



For the
three months
ended
31 March

2005

1st 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 report, 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 report.

This report, 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 report 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 report misleading; and (3) all opinions expressed in this report 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 an independent investment banking and asset management group listed on the Hong Kong Stock Exchange’s GEM board (HK GEM 8088), with offices in China, Singapore, Indonesia, the United Kingdom and representation in other parts of Asia.

The Group operates the following lines of business:

- (i) **The Techpacific Business** – a regional investment vehicle for early to late stage investments in the technology sector and the technology venture capital management business.
- (ii) **The Crosby Business** – Asia’s leading independent investment banking and asset management business. These activities are carried out by Crosby Capital Partners Inc. (“Crosby”) and its subsidiaries. Crosby is listed on London’s Alternative Investment Market (CSB LN).

MANAGEMENT DISCUSSION AND ANALYSIS

Turnover of the Group for the quarter under review increased to US\$1.528 million compared with US\$0.535 million for the same quarter last year. In particular, Crosby recognised approximately US\$1 million of turnover during the quarter following the closure of a significant refinancing on a company located in Pakistan.

Other revenue of the Group amounted to US\$6.750 million compared with US\$0.243 million for the same quarter last year. Further to the Company’s announcement dated 31 December 2004, on 31 January 2005 Crosby sold its interests in the oil and gas assets located in the US to Lodore Resources Inc. which is listed on the Alternative Investment Market of the London Stock Exchange. Other revenue of the Group during the quarter includes US\$6.321 million in respect of this transaction.

Administrative expenses amounted to US\$3.314 million compared to US\$3.155 million for the same quarter last year. This increase in expenses has mainly arisen from the expansion of the Crosby Business during the later part of 2004 and 2005. Included in the administrative expenses for the quarter is an accounting charge of US\$0.2 million in respect of the Company’s and Crosby’s outstanding share options in accordance with International Financial Reporting Standards.

As a result of the above factors, the Group’s profit attributable to shareholders for the quarter under review increased to US\$4.151 million compared with US\$2.734 million loss for the same quarter last year.

Divisional Review

THE TECHPACIFIC BUSINESS

Technology Venture Capital Management

The Group manages two technology-focused venture capital funds, Nirvana Capital Limited (the "Nirvana Fund") and the Hong Kong SAR Government's Applied Research Fund ("ARF"), through the two fund management companies detailed below:

1. Softech Investment Management Company Limited ("Softech")

Softech is a 50:50 joint venture company with Softbank, which is the approved manager of the ARF. The ARF is a HK\$750 million fund, of which Softech manages HK\$250 million, whose purpose is to provide funding support to Hong Kong-based technology ventures and research and development projects that have commercial potential. The longer-term objective of the ARF is to increase Hong Kong's technological capability and enhance the competitiveness of the local industry, thereby promoting higher value-added economic development in Hong Kong.

2. Techpacific.com Venture Capital Limited ("TPVC")

TPVC is a 75.1% subsidiary, which is the investment manager of the Nirvana Fund, a technology investment fund. The Nirvana Fund, raised in early 2000, was closed on 30 April 2005 following the end of the Fund's tenure.

Technology Propriety Investments

The investment cost of earlier technology investments made by the Group was fully written off at the end of 2002 and therefore any proceeds received from such investments are credited directly to the income statement. The process of extracting value is ongoing.

THE CROSBY BUSINESS

Investment Banking

The investment banking arm has the following broad areas of activity:

1. A Merchant Banking group that is active in pursuing management buyout and leveraged buyout transactions in the more developed Asian markets (Australia, Indonesia, Hong Kong and Singapore are current areas of focus). Crosby benefits from these transactions by receiving advisory fees, success fees and equity interests in the target companies and their underlying assets. The Merchant Banking activity also provides opportunities for Crosby to make investments opportunistically but prudently with a minimal direct use of its own capital or via interests acquired in the form of in-kind success-based commissions.
2. A cross border corporate finance team that provides mergers and acquisitions, structured finance, fund raisings and financial advisory services for corporations in Asia. This business is largely based upon Crosby's presence in Singapore and Indonesia.
3. A corporate finance advisory business focused on China and Greater China, concentrating primarily on mid-cap private sector companies in China. Since August 2004, Crosby participates in this business through "SBI CROSBY", a 50:50 joint venture with SIIS XCapital Limited ("SIIS XCapital"). This partnership gives the China business of Crosby significant access to distribution and research capabilities to serve the expanding market of high growth private enterprises located in China.

Asset Management

1. Funds Management

Crosby now manages over US\$400 million in a variety of private equity and Government-sponsored funds.

Crosby's current asset management activities continue to focus in Asia, where management see the greatest potential for rapid growth. Strategically, the asset management business is very important for the long term growth and development of the Crosby Business.

2. Wealth Management

Crosby Wealth Management became fully operational in the second quarter of 2005.

RESULTS

The board of directors (the "Board") of the Company is pleased to announce the unaudited consolidated results of the Group for the three months ended 31 March 2005 (the "Review Period"), together with the comparative unaudited figures of the corresponding period in 2004, as follows:

				Three Months Ended 31 March	
	<i>Notes</i>	2005 <i>US\$'000</i>	2004 <i>US\$'000</i>		
Turnover	2	1,528	535		
Other revenue	2	6,750	243		
Total revenue		8,278	778		
Administrative expenses		(3,314)	(3,155)		
Distribution expenses		(18)	(2)		
Other operating expenses		(467)	(370)		
Profit/(loss) from operations		4,479	(2,749)		
Share of profits/(losses) in associates		219	(3)		
Profit/(loss) before and after taxation	3	4,698	(2,752)		
Minority interests		(547)	18		
Profit/(loss) attributable to shareholders		4,151	(2,734)		
Earnings/(Loss) per share – Basic	5	USD0.15 cent	(USD0.11 cent)		

NOTES TO THE UNAUDITED CONSOLIDATED RESULTS

1. Basis of presentation

The principal accounting policies adopted in preparing the unaudited consolidated results conform to International Financial Reporting Standards ("IFRS").

In 2005, the Group has adopted all new and revised IFRS which are effective for accounting periods beginning on or after 1 January 2005.

The adoption of IFRS 2 "Share-based Payments" has resulted in a change in accounting policy for the Group's Share Option Schemes. Prior to this, the provision of share options to employees did not result in a charge to the income statement. Following the adoption of IFRS 2, the fair value of share options at grant date is amortised over the relevant vesting periods to the income statement. IFRS 2 should be applied retrospectively for all equity instruments granted to an employee of the Group after 7 November 2002 and not vested at 1 January 2005.

The effect on adopting IFRS 2 on the unaudited consolidated income statement for the three months ended 31 March 2005 is to decrease the profit before taxation and minority interests by US\$230,477. There is no significant impact to the unaudited consolidated results for the same quarter last year on adoption of IFRS 2 and accordingly, no prior period adjustment of the same quarter last year has been made.

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 unaudited consolidated financial statements.

2. Turnover and Other revenue

Turnover mainly comprises fees for corporate finance and other advisory services, fees from placement of shares, fund management fees and wealth management service fees.

Other revenue mainly comprises interest income, profit on disposal of investments, bad debt recoveries and increase in fair values of financial assets at fair value through profit or loss.

3. Taxation

No Hong Kong or overseas income tax has been provided for in the three months ended 31 March 2005 as neither the Group nor any of its associated companies derived any profit that is subject to Hong Kong or overseas income tax.

No recognition of potential deferred tax assets relating to tax losses of the Group has been made as the recoverability of the potential tax assets is uncertain.

4. Movements in reserves

	Share premium		Capital reserve		Capital redemption reserve		Employee share-based compensation reserve	
	2005	2004	2005	2004	2005	2004	2005	2004
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January	52,817	52,209	9,228	9,228	11	11	-	-
Recognition of employee share options granted	-	-	-	-	-	-	196	-
At 31 March	52,817	52,209	9,228	9,228	11	11	196	-

	Investment revaluation reserve		Foreign exchange reserve		Accumulated losses	
	2005	2004	2005	2004	2005	2004
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January	165	72	(280)	(109)	(21,827)	(55,388)
(Deficit)/Surplus on revaluation	(28)	26	-	-	-	-
Exchange difference on consolidation	-	-	58	(95)	-	-
Profit/(loss) attributable to shareholders	-	-	-	-	4,151	(2,734)
At 31 March	137	98	(222)	(204)	(17,676)	(58,122)

5. Earnings/(Loss) per share

The calculation of the basic earnings/(loss) per share for the three months ended 31 March 2005 is based on the profit attributable to shareholders of US\$4,150,923 (2004: loss attributable to shareholders of US\$2,733,937) and the weighted average number of shares of 2,795,077,245 (2004: 2,502,577,245).

No diluted earnings per share for the three months ended 31 March 2005 is shown, as the outstanding share options were anti-dilutive.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2005 (2004: Nil).

DISCLOSURE OF INTERESTS

(a) Directors

As at 31 March 2005, the interests and short positions of the Directors or any chief executive of the Company in the shares and underlying shares (within the meaning of the Securities and Futures Ordinance ("SFO")) of the Company and any of its associated corporations (within the meaning of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Exchange pursuant to the required standard of dealings by directors of a listed issuer as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

(i) Interests in the ordinary shares of the Company

Name of Director	Personal Interest	Family Interest	Corporate Interest	Aggregate Long Position in ordinary shares of the Company	Percentage which the aggregate long position in ordinary shares represents to the total ordinary shares of the Company in issue %
Ilyas Tariq Khan (Notes 1 & 2)	79,994,076	–	513,498,147	593,492,223	23.72
Johnny Chan Kok Chung (Note 3)	207,805,852	16,097,387	–	223,903,239	8.95

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

Note 2: ECK & Partners Limited held 325,290,000 ordinary shares. ECK & Partners Limited was beneficially owned as to 61.43% by Ilyas Tariq Khan, and as to 18.57% by Johnny Chan Kok Chung. Ilyas Tariq Khan is deemed to have interests in 325,290,000 ordinary shares 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 ordinary shares. Yuda Udomritthiruj, an employee of a subsidiary of the Company, is the wife of Johnny Chan Kok Chung and, accordingly, he is deemed to have interests in her shares.

(ii) Interests in the non-voting convertible deferred shares of the Company

None of the Directors held interest in the non-voting convertible deferred shares of the Company.

(iii) Interests in the underlying shares of the Company

The interests in the underlying shares of the Company arise from unlisted share options (physically settled equity derivatives) granted to the Directors of the Company under the Company's Share Option Scheme, details of which are provided below:

Name of Director	Date of Grant	Subscription Price	Aggregate Long Position in Underlying Shares of the Company	Percentage which the aggregate long position in underlying shares of the Company represents to the total ordinary share capital of the Company in issue %
Daniel Yen Tzu Chen	14 May 2003	HK\$0.0350	5,000,000	0.20
Peter McIntyre Koenig	20 Aug 2004	HK\$0.0350	5,000,000	0.20
Ahmad S. Al-Khaled	20 Aug 2004	HK\$0.0350	5,000,000	0.20
Joseph Tong Tze Kay	20 Aug 2004	HK\$0.0350	5,000,000	0.20

(iv) Short Positions

None of the Directors held short positions in the shares and underlying shares of the Company or any Associated Corporation.

(v) Interests in the shares of an Associated Corporation

Name of Director	Associated Corporation	Personal Interest	Corporate Interest	Aggregate Long Position in shares of the Associated Corporation	Percentage which the aggregate long position in shares of the Associated Corporation represents to the issued share capital of the Associated Corporation %
Ilyas Tariq Khan (Note 1)	Crosby Capital Partners (Hong Kong) Limited	1	110,001	110,002	0.04
Johnny Chan Kok Chung	Crosby Capital Partners (Hong Kong) Limited	30,000	-	30,000	0.01

Note 1: TW Indus Limited held 110,001 shares in Crosby Capital Partners (Hong Kong) Limited. TW Indus Limited was beneficially wholly-owned by Ilyas Tariq Khan.

Save as disclosed above, as at 31 March 2005, none of the Directors of the Company had interests and short positions in the shares and Underlying Shares of the Company and any of its associated corporations as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Exchange pursuant to the required standard of dealings by directors of a listed issuer as referred to in Rule 5.46 of the GEM Listing Rules.

As at 31 March 2005, the Company had not issued any debentures.

Save as disclosed herein, as at 31 March 2005, none of the Directors or chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision of the SFO) or which were required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules relating to securities transactions by Directors.

(b) Substantial Shareholders and Other Persons

As at 31 March 2005, the following persons, other than the Directors of the Company, had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

(i) Interests in the ordinary shares of the Company

Name	Number or approximate attributable number of ordinary shares	Percentage which the aggregate long position in ordinary shares represents to the total ordinary shares of the Company in issue
ECK & Partners Limited (<i>Note 1</i>)	325,290,000	13.00%
TBV Holdings Limited (<i>Note 2</i>)	302,055,000	12.07%
TW Indus Limited (<i>Note 3</i>)	188,208,147	7.52%

Note 1: ECK & Partners Limited held a direct interest in 325,290,000 ordinary 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 ordinary shares which are duplicated within the 593,492,223 ordinary shares in which Ilyas Tariq Khan was interested as a Director.

Note 2: TBV Holdings Limited is a company wholly-owned by the Kuwait Fund for Arab Economic Development, a development finance agency owned by the government of Kuwait.

Note 3: TW Indus Limited held a direct interest in 188,208,147 ordinary shares. Ilyas Tariq Khan was beneficially interested in 100% of the share capital of TW Indus Limited and, therefore, Ilyas Tariq Khan was also interested in these 188,208,147 ordinary shares which are duplicated within the 593,492,223 ordinary shares in which Ilyas Tariq Khan was interested as a Director.

(ii) Interests in the non-voting convertible deferred shares of the Company

Name	Number or approximate attributable number of non-voting convertible deferred shares	Percentage which the aggregate long position in non-voting convertible deferred shares represents to the total non-voting convertible deferred shares currently in issue
Simon Fry (<i>Note 1</i>)	292,500,000	100%

Note 1: Simon Fry is the Chief Executive Officer of Crosby Capital Partners Inc., which is a 84.33% subsidiary of the Company as at 31 March 2005. Further to the Company's announcement dated 31 March 2004, the Company allotted 292,500,000 non-voting convertible Deferred Shares to Simon Fry. Simon Fry has also purchased 25,000,000 shares from the Company's Employee Share Ownership Plan and has committed to purchase a further 85,186,587 shares on deferred payment terms.

(iii) Short Positions

No person held short positions in the Shares and Underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

Save as disclosed above, as at 31 March 2005, the Directors of the Company were not aware of any other person who had an interest or short position in the Shares and Underlying Shares of the Company that was required to be recorded in the register required to be kept under Section 336 of the SFO.

(c) Share Options

Pursuant to the Company's Share Option Scheme, a duly authorised committee of the board of Directors of the Company may, at its discretion, grant options to eligible employees, including executive directors, of the Company or any of its subsidiaries to subscribe for shares in the Company at a price not less than the higher of (i) the closing price of the Shares of the Company on the Exchange on the date of grant of the particular option or (ii) the average of the closing prices of the Shares of the Company for the five trading days immediately preceding the date of the grant of the options or (iii) the nominal value of the shares.

Share options granted under the Share Option Scheme are exercisable as follows:

- (a) the first thirty percent of the options between the first and tenth anniversary of the date of grant;
- (b) the next thirty percent of the options between the second and tenth anniversary of the date of grant; and
- (c) the remaining options between the third and tenth anniversary of the date of grant.

The following table sets out information relating to the Share Option Scheme:

Date of Options Grant	Options Granted	Options Exercise Price	Options Lapsed since grant	Options Outstanding	exercisable as at 31 March 2005
27 March 2002	248,244,700	HK\$0.0704	247,944,700	300,000	300,000
18 March 2003	54,000,000	HK\$0.0350	54,000,000	-	-
14 May 2003	15,000,000	HK\$0.0350	10,000,000	5,000,000	1,500,000
18 June 2003	26,064,000	HK\$0.0350	26,064,000	-	-
11 July 2003	312,000,000	HK\$0.0350	312,000,000	-	-
1 December 2003	21,000,000	HK\$0.0350	21,000,000	-	-
20 August 2004	15,000,000	HK\$0.0350	-	15,000,000	-
	<u>691,308,700</u>		<u>671,008,700 ⁽¹⁾</u>	<u>20,300,000</u>	<u>1,800,000</u>

Note 1: Includes 518,564,000 of share options that have lapsed and are not available for re-use.

No options granted under the Share Option Scheme had been exercised as at 31 March 2005.

(d) Competing Interests

So far as the Directors are aware, none of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) or their respective associates have any interests in a business which competes or may compete with the business of the Group.

AUDIT COMMITTEE

The Company established an audit committee on 31 March 2000 with the written terms of reference in compliance with the GEM Listing Rules. The audit committee comprises three independent non-executive directors, Messrs. Joseph Tong Tze Kay, Daniel Yen Tzu Chen and Peter McIntyre Koenig. The primary duties of the audit committee 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 12 May 2005. The unaudited quarterly results of the Company for the three months ended 31 March 2005 have been reviewed by the audit committee.

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

The Company, or any of its subsidiaries, did not purchase, sell or redeem any of its listed securities during the three months ended 31 March 2005 (2004: Nil).

By Order of the Board

Ilyas Tariq Khan

Chairman

Hong Kong, 12 May 2005

As at the date of this report, the Directors of the Company are

Executive Director: Johnny Chan Kok Chung

Non-Executive Directors: Ilyas Tariq Khan, Ahmad S. Al-Khaled

*Independent Non-Executive Directors: Daniel Yen Tzu Chen, Peter McIntyre Koenig
and Joseph Tong Tze Kay*