



Technology Venture Holdings Limited

Interim Report **2004**



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Results

The directors (the "Directors") of Technology Venture Holdings Limited (the "Company") hereby announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2004 together with comparative figures for the corresponding period in 2003 as follows:

業績

宏昌科技集團有限公司(「本公司」)董事(「董事」)謹此公佈本公司及其附屬公司(「本集團」)截至二零零四年六月三十日止六個月之未經審核中期業績，連同二零零三年同期之比較數字如下：

Condensed Consolidated Profit and Loss Account**簡明綜合損益表**

		Six months ended		
		30 June		
		截至六月三十日止六個月		
		2004	2003	
		二零零四年	二零零三年	
		(unaudited)	(unaudited)	
		(未經審核)	(未經審核)	
		HK\$'000	HK\$'000	
		千港元	千港元	
TURNOVER	營業額	2	104,362	75,222
Cost of sales	銷售成本		(90,535)	(64,095)
Gross profit	毛利		13,827	11,127
Other income	其他收益		658	370
Selling and distribution expenses	銷售及分銷費用		(4,440)	(3,140)
Administrative expenses	行政費用		(19,839)	(21,006)
Other operating expenses	其他經營費用		(241)	(3,069)
LOSS FROM OPERATING ACTIVITIES	經營業務之虧損	4	(10,035)	(15,718)
Finance costs	融資成本		(88)	(468)
LOSS BEFORE TAX	除稅前虧損		(10,123)	(16,186)
Tax	稅項	5	153	(887)
LOSS BEFORE MINORITY INTERESTS	未計少數股東權益前虧損		(9,970)	(17,073)
Minority interests	少數股東權益		813	3,418
NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔日常業務之淨虧損		(9,157)	(13,655)
Dividends	股息	6	-	-
DEFICIT FOR THE PERIOD	本期虧絀		(9,157)	(13,655)
LOSS PER SHARE	每股虧損	7	(1.82)港仙	(2.72)港仙
Basic (HK cents)	基本(港仙)		(1.82)港仙	(2.72)港仙
Diluted (HK cents)	攤薄後(港仙)		N/A 不適用	N/A 不適用

Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動報表

		Issued capital 已發行股本 HK\$'000 千港元 (note 27) (附註27)	Share premium account 溢價賬 HK\$'000 千港元	Con-tributed surplus 繳入盈餘 HK\$'000 千港元	Reserves 儲備		Accumu- lated losses 累積虧損 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	Total 總計 HK\$'000 千港元
					Goodwill reserve 商譽儲備 HK\$'000 千港元	Exchange fluctuation reserve 匯兌波動儲備 HK\$'000 千港元			
At 1 January 2003	於二零零二年一月一日	50,121	341,071	(19)	(43,248)	51	(175,434)	122,421	172,542
Exchange realignment	匯兌調整	-	-	-	-	4	-	4	4
Net gains and losses not recognised in the profit and loss account	未在損益表確認之收益及虧損淨額	-	-	-	-	4	-	4	4
Net loss for the period	期內淨虧損	-	-	-	-	-	(13,655)	(13,655)	(13,655)
At 30 June 2003	於二零零二年六月三十日	50,121	341,071	(19)	(43,248)	55	(189,089)	108,770	158,891
Exchange realignment	匯兌調整	-	-	-	-	9	-	9	9
Net gains and losses not recognised in the profit and loss account	未在損益表確認之收益及虧損淨額	-	-	-	-	9	-	9	9
Net loss for the period	期內淨虧損	-	-	-	-	-	(1,727)	(1,727)	(1,727)
At 31 December 2003 and 1 January 2004	於二零零三年十二月三十一日及二零零四年一月一日	50,121	341,071	(19)	(43,248)	64	(190,816)	107,052	157,173
Exercise of share options	行使購股權	152	202	-	-	-	-	202	354
Net loss for the period	期內淨虧損	-	-	-	-	-	(9,157)	(9,157)	(9,157)
At 30 June 2004	於二零零四年六月三十日	50,273	341,273	(19)	(43,248)	64	(199,973)	98,097	148,370

Condensed Consolidated Balance Sheet

簡明綜合資產負債表

		At 30 June 2004		At 31 December 2003	
		於二零零四年 六月三十日		於二零零三年 十二月三十一日	
		(unaudited) (未經審核)		(audited) (經審核)	
		HK\$'000 千港元		HK\$'000 千港元	
		Notes 附註			
NON-CURRENT ASSETS		非流動資產			
Fixed assets	固定資產		5,120	5,657	
Deferred development costs	遞延發展成本		1,827	2,266	
Long term investment	長期投資	8	66,681	66,681	
Deposits	按金		15,128	15,653	
			88,756	90,257	
CURRENT ASSETS		流動資產			
Inventories	存貨		20,794	20,724	
Accounts receivable	應收賬項	9	88,254	69,364	
Prepayments, deposits and other receivables	預付款項、按金及其他應收款		89,603	74,089	
Due from an investee company	應收一家被投資公司之款項		24,030	8,539	
Pledged time deposits	已抵押定期存款		5,138	16,470	
Cash and bank balances	現金及銀行結餘		44,272	91,833	
			272,091	281,019	

			At 30 June 2004	At 31 December 2003
			於二零零四年 六月三十日 (unaudited) (未經審核)	於二零零三年 十二月三十一日 (audited) (經審核)
	Notes 附註		HK\$'000 千港元	HK\$'000 千港元
CURRENT LIABILITIES		流動負債		
Accounts and bills payable		應付賬項及票據	10 36,929	58,415
Tax payable		應繳稅項	11,341	11,489
Accrued liabilities and other payables		應計負債及其他 應付款	106,753	96,277
Interest-bearing and secured bank loans		附息及有抵押 銀行貸款	49,829	39,339
Current portion of finance lease payables	12	融資租賃應付款項 之即期部分	290	315
			205,142	205,835
NET CURRENT ASSETS		流動資產淨值	66,949	75,184
TOTAL ASSETS LESS CURRENT LIABILITIES		資產總值減流動負債	155,705	165,441
NON-CURRENT LIABILITIES		非流動負債		
Finance lease payables	12	融資租賃應付款項	384	504
Deferred tax		遞延稅項	233	233
			617	737
MINORITY INTERESTS		少數股東權益	6,718	7,531
			148,370	157,173
CAPITAL AND RESERVES		資本及儲備		
Issued capital	13	已發行股本	50,273	50,121
Reserves	14	儲備	98,097	107,052
			148,370	157,173

Condensed Consolidated Cash Flow Statement

簡明綜合現金流量表

Six months ended
30 June

截至六月三十日止六個月

2004 2003

二零零四年 二零零三年

(unaudited) (unaudited)

(未經審核) (未經審核)

HK\$'000 HK\$'000

千港元 千港元

NET CASH OUTFLOW FROM OPERATING ACTIVITIES	經營業務所得之現金流出淨額	(54,223)	(13,222)
NET CASH INFLOW FROM INVESTING ACTIVITIES	投資活動所得之現金流入淨額	35,342	4,821
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	融資活動所得之現金流入/(流出)淨額	10,682	(955)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(8,199)	(9,356)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初之現金及現金等價物	57,591	62,414
Effect of foreign exchange rate changes, net	外匯匯率變動之影響淨額	-	4
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期終之現金及現金等價物	49,392	53,062
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘之分析		
Cash and bank balances	現金及銀行結餘	44,272	47,163
Bank overdrafts, secured	有抵押銀行透支	(18)	(1,626)
Time deposits with original maturity of less than three months when acquired, pledged as security for bank overdraft facilities	於獲得日期起計三個月內到期之定期存款·已就銀行透支融資抵押	5,138	7,525
		49,392	53,062

Notes to Condensed Consolidated Financial Statements

1. Accounting policies

The condensed consolidated interim financial statements are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") No. 2.125 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants. The unaudited interim financial statements has been prepared on a basis consistent with the principal accounting policies adopted in the 2003 annual report.

2. Segment information

(a) Business segments

The following tables present revenue and operating loss for the Group's business segments.

	Banking and finance systems integration services	Software solution for banks and public sector	Eliminations	Consolidated
	銀行及 金融系統 集成服務 2004 二零零四年 HK\$'000 千港元	銀行及公用 事務界別 適用之軟件 解決方案 2004 二零零四年 HK\$'000 千港元	抵銷 2004 二零零四年 HK\$'000 千港元	綜合 2004 二零零四年 HK\$'000 千港元
Segment revenue:	分部收入:			
Sales to external customers	向外部客戶作出之銷售	42,726	61,636	104,362
Intersegment sales	分部間之銷售	-	726	-
Interest income	利息收入	5	183	188
Other income	其他收入	178	-	178
Total	總額	42,909	(726)	104,728
Segment results	分部業績	898	(2,099)	(1,201)
Unallocated interest income	未分配利息收入			228
Unallocated gains	未分配收益			64
Unallocated expenses	未分配開支			(9,126)
Loss from operating activities	經營業務之虧損			(10,035)

簡明綜合財務報表附註

1. 會計政策

簡明綜合中期財務報表乃遵照香港會計師公會頒布的香港會計實務準則（「會計實務準則」）第2.125號「中期財務申報」編製。編製未經審核中期財務報表之基準與二零零三年年報所採納之主要會計政策貫徹一致。

2. 分類資料

(a) 業務分部

本集團業務分部之收入及經營虧損列於下表。

		Banking and finance systems integration services	Software solution for banks and public sector	Eliminations	Consolidated
		銀行及 金融系統 集成服務	銀行及公用 事務界別 適用之軟件 解決方案	抵銷	綜合
		2003	2003	2003	2003
		二零零三年	二零零三年	二零零三年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Segment revenue:	分部收入:				
Sales to external customers	向外部客戶作出 之銷售	50,243	24,979	-	75,222
Intersegment sales	分部間之銷售	-	-	-	-
Interest income	利息收入	36	16	-	52
Other income	其他收入	93	7	-	100
Total	總額	50,372	25,002	-	75,374
Segment results	分部業績	(1,074)	(6,751)	-	(7,825)
Unallocated interest income	未分配利息收入				218
Unallocated expenses	未分配開支				(8,111)
Loss from operating activities	經營業務之虧損				(15,718)

(b) Geographical segments

The following tables present revenue and operating loss for the Group's geographical segments.

		Hong Kong	Elsewhere in the PRC	Eliminations	Consolidated
		香港	中國		綜合
		2004	其他地區	抵銷	2004
		二零零四年	2004	2004	二零零四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Segment revenue:	分部收入:				
Sales to external customers	向外部客戶作出之銷售	418	103,944	-	104,362
Intersegment sales	分部間之銷售	-	-	-	-
Total	總額	<u>418</u>	<u>103,944</u>	<u>-</u>	<u>104,362</u>
Segment results*	分部業績*	<u>(8,453)</u>	<u>(1,582)</u>	<u>-</u>	<u>(10,035)</u>

本集團地區分部之收入及經營虧損之資料列於下表。

		Hong Kong	Elsewhere in the PRC	Eliminations	Consolidated
		香港	中國		綜合
		2003	其他地區	抵銷	2003
		二零零三年	2003	2003	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Segment revenue:	分部收入:				
Sales to external customers	向外部客戶作出之銷售	2,797	72,425	-	75,222
Intersegment sales	分部間之銷售	-	-	-	-
Total	總額	<u>2,797</u>	<u>72,425</u>	<u>-</u>	<u>75,222</u>
Segment results*	分部業績*	<u>(7,947)</u>	<u>(7,771)</u>	<u>-</u>	<u>(15,718)</u>

* Disclosed pursuant to the requirements of the Listing Rules

* 依照上市規則規定披露

3. Related party transactions and connected transactions 3. 有關連人士交易及關連交易

		Six months ended 30 June 截至六月三十日止六個月	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Purchase of information technology products from a company in which a director of the Company is also director	向本公司董事兼任董事之公司採購資訊科技產品	-	2,271
Maintenance and consultancy fee paid to a company in which a director of the company is also director	已付保養及顧問費用予本公司一名董事兼任董事之公司	132	-
Advance to an investee company	對被投資公司之墊款	24,030	8,539

In the opinion of the directors, the above related party and connected party transactions were entered into by the Group in the ordinary course of business and on terms agreed with the minority shareholders and related companies. The directors consider that these transactions were made according to prices and conditions similar to those offered to other third parties.

董事認為，上述有關連人士交易及關連交易乃於本集團之日常業務中按少數股東與有關連公司協定之條款訂立。董事認為，該等交易之價格及條件與給予其他第三者之價格及條件相若。

4. Loss from operating activities 4. 經營業務之虧損

The Group's loss from operating activities is arrived at after charging:

本集團經營業務之虧損已扣除：

		Six months ended 30 June 截至六月三十日止六個月	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Cost of goods sold	已出售貨品之成本	90,535	64,095
Depreciation	折舊	1,355	2,010
Amortization of deferred development costs	遞延發展成本攤銷	439	49

5. Tax

Hong Kong	香港
- overprovision in previous years	- 過往年度超額撥備
Elsewhere	其他地區
- current period	- 本期間
Tax credit/(charge) for the period	本期間之稅項抵免／(支出)

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2003: NIL). Taxes on profits elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

6. Interim dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2004 (2003: Nil).

7. Loss per share

The calculation of the basic loss per share for the six months ended 30 June 2004 is based on the unaudited consolidated loss attributable to shareholders of approximately HK\$9,157,000 (2003: Loss HK\$13,655,000) and on the weighted average of 502,136,677 (2003: 501,209,644) ordinary shares in issue during the period.

Diluted loss per share amount for periods ended 30 June 2004 and 2003 have not been disclosed as the share options outstanding during these periods had an anti-dilutive effect on the basic loss per share.

5. 稅項

Six months ended 30 June 截至六月三十日止六個月	
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
153	-
-	(887)
153	(887)

由於本集團期內並無在香港產生任何應課稅溢利，故並無就香港利得稅作出撥備（二零零三年：零）。於其他地區所賺取溢利之稅項乃根據本集團經營業務所在國家之現行稅率，按照當地現行法例、詮釋及慣例計算。

6. 中期股息

董事不建議派發截至二零零四年六月三十日止六個月之中期股息（二零零三年：無）。

7. 每股虧損

截至二零零四年六月三十日止六個月之每股基本虧損乃根據股東應佔未經審核綜合虧損約9,157,000港元（二零零三年：虧損13,655,000港元）及期內已發行普通股之加權平均數502,136,677股（二零零三年：501,209,644股）計算。

由於期內尚未行使之購股權對每股基本虧損有反攤薄影響，故截至二零零三年及二零零四年六月三十日止期內之每股攤薄後虧損並未作披露。

8. Long term investment

Equity securities	股本證券
- unlisted	- 非上市
- listed overseas	- 於海外上市
Market value	市值

Unlisted long term investment as at 31 December 2003 represented the cost of the Group's investment in a 19.9% equity interest in ChinaCast Technology (BVI) Limited ("CCT"), a company incorporated in the British Virgin Islands. During the year of 2003, CCT underwent a group restructuring to rationalise the structure of the Group of companies comprising CCT (the "CCT Group") for its listing on the Singapore Exchange Securities Trading Limited ("SGX"). ChinaCast Communication Holdings Limited ("CCH"), a company incorporated in Bermuda with limited liability on 20 November 2003, is the listing vehicle of the CCT Group. The Group's investment in CCH is diluted to 14.96% after CCH listed on 14 May 2004 on SGX Mainboard.

The Group has undertaken not to dispose or transfer any part of the shareholding in CCH for a period of twelve months commencing from the date of 14 May 2004.

8. 長期投資

At 30 June 2004 於二零零四年 六月三十日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2003 於二零零三年 十二月三十一日 (audited) (經審核) HK\$'000 千港元
-	66,681
66,681	-
66,681	66,681
88,626	-

於二零零三年十二月三十一日，非上市長期投資即本集團於ChinaCast Technology (BVI) Limited (「CCT」) 19.9%股本權益之投資成本。CCT為於英屬處女群島註冊成立之公司。於二零零三年年度，CCT為其在新加坡證券交易所(「新加坡證券交易所」)上市，曾進行集團重組，以整頓組成CCT各公司(「CCT集團」)之集團架構。於二零零三年十一月二十日在百慕達註冊成立之公司ChinaCast Communication Holdings Limited (「CCH」)為CCT集團之上市公司。CCH於二零零四年五月十四日在新加坡證券交易所主板上市後，本集團於CCH之投資攤薄至14.96%。

本集團已承諾於二零零四年五月十四日起計十二個月期間內，不會出售或轉讓任何其於CCH之股權。

9. Accounts receivable

The aged analysis of accounts receivable was as follows:

Current to 90 days	即期至90天
91 days to 180 days	91天至180天
181 days to 365 days	181天至365天
Over 365 days	365天以上

The various group companies have different credit policies, dependent on the requirements of their markets and the business which they operate. In general, the credit period does not exceed 60 days.

10. Accounts payable

The aged analysis of accounts payable was as follows:

Current to 90 days	即期至90天
91 days to 180 days	91天至180天
181 days to 365 days	181天至365天
Over 365 days	365天以上

9. 應收賬項

應收賬項之賬齡分析如下：

At 30 June 2004	At 31 December 2003
於二零零四年 六月三十日 (unaudited) (未經審核)	於二零零三年 十二月三十一日 (audited) (經審核)
HK\$'000 千港元	HK\$'000 千港元
55,375	47,754
6,772	3,566
13,931	2,275
12,176	15,769
88,254	69,364

集團旗下各公司的信貸政策各有不同，乃視乎其經營的市場要求及業務類型而定，信貸期一般不超過60天。

10. 應付賬項

應付賬項之賬齡分析如下：

At 30 June 2004	At 31 December 2003
於二零零四年 六月三十日 (unaudited) (未經審核)	於二零零三年 十二月三十一日 (audited) (經審核)
HK\$'000 千港元	HK\$'000 千港元
16,628	47,665
4,083	1,217
11,550	1,532
4,668	8,001
36,929	58,415

11. Banking facilities

- (i) Corporate guarantees executed by the Company to the extent of HK\$20,000,000 (As at 31 December 2003: HK\$20,000,000).
- (ii) As at 30 June 2004, the Group's banking facilities were secured by the pledge of the Group's time deposits amounting to approximately HK\$5,138,000 (As at 31 December 2003: HK\$16,470,000).
- (iii) A corporate guarantee executed by a business associate of the Group to the extent of RMB3,000,000 (equivalent to HK\$2,830,000) (As at 31 December 2003: HK\$2,830,000).
- (iv) The pledge of the time deposits of the Group's business associates amounting to RMB27,000,000 and USD3,300,000 respectively (equivalent to HK\$51,212,000) (As at 31 December 2003: HK\$25,472,000).
- (v) The Group's overdraft facilities amounting to HK\$2,000,000 (As at 31 December 2003: HK\$2,000,000), of which HK\$18,000 (As at 31 December 2003: Nil) had been utilised as at the balance sheet date, are secured by the pledge of certain of the Group's time deposits amounting to HK\$137,000 (As at 31 December 2003: Nil).

11. 銀行融資

- (i) 本公司履行之公司擔保，以20,000,000港元（於二零零三年十二月三十一日：20,000,000港元）為限。
- (ii) 於二零零四年六月三十日，本集團之銀行融資乃以抵押本集團約達5,138,000港元（於二零零三年十二月三十一日：16,470,000港元）之定期存款作為擔保。
- (iii) 本集團一名業務聯繫人士履行之公司擔保，以人民幣3,000,000元（相當於2,830,000港元）（於二零零三年十二月三十一日：2,830,000港元）為限。
- (iv) 本集團業務聯繫人士之定期存款抵押分別為人民幣27,000,000元及3,300,000美元（相當於51,212,000港元）（於二零零三年十二月三十一日：25,472,000港元）。
- (v) 本集團之透支融資為2,000,000港元（於二零零三年十二月三十一日：2,000,000港元），當中已於結算日被動用之18,000港元（於二零零三年十二月三十一日：無）乃以本集團若干定期存款合共137,000港元（於二零零三年十二月三十一日：無）作抵押。

12. Finance lease payables

Amounts payable:	應付款項：
Within one year	一年內
in the second year	第二年
in the third to fifth years,	第三至第五年
inclusive	（首尾兩年包括在內）
Total minimum finance lease payments	融資租賃最低款項總額
Future finance charges	未來融資費用
Total net finance lease payables	融資租賃應付款項總淨額
Portion classified as current liabilities	列為流動負債之部分
Long term portion	長期部分

12. 融資租賃應付款項

At 30 June 2004 於二零零四年 六月三十日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2003 於二零零三年 十二月三十一日 (audited) (經審核) HK\$'000 千港元
326	326
264	311
174	290
764	927
(90)	(108)
674	819
(290)	(315)
384	504

13. Share capital

13. 股本

Shares

股份

		At 30 June 2004 於二零零四年 六月三十日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2003 於二零零三年 十二月三十一日 (audited) (經審核) HK\$'000 千港元
Authorised:	法定:		
1,000,000,000 ordinary shares of HK\$0.10 each	每股面值0.10港元 之普通股 1,000,000,000股	100,000	100,000
Issued and fully paid:	已發行及繳足:		
502,729,644 (At 31 December 2003: 501,209,644) ordinary shares of HK\$0.10 each	每股面值0.10港元之 普通股502,729,644股 (於二零零三年十二月 三十一日: 501,209,644股)	50,273	50,121

A summary of the movements in the issued share capital of the Company during the period is as follows:

本公司已發行股本於期內之變動概述如下:

		Number of shares in issue 已發行股份數目	Issued and fully paid 已發行及繳足 (unaudited) (未經審核) HK\$'000 千港元
At 1 January 2004	於二零零四年一月一日	501,210	50,121
Shares issued on exercise of share options	行使購股權時發行股份	1,520	152
At 30 June 2004	於二零零四年六月三十日	502,730	50,273

Share options

Under the terms of the share option scheme adopted by the Company on 12 June 1999 ("Existing Share Option Scheme"), the board of directors is authorised, on or before 11 June 2009, at its absolute discretion, to invite any employee, including any executive director of the Company or any of its subsidiaries, to take up options to subscribe for shares in the Company. The subscription price will be the higher of 80% of the average of the closing price of the Company's shares on The Stock Exchange of Hong Kong Limited for the five trading days immediately preceding the date of the offer of grant of the option and the nominal value of the shares. The maximum number of shares in respect of which options may be granted under the share option scheme may not exceed, in nominal amount, 10% of the issued share capital of the Company from time to time which have been duly allotted and issued. The share option scheme became effective upon the listing of the Company's shares on The Stock Exchange of Hong Kong Limited on 6 July 1999.

On 30 May 2002, the Existing Share Option Scheme is terminated by an ordinary resolution passed. Any options granted prior to the passing of the resolution shall not be affected or prejudiced and all such options shall continue to be valid and exercisable in accordance with the terms of the Existing Share Option Scheme.

New share option scheme ("New Share Option Scheme") is adopted by the Company on 30 May 2002. Under the terms of the New Share Option Scheme, the board of directors is authorized, on or before 29 May 2012, at its absolute discretion, to invite any employees of the Group including executive directors, non-executive directors of the Company or any of its subsidiary, any suppliers, agent and any other persons providing research, development or other advisory, consultancy, professional or other services to the Group, whether on a contractual or honorary basis and whether paid or unpaid, who have contributed or will contribute to the Group to take up options to subscribe for shares in the Company. The subscription price will not be less than the higher of the closing price of the Company's shares on The Stock Exchange of Hong Kong Limited on the date of grant and the average closing price for the five business days immediately preceding the date of grant but in any event not less than the nominal value of the shares. The maximum number of shares in respect of which options may be granted may not exceed 10% of the issued share capital of the Company at the adoption date.

購股權

根據本公司於一九九九年六月十二日採納之購股權計劃（「現有購股權計劃」）之條款，董事會獲授權於二零零九年六月十一日或之前，全權邀請任何僱員，包括本公司或其任何附屬公司之任何執行董事，接納可認購本公司股份之購股權。認購價將為緊接購股權授出日期前五個交易日本公司股份在香港聯合交易所有限公司之平均收市價80%與股份面值兩者中之較高者。根據購股權計劃可能授出之購股權可認購股份之數目，最多不可超過本公司不時已發行股本（經正式配發及發行）面值之10%。購股權計劃已在本公司股份於一九九九年七月六日在香港聯合交易所有限公司上市後生效。

於二零零二年五月三十日，現有購股權計劃根據所通過之普通決議案終止。所有於決議案通過前已授出之購股權將不會受到影響或受到損害，且所有該等購股權將仍具效力，並可繼續按現有購股權計劃之條款予以行使。

本公司已於二零零二年五月三十日採納新購股權計劃（「新購股權計劃」）。根據新購股權計劃之條款，董事會獲授權於二零一二年五月二十九日或之前，全權邀請本集團任何僱員，包括本公司或其任何附屬公司之執行董事及非執行董事，以及不論以合約或義務基準及不論以有酬或無酬形式為本集團提供研究、開發或其他顧問、諮詢、專業或其他服務之任何供應商、代理商及任何其他人士（且彼等已經或將會對本集團有所貢獻），接納可認購本公司股份之購股權。認購價將不會低於本公司股份於授出日期在香港聯合交易所有限公司之收市價與緊接授出日期前五個營業日之平均收市價兩者中之較高者，惟無論如何不得低於股份面值。可能授出之購股權可認購之股份數目，最多不可超過本公司於採納日期之已發行股本10%。

Interim Report 2004 年中期業績報告

On 23 May 2003, the Limit on grant of options under the Share Option Schemes are refreshed.

於二零零三年五月二十三日，根據購股權計劃授出購股權之上限已獲更新。

The movements in the number of share options to subscribe for shares in the Company during the period were as follows:

於期內可認購本公司股份之購股權數目變動如下：

Date of grant of share options	Number of share options outstanding at 1 January 2004 於二零零四年一月一日 尚未行使之購股權數目	Number of share options exercised during the period 於期內行使之購股權數目	Number of share options lapsed during the period 於期內作廢之購股權數目	Number of share options outstanding at 30 June 2004 於二零零四年六月三十日 尚未行使之購股權數目	Exercise price 行使價	Exercise period 行使期間
21 January 2000 二零零零年一月二十一日	1,320,000	-	-	1,320,000	HK\$2.532 2.532港元	21 January 2001 to 20 January 2010 二零零一年一月二十一日至 二零零零年一月二十日
27 June 2002 二零零二年六月二十七日	500,000	-	-	500,000	HK\$0.431 0.431港元	27 June 2003 to 29 May 2012 二零零三年六月二十七日至 二零一二年五月二十九日
27 November 2003 二零零三年十一月二十七日	49,960,000	1,520,000	140,000	48,300,000	HK\$0.233 0.233港元	27 November 2003 to 29 May 2012 二零零三年十一月二十七日至 二零一二年五月二十九日
	<u>51,780,000</u>	<u>1,520,000</u>	<u>140,000</u>	<u>50,120,000</u>		

As at 30 June 2004, the Company had 50,120,000 share options outstanding. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 50,120,000 new ordinary shares of HK\$0.10 each in the Company.

於二零零四年六月三十日，本公司尚有50,120,000份購股權未獲行使。根據本公司之現行股本結構，倘尚餘之購股權獲全數行使，本公司將需發行50,120,000股每股面值0.10港元之新普通股。

14. Reserves

Included in the reserve is the goodwill of HK\$42,646,000 arising from the acquisition by the Group during the year ended 31 December 2000 of a 55% interest in a subsidiary.

15. Capital commitments

The Group had no capital commitments as at 30 June 2004 and 31 December 2003.

16. Contingent liabilities

As at 30 June 2004, the Group had a contingent liability in respect of possible future long service payments to employees under the Hong Kong employment Ordinance, with a maximum possible amount of HK\$445,000 (At 31 December 2003: HK\$890,000). The contingent liability has arisen as a number of current employees have achieved the required number of years of service to the Group, to the balance sheet date, in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

17. Post balance sheet event

In September 2004, the Group obtained a bank loan facility to the extent of RMB20,000,000 for one year which is secured by (i) a subsidiary's trade receivables and, (ii) assets provided by the subsidiary's senior management without limit. On 9 September 2004, RMB10,000,000 has been utilised.

14. 儲備

儲備包括本集團於截至二零零零年十二月三十一日止年度收購一家附屬公司55%股權所產生之商譽港幣42,646,000元。

15. 資本承擔

於二零零四年六月三十日及二零零三年十二月三十一日，本集團並無任何資本承擔。

16. 或然負債

於二零零四年六月三十日，本集團就根據香港僱傭條例日後可能須向僱員支付之長期服務金而有或然負債，金額最多可能為445,000港元（於二零零三年十二月三十一日：890,000港元）。產生或然負債之原因為，若干現有僱員於結算日服務本集團之年數已屆僱員因若干情況遭終止聘用彼將可根據僱傭條例獲發長期服務金之年期。由於並無出現被視為可能會導致本集團日後有重大資源流出之情況，故並無就可能款項確認任何撥備。

17. 結算日後事項

於二零零四年九月，本集團獲得銀行貸款融資額為人民幣20,000,000元，年期為一年，並以(i)一家附屬公司之應收貿易賬項；及(ii)該附屬公司高級管理人員提供之無限額資產作抵押。於二零零四年九月九日，已動用當中人民幣10,000,000元。

Management Discussion and Analysis

Financial Review

The Group's financial performance in the first half of 2004 was most encouraging, buoyed by the remarkable improvements in the business operations of TopAsia and ADT.

Turnover for the Group grew 39% to HK\$104,362,000 from HK\$75,222,000 in the corresponding period in 2003.

Gross profit increased 24% to HK\$13,827,000 from HK\$11,127,000 in the first half of 2003 as a result of higher turnover achieved during the period, but gross profit margin was further narrowed to 13% from 15% in 2003 because of fierce competition in the China market.

Loss attributable to shareholders continued to reduce significantly by 33% to HK\$9,157,000 from HK\$13,655,000 in the same period of 2003, reflecting the diminished amount of provisions made compared with the previous period.

Business Review

IT solutions and system integration: TopAsia

Active business developments marked the performance of TopAsia during the first half of the 2004 financial year. The provision of maintenance services to self-service banking products, primarily automated teller machines (ATM), continued to be a significant growth driver.

TopAsia achieved stable growth in the provision of ATM repair and maintenance services to Bank of China (BOC) and the Postal Administration of China. The division's established competitive strengths, notably its comprehensive point-of-service network, considerable track record and prompt feedback, have facilitated strategic market development, including the unprecedented successful tender wins for nearly 400 ATM machines at BOC branches in Henan, Chongqing and Zhejiang.

管理層討論與分析

業績回顧

由於冠亞與先進數碼的業務營運有明顯改善，集團在二零零四年上半年之業績表現令人鼓舞。

集團之營業額由二零零三年同期的75,222,000港元，增長39%至104,362,000港元。

營業額攀升，令毛利亦由二零零三年上半年的11,127,000港元，增加24%至13,827,000港元。但由於中國市場的競爭激烈，毛利率由二零零三年的15%收窄至13%。

與去年同期比較，集團的撥備大幅減少，故股東應佔虧損繼續收窄，由二零零三年上半年之13,655,000港元顯著減少33%至9,157,000港元。

業務回顧

資訊科技解決方案與系統集成：冠亞

積極的業務拓展為冠亞在二零零四財政年度上半年帶來出色的表現。冠亞的主要增長動力仍然源自以自動櫃員機為主的自助銀行產品保養服務。

冠亞為中國銀行和中國郵政系統提供自動櫃員機維修保養服務的業務有穩定發展。憑藉網點多、經驗足及回應快等傳統優勢，成功拓展策略性市場，特別在河南中行、重慶中行和浙江中行等售後服務招標項目中史無前例地奪得近400台自動櫃員機的服務訂單。

In the annual tender of the China Merchants Bank (CMB), TopAsia secured five of its nine procurement projects covering ATMs, cash deposit machines (CDM) and self-service enquiry machines – and two agency rights for Diebold ATM and CDM, thus retaining its status as the leading service provider and sales agent for CMB's self-service banking centre products.

In addition, TopAsia has renewed all the expired maintenance service contracts previously held by Sequent China before amalgamation. Major clients continued to be reputable financial institutions, primarily BOC, China Construction Bank (CCB), City Commercial Bank and Postal Administration of China, and the division will seek further profit growth by actively clinching more service contracts.

Through sheer technical prowess, TopAsia became the biggest winner in the ATM networked software development project for the Postal Administration of China. The division secured the largest number of orders through winning the tenders in Anhui, Hubei, Hunan, Shaanxi and Zhejiang.

On the system integration front, TopAsia participated in the implementation of the border control monitoring system for the Public Security Department and successfully completed the first pilot at the Beijing Capital International Airport. The division succeeded in overcoming various technical obstacles and the pilot scheme is very close to a satisfactory handover.

Data integration is a new area of tremendous growth potential for TopAsia. The division completed a data integration project for Nanyang Brothers Tobacco (Hong Kong) with remarkable benefits to the client, and the development of data integration procedures for Shanghai Census and Statistics Bureau also passed professional examination.

在招商銀行一年一度的項目招標中，冠亞贏得九個招標項目中的五個，包括自動櫃員機、自動存款機和自動查詢機三個服務項目，以及Diebold ATM和自動存款機兩個產品代理項目，保持招商銀行系統最大服務商和產品代理商的地位。

再者，在與Sequent China整合前，冠亞已更新所有Sequent China期滿的保修服務合約。主要客戶包括全國領先金融機構，包括中國銀行、中國建設銀行、城市商業銀行及中國郵政儲匯局。冠亞並將積極爭取更多服務合約，進一步提升贏利能力。

在國家郵政局自動櫃員機設備聯網軟件改造項目中，冠亞依靠技術實力，接連在安徽、湖北、湖南、陝西、浙江等省招標中中標，成為這項目中取得最多合約的公司。

系統集成業務方面，冠亞參予了公安部出入境管理局邊檢監控系統的實施，亦已完成首個試點北京首都機場項目的測試。冠亞成功克服多項技術障礙，試點項目接近驗收。

數據整合應用乃冠亞積極發展的新業務，上半年成功幫助南洋兄弟煙草公司綜合業務系統進行數據整合，效果明顯；同時也為上海市統計局開發綜合業務數據整合處理程序，並已通過專家驗收。

TopAsia was also pleased to report that it had obtained a RMB14 million contract for the provision of peripheral services to Little Smart (or Xiaolingtong) and multi-media workstations, invented and operated by China's renowned IT practitioner UTStarcom.

In line with TVH's strategy in developing online education platform, TopAsia continues to empower its software capabilities for China's education portal for primary and secondary school teachers.

Software: Advanced Digital Technology

The Group's software vehicle, 55%-owned Advanced Digital Technology (ADT), was once again named one of China's top 100 software companies in 2004 by the Ministry of Information Industry (MII). On top of that, 電腦商報 Computer Partner World has ranked ADT one of the top 100 solution providers among the leading 500 computer companies in China. The division also passed the ISO9000 review (once every three years) and received favorable evaluation from industry professionals.

ADT has succeeded in strategizing its product and services offerings into three major lines – software development and productization, network systems and mainframe systems – for more focused and niche market development. As ADT is one of the six designated service providers of integrated data networks for CCB, the division secured business orders from seven of 14 top-line bank branches during the first half of the financial year.

In addition, ADT has won the CCB tender for the implementation of a data archive management system, making the division the sole partner to CCB in this project and the service marketer to all of its 39 branches nationwide. The breakthrough development has further reinforced ADT's reputation as a professional solution provider with advanced capability to digitalize financial information, and helps open up tremendous new business opportunities.

冠亞透過與中國著名電訊業營運商「小靈通」業務的原創公司UT斯達康合作，為其製造及管理的「小靈通」設備及多媒體工作站提供配套服務，取得價值1,400萬人民幣的訂單。

配合宏昌開發網上教育平台之戰略，冠亞繼續以全國中小學教師教育網為基礎，開發更完整的教育服務平台軟件。

軟件業務：先進數碼

宏昌持有55%權益的先進數碼再次被信息產業部選為二零零四年「中國軟件產業最大規模100強之一」，同時榮獲電腦商報選為「中國電腦500強中之解決方案100強之一」。先進數碼亦已通過ISO9000每三年一次之複檢，並獲得業內專家的一致好評。

先進數碼成功將產品及服務分為三大戰略範疇：分別為軟件開發與產品化、網絡系統及大型主機系統，務求更專注迎合不同的市場發展。作為中國建設銀行六家數據集中上聯網絡服務供應商之一，先進數碼成功在上半年獲得銀行14家一線分行中七家的訂單。

此外，先進數碼贏得中國建設銀行一項裝設歷史數據管理系統的招標項目，成為該行就此項目的獨家夥伴及全國39家分行的服務推廣商。此突破發展印證先進數碼研發金融資料數碼化專業解決方案的實力，有助其開發更具潛力的商機，進一步提升地位。

Being one of the selected five network service providers to Industrial and Commercial Bank of China (ICBC), ADT will continue to provide high-quality network maintenance services to a portfolio of 15 provincial branches. As a Gold Partner awarded by CISCO in June, ADT is able to design more sophisticated network solutions to meet specific customer needs.

ADT will continue to strengthen cooperation with Microsoft in software development to expand its solution offerings to meet specific customer needs. The sophisticated AD catalogue project that ADT developed for ICBC in conjunction with Microsoft was presented with a major Microsoft award. In fact, it was the only China-based project that has received this recognition.

Online education through ChinaCast

ChinaCast, a provider of satellite-based broadband Internet solutions to educational institutions, government agencies, enterprises and multi-national companies in China, continued to be the Group's strategic platform for serving the education and training service markets in China, with the technological support of other TVH units. The Singapore-listed company reported a 67% jump in net profit for the three months ended 30 June 2004 to RMB9.4 million compared to the RMB5.6 million recorded in the same period in 2003. For the six-month period to 30 June 2004, net profit jumped 74% to RMB18.1 million up from the RMB10.4 million recorded in the previous corresponding period.

ChinaCast's strong performance was driven by significant improvements in revenue from the university distance learning segment, which saw an increase in student enrolment by approximately 51% to 71,000 at 30 June 2004 from 47,000 a year ago.

作為中國工商銀行(工商銀行)五大網絡服務供應商之一,先進數碼將持續為15間省分行提供優質網絡保養服務。先進數碼在六月份獲思科頒授金牌代理,反映其能針對客戶特定需求,設計更完善的網絡方案。

先進數碼將進一步加深與微軟在軟件開發範疇的合作,以擴闊解決方案領域,滿足客戶的特定需求。先進數碼與微軟合作的工商銀行AD目錄項目獲得一項主要的微軟獎項,此乃微軟在中國地區所頒發的唯一大獎。

透過ChinaCast發展網上教學

ChinaCast乃一家為中國的教育機構、政府部門、企業及跨國公司提供衛星寬頻互聯網解決方案之供應商。得到宏昌其他部門之技術支援,ChinaCast為集團在中國教育及培訓服務市場的策略平台。在新加坡上市的ChinaCast,於截至二零零四年六月三十日止三個月,純利比較二零零三年同期之人民幣560萬上升67%至940萬元人民幣。截至二零零四年六月三十日止六個月,純利比較去年同期之1,040萬元人民幣上升74%至1,810萬元人民幣。

ChinaCast表現強勁,主要由於大學遙距學習範疇之收入錄得顯著增長。二零零四年六月的學生註冊量,由一年前的47,000名上升約51%至71,000名。

While ChinaCast's K-12 distance learning and educational content solutions segment continues to be the major revenue contributor, it is nevertheless a relatively established and mature segment for ChinaCast. The company therefore plans to devote more of its effort to grow its university distance learning solutions segment, and to strengthen its leading position in China's tertiary education market as there are still a number of universities licensed to conduct distance-learning courses but have yet to roll out their programmes. In addition to seven existing universities, three more universities that have signed up previously are in the student enrolment phase.

ChinaCast also plans to focus on its newly established enterprise networking products and services segment by targeting larger enterprises in China, which typically require point to multi-point broadband access so as to effectively transmit data throughout various parts of the country.

ChinaCast's first contract in the enterprise segment was concluded with Tai Kang Life Insurance Co. Ltd., one of China's six national life insurers. Pursuant to the contract, ChinaCast is to provide satellite and Internet-based distance learning solutions to Tai Kang Life Insurance employees throughout China. The project is progressing well and expects to be operational in the third quarter of this year. This contract marks the division's entry into the enterprise networking sector and will facilitate efforts to penetrate and target other insurance and banking customers.

ChinaCast is currently in discussion with a few potential customers and two to three major customers are expected by the end of the year.

ChinaCast的中小學(K-12)遙距學習與教育內容方案仍為主要收入來源，此範疇相對穩定及成熟。有鑑於不少大學已申請遙距課程辦學牌照，但至今尚未推出任何課程，ChinaCast遂計劃致力發展大學遙距學習方案，鞏固在中國大專教育市場的領導地位。除了七間現有大學外，還有其他三間早前已簽約的大學正在招生階段。

ChinaCast亦計劃針對中國大型企業，專注發展企業網絡產品與服務，此業務範疇需求點對多點的寬頻接觸，務求有效地傳輸數據至國內不同地方。

ChinaCast於企業範疇之首份合約乃與中國六大國民壽險商泰康人壽保險有限公司達成。依據合約，ChinaCast為泰康人壽保險在全國的員工提供衛星及互聯網遙距學習方案。項目進展順利，預期今年第三季正式操作。合約標誌著ChinaCast成功打進企業網絡領域，有助推動針對其他保險及銀行客戶的業務。

ChinaCast現正與一些潛在客戶洽商，冀可於今年底前成功爭取兩至三個重要客戶。

To meet the expected increase in customers and their requirements, ChinaCast is currently expanding its Network Operations Centre in Beijing and upgrading its DirecWay satellite hub to enable higher speed, two-way broadband satellite services and to meet the fast growing demands of its education and enterprise customers in China. This system expansion and upgrade will be important for the full commercial launch of the ChinaCast's managed IP, VPN, corporate training, business TV and voice over IP services, scheduled to be introduced at the end of the year. It is also beefing up its sales, marketing and after sales staff to maintain high quality customer support.

Outlook

Looking ahead, TopAsia will continue to sustain its business development momentum to achieve greater growth. At the same time, it will control costs to raise profitability and to meet the designated performance target for the year.

To further enhance its business acumen, TopAsia will consolidate the existing clientele and sustain service quality at the highest professional standards. The division will increase the offering of its maintenance services to a broader range of self-service products and brands in China. In August, TopAsia signed an agreement with KEBA, a world-renowned Austria-based CDM manufacturer, in which TopAsia was authorized to provide after-sales installation and maintenance services to KEBA CDMs operated by all branches of CMB in the Mainland.

TopAsia is also actively crystallizing its expansion strategies to encompass more markets and customers. The division expects to secure a system integration project for a new airport and an ATM surveillance project in Hunan Province.

為滿足預期的客戶增長及其要求，ChinaCast現正擴展北京網絡操作中心，並為DirecWay衛星樞紐升級，提供高速及雙向的寬頻衛星服務，以應付中國迅速增長的教育及企業客戶需求。系統擴展及升級有助ChinaCast在今年底前推出新的商業產品；新產品包括可管理網間協議、虛擬頁碼、企業培訓、商業電視及話音網間協議服務。ChinaCast亦將提升營業、行銷及售後服務實力，以保持優質的顧客支援。

前景

展望未來，冠亞將持續積極拓展業務，提高贏利能力，同時控制成本，以實現全年目標。

為進一步拓展服務，公司將在鞏固現有客戶群和保持服務水準的基礎上，增加新機種和新品牌的保養。冠亞在八月份與奧地利現金存取款機生產商KEBA達成協議，獲授權向招商銀行全國各分行提供KEBA現金存取款機的售後安裝和保養服務。

冠亞亦積極制訂策略，加強覆蓋更多地區及客戶，並期望取得一項新機場系統整合項目合約及一項湖南省自動櫃員機監視項目合約。

Meanwhile, TopAsia will also step up its data integration business that has proved to be an area of tremendous potential. Joint efforts will Ascential will focus on strengthening the sales and development activities of ETL products with the goal of spearheading into the manufacturing, securities, financial and public utility sectors. The cooperation with EMC will steer towards the application of large-capacity data storage systems and contingency back-up systems for financial and securities industries.

Last but not least, TopAsia will bolster its cooperation with UTStarcom to seize business development opportunities in multi-media development, and provide a larger variety of peripherals and products. The goal is to attain RMB40 million of orders this year.

Another key growth driver of the Group, ADT expects the authorized service provider status with ICBC and CCB to continue to bring in new business opportunities. As ICBC reduces the number of its designated network integration service providers, ADT is strategically poised as an established major partner to secure a larger share of the business.

CCB is actively pursuing network integration and the process presents to ADT considerable opportunities in securing more business in data transformation, front-end systems, data interface and other advanced features. ADT plans to capitalize on this development to broaden its business ties with CCB. On the other hand, the division will continue its software development efforts, especially in cooperation with Microsoft that will further facilitate the offering of customer-specific solutions.

Blessed with the widely recognized technical expertise and an established presence in China, ADT believes that it has an important role to play as a technical support centre for imported technology products. The division is working towards such representation for a couple of products.

同時，冠亞計劃加快在數據整合業務方面的步伐，繼續與Ascential公司合作，加強ETL產品的銷售與開發，爭取在製造業、證券業、金融業和公共事業部門實現突破。冠亞並將與EMC公司合作，在金融、證券系統推廣大容量存儲系統、災難備份系統的應用。

最後，冠亞將加大與UT斯達康合作的力度，抓住多媒體發展的機遇，提供更多配套部件和產品，全年爭取訂單達4,000萬元人民幣。

宏昌的另一增長動力先進數碼期望，中國工商銀行及中國建設銀行指定服務供應商之地位可為其帶來更多商機。在工商銀行縮減網絡集成商入圍廠商的情況下，繼續成為其主要合作夥伴，爭取更大的業務份額。

中國建設銀行正積極推行網絡整合，將衍生龐大商機；先進數碼會爭取數據移型、前置系統、數據接口及其他特色業務。先進數碼計劃藉此發展機遇，擴闊與中國建設銀行的其他合作領域。另一方面，先進數碼亦將繼續致力於軟件開發的發展，尤其與微軟的合作，務求進一步強化客戶指定方案的實力。

憑藉廣受認同的技術基礎及在中國的穩固地位，先進數碼深信能成為兩家國外產品在中國的技術支援中心。

ADT will also further enhance its relationship with CISCO. Already a Silver Partner to CISCO, ADT was further awarded Gold Partnership by the vendor in June 2004. The division is also gearing to become a certified system integrator from the MII in the second half of the financial year.

In respect of ChinaCast, it will continue to grow its university distance learning solutions segment and expand its newly established enterprise networking products and services segment to target at larger enterprises in China.

Liquidity and financial resources

Net assets

As at 30 June 2004, the Group recorded total assets of approximately HK\$360,847,000 which were financed by liabilities of HK\$205,759,000 and equity of HK\$148,370,000. The Group's net asset value as at 30 June 2004 decreased by 6% to approximately HK\$148,370,000 as compared to approximately HK\$157,173,000 as at 31 December 2003.

Liquidity

The Group had total cash and bank balances of approximately HK\$49,410,000 as at 30 June 2004 (As at 31 December 2003: approximately HK\$108,303,000) whereas bank loans and overdrafts of approximately HK\$49,829,000 (As at 31 December 2003: approximately HK\$39,339,000). As at 30 June 2004, the current ratio has been changed to 1.33 (As at 31 December 2003: 1.37) and the gearing ratio has been changed to 0.34 (As at 31 December 2003: 0.26) with equity being defined as the total of capital and reserves.

先進數碼將進一步提升與思科的合作關係。其已完成金牌代理的認證工作，並於二零零四年六月由銀牌代理晉升為金牌代理。先進數碼亦正致力爭取下半年通過信息產業部的系統集成資質認證。

ChinaCast將繼續發展大學遙距學習方案，以及針對中國大型企業，擴展新成立的企業網絡產品及服務。

流動資金及財務資源

資產淨值

於二零零四年六月三十日，本集團之資產總值約為360,847,000港元，其中包括負債約205,759,000港元及資本與儲備約148,370,000港元。本集團於二零零四年六月三十日之資產淨值約為148,370,000港元，而於二零零三年十二月三十一日則約為157,173,000港元，跌幅達6%。

流動資金

本集團於二零零四年六月三十日之現金及銀行結餘總額約為49,410,000港元（於二零零三年十二月三十一日：約108,303,000港元），而銀行貸款及透支則約49,829,000港元（於二零零三年十二月三十一日：約39,339,000港元）。於二零零四年六月三十日之流動比率為1.33（於二零零三年十二月三十一日：1.37），而槓桿比率則為0.34（於二零零三年十二月三十一日：0.26）。股本指資本與儲備合計。

Charge on assets

As at 30 June 2004, fixed deposits of approximately HK\$5,138,000 (As at 31 December 2003: HK\$16,470,000) were pledged to banks to secure banking facilities granted.

Treasury policies

The Group generally finance its operations with internally generated resources and credit facilities provided by banks in Hong Kong. Subsidiaries in PRC use short-term borrowing in PRC to finance working capital, which amount to HK\$49,811,000. Borrowing methods used by the Group mainly include trust receipt loans, overdrafts and term loans. The interest rates of most of these are fixed by reference to the Hong Kong Dollar Prime Rate. Both bank deposits and borrowings are mainly in Hong Kong dollars and Ren Min Bi.

Contingent liabilities

At the balance sheet date, the Group had a contingent liability in respect of possible future long service payments to employees under the Hong Kong employment Ordinance, with a maximum possible amount of HK\$445,000 (At 31 December 2003: HK\$890,000). The contingent liability has arisen as a number of current employees have achieved the required number of years of service to the Group, to the balance sheet date, in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

資產抵押

於二零零四年六月三十日，本集團將約5,138,000港元（於二零零三年十二月三十一日：16,470,000港元）之定期存款抵押予銀行，以取得銀行融資。

庫務政策

本集團一般透過內部資金與香港銀行給予之信貸融資提供其業務運作所需資金，位於中國之附屬公司以中國之短期借貸作為營運資金，金額為49,811,000港元。本集團採用之借貸方式主要包括信託收據貸款、透支及有期貨款。上述貸款及透支之利息大部分參照港元最優惠利率釐定。銀行存款及借貸主要以港元及人民幣為單位。

或然負債

於結算日，本集團就根據香港僱傭條例日後可能須向僱員支付之長期服務金而有或然負債，金額最多可能為445,000港元（於二零零三年十二月三十一日：890,000港元）。產生或然負債之原因為，若干現有僱員於結算日服務本集團之年數已屆僱員因若干情況遭終止聘用彼將可根據僱傭條例獲發長期服務金之年期。由於並無出現被視為可能會導致本集團有日後重大資源流出之情況，故並無就可能款項確認任何撥備。

Foreign exchange exposure

The Group mainly earns revenue and incurs costs in US dollars and Hong Kong dollars. Foreign exchange exposure of the Group's is minimal as long as the policy of the Government of HKSAR to link the Hong Kong dollars to the US dollars remains in effect.

Post balance sheet event

In September 2004, the Group obtained a bank loan facility to the extent of RMB20,000,000 for one year which is secured by (i) a subsidiary's trade receivables and, (ii) assets provided by the subsidiary's senior management without limit. On 9 September 2004, RMB10,000,000 has been utilised.

Employee and remuneration policies

As at 30 June 2004, the Group employed approximately 344 full time staff in the Mainland China and Hong Kong. The Group remunerates its employees based on their performance, work experience and the prevailing market price. Performance related bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option scheme.

外匯風險

本集團主要以美元及港元賺取收益及支付費用。只要香港特區政府一直實施港元與美元掛鈎政策，本集團之外匯風險將維持低水平。

結算日後事項

於二零零四年九月，本集團獲得銀行貸款融資額為人民幣20,000,000元，年期為一年，並以(i)一家附屬公司之應收貿易賬項；及(ii)該附屬公司高級管理人員提供之無限額資產作抵押。於二零零四年九月九日，已動用當中人民幣10,000,000元。

僱員及薪酬政策

於二零零四年六月三十日，本集團已於中國及香港聘用約344名全職僱員。本集團乃根據僱員之表現、工作經驗及現行市價釐訂僱員之薪酬。與表現掛鈎之花紅乃按酌情基準授出。其他僱員福利包括強制性公積金、保險及醫療保險、培訓課程及購股權計劃。

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

At 30 June 2004, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

董事及行政總裁於股份、相關股份及債券之權益及淡倉

於二零零四年六月三十日，本公司董事及行政總裁於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有本公司根據證券及期貨條例第352條須存置之登記冊所記錄，或根據上市公司董事進行證券交易的標準守則（「標準守則」）已知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉如下：

本公司於普通股之好倉：

Number of Shares held in the Company

持有本公司股份數目

Director 董事	Corporate interests 公司權益	Personal interests 個人權益	Family interests 家族權益	Total interests 權益總計
Chan Tze Ngon ("Mr Chan") 陳子昂（「陳先生」）	-	82,614,000	-	16.43%
Tang Kin Hung 鄧健洪	-	10,500,000	-	2.09%

In addition to the above, certain directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

除上述者外，為符合公司最少股東人數之規定，若干董事代本公司持有若干附屬公司之非實益個人股本權益。

Save as disclosed above, none of the directors or the chief executive of the Company had registered an interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露者外，本公司董事或行政總裁概無於本公司或其任何相聯法團之股份、相關股份或債券中擁有須根據證券及期貨條例第352條予以記錄，或根據標準守則已知會本公司及聯交所之權益或淡倉。

Directors' Rights to Acquire Shares or Debentures**董事認購股份或債券之權利**

The following options were granted to directors and remained unexercised as at 30 June 2004:-

已授予董事且於二零零四年六月三十日尚未行使之購股權如下：

Director 董事姓名	Date of grant 授出日期	Number of option 購股權數目	Exercise price 行使價 HK\$ 港元	Exercise period 行使期限
Chow Siu Lam, Cliff 周少霖	27 November 2003 二零零三年 十一月二十七日	5,000,000	0.233	27 November 2003 to 29 May 2012 二零零三年十一月二十七日至 二零一二年五月二十九日
Wu Emmy 吳安敏	27 November 2003 二零零三年 十一月二十七日	5,000,000	0.233	27 November 2003 to 29 May 2012 二零零三年十一月二十七日至 二零一二年五月二十九日
Tang Kin Hung 鄧健洪	27 November 2003 二零零三年 十一月二十七日	5,000,000	0.233	27 November 2003 to 29 May 2012 二零零三年十一月二十七日至 二零一二年五月二十九日
		<hr/> 15,000,000		
Other Employees In aggregate 其他僱員累計		15,900,000	0.233	27 November 2003 to 29 May 2012 二零零三年十一月二十七日至 二零一二年五月二十九日
Business Associates In aggregate 業務聯繫人士累計		1,320,000	2.532	21 January 2001 to 20 January 2010 二零零一年一月二十一日至 二零一零年一月二十日
		500,000	0.431	27 June 2003 to 29 May 2012 二零零三年六月二十七日至 二零一二年五月二十九日
		17,400,000	0.233	27 November 2003 to 29 May 2012 二零零三年十一月二十七日至 二零一二年五月二十九日
		<hr/> 19,220,000		
Total 總計		<hr/> 50,120,000		

Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its holding comprises and subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Substantial shareholders' and other persons' interests and short positions in shares and underlying shares

Other than the directors and chief executive of the Company, whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, no other person had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register of interests pursuant to Section 336 of the SFO.

Purchase, Sale or Redemption of Shares

There was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the six months ended 30 June 2004.

Adoption of Chinese name

By a resolution passed on 21 May 2004, 宏昌科技集團有限公司 is to be adopted as the Chinese name of the Company. Due to some technical difficulties, the Directors decided not to proceed.

Review by Audit Committee

The interim results have been reviewed by the Audit Committee.

除上文披露者外，於期內任何時間，董事或彼等各自之配偶或十八歲以下子女概無獲授可藉購入本公司的股份而獲益的權利，或行使任何該等權利；或本公司或其控股公司及任何附屬公司概無訂立任何安排，致使董事獲得任何其他法人團體之該等權利。

主要股東及其他人士於股份及相關股份之權益及淡倉

除本公司董事及行政總裁於上文「董事及行政總裁於股份、相關股份及債券之權益及淡倉」一節所載之權益外，概無其他人士擁有須根據證券及期貨條例第336條記錄在權益登記冊之本公司股份或相關股份權益或淡倉。

購買、出售或贖回股份

截至二零零四年六月三十日止六個月內，本公司或其任何附屬公司並無購買、出售或贖回本公司股份。

採納中文名稱

根據於二零零四年五月二十一日通過之決議案，本公司將採納宏昌科技集團有限公司為其中文名稱，然而由於出現技術上問題，故董事決定不執行是項決議案。

審核委員會審閱

中期業績已由審核委員會審閱。

Code of Best Practice

In the opinion of the directors, the Company complied with the Code of Best Practice, as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, throughout the accounting period covered by this interim report. The company established an audit committee in 1999, which comprises two independent non-executive directors, in accordance with paragraph 14 of the Code of Best Practice. The audit committee meets regularly mainly to consider the nature and scope of audit reviews, the effectiveness of the Company's internal control systems and compliance with the relevant rules and regulations.

Appreciation

On behalf of the Directors, I would like to take this opportunity to thank our shareholders for their support and our staff for their hard work and achievements during the year. Their dedication empowers TVH to accomplish greater success in the coming year and beyond.

By order of the Board

Chan Tze Ngan

Chairman

Hong Kong, 17 September 2004

最佳應用守則

董事認為，本公司於本中期報告所述會計期間一直遵守香港聯合交易所有限公司之證券上市規則附錄14所載最佳應用守則。本公司已根據最佳應用守則第14段之規定於一九九九年成立由兩名獨立非執行董事組成之審核委員會。該審核委員會定期舉行會議，主要考慮審核之性質及範圍、本公司內部監控系統之成效，以及是否已遵照相關規則及條例。

致謝

本人謹代表董事會，對股東們年內的支持、以至員工團隊的辛勞和取得的成就致以謝忱。憑藉他們對宏昌科技的貢獻和支持，集團今後之業務定能更上層樓。

承董事會命

主席

陳子昂

香港，二零零四年九月十七日