman, Jr. and Robert John Richard Owen. Its principal duties are to review and supervise the Company's financial reporting process and internal control systems.

The audit committee meets at least quarterly with the most recent meeting held on 13 November 2002.

BOARD PRACTICES AND PROCEDURES

The company has complied with the Board Practices and Procedures as set out in rules 5.28 to 5.39 of the GEM Listing Rules throughout the period.

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

During the nine months and three months ended 30 September 2002, the Company purchased Nil Shares (2001: 11,270,000) and Nil Shares (2001: Nil) respectively, and did not sell or redeem any of the Company's listed securities.

By Order of the Board
Robert John Richard Owen
Chairman

Hong Kong, 14 November 2002