

A large, vertical photograph of a group of hands holding a thick, braided rope. The hands are positioned at the top of the frame, with the rope extending downwards. The background is dark, and the lighting highlights the texture of the rope and the skin of the hands. The image is framed by a white border with rounded corners at the top left and bottom right.

Dedicated **Pursuit of**
Everyone at TVH

Technology Venture Holdings Limited
Interim Report 2005

Contents

目錄

Results 業績	2
Condensed Consolidated Profit and Loss Account 簡明綜合損益表	2
Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動報表	3
Condensed Consolidated Balance Sheet 簡明綜合資產負債表	4
Condensed Consolidated Cash Flow Statement 簡明綜合現金流量表	6
Notes to Condensed Consolidated Financial Statements 簡明綜合財務報表附註	7
Management Discussion and Analysis 管理層討論與分析	24
Other Information 其他資料	32

01

宏
昌
科
技
集
團
有
限
公
司
2
0
0
5
年
中
期
業
績
報
告

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 2005 together with comparative figures for the corresponding period in 2004 as follows:

Condensed Consolidated Profit and Loss Account

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」)截至二零零五年六月三十日止六個月之未經審核中期業績·連同二零零四年同期之比較數字如下:

簡明綜合損益表

		Six months ended 30 June 截至六月三十日止六個月		
		2005 二零零五年 (unaudited) (未經審核)	2004 二零零四年 (unaudited) (未經審核)	
		HK\$'000 千港元	HK\$'000 千港元	
TURNOVER	營業額	3	127,160	104,362
Cost of sales	銷售成本		(118,714)	(90,535)
Gross profit	毛利		8,446	13,827
Other income	其他收益		913	658
Selling and distribution expenses	銷售及分銷費用		(4,022)	(4,440)
Administrative expenses	行政費用		(17,913)	(19,839)
Other operating income	其他經營收入		2,316	-
Other operating expenses	其他經營費用		(439)	(241)
Impairment of goodwill	商譽減值		(20,602)	-
LOSS FROM OPERATIONS	經營業務之虧損	5	(31,301)	(10,035)
Finance costs	融資成本		(526)	(88)
LOSS BEFORE TAX	除稅前虧損		(31,827)	(10,123)
Tax	稅項	6	(773)	153
LOSS FOR THE PERIOD	期內虧損		(32,600)	(9,970)
ATTRIBUTABLE TO:	源自:			
Equity holders of the parent	母公司股本持有人		(29,968)	(9,157)
Minority Interests	少數股東權益		(2,632)	(813)
			(32,600)	(9,970)
DIVIDEND PER SHARE	每股股息	7	NIL 無	NIL 無
LOSS PER SHARE	每股虧損	8	(5.96)港仙	(1.82)港仙
Basic (HK cents)	基本(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

		Attributable to equity holders of the parent 母公司股本持有人應佔									
		Share Issued capital 已發行 股本 HK\$'000 千港元	premium account 溢價賬 HK\$'000 千港元	Con- tributed surplus 繳入盈餘 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	Revaluation reserve 重估儲備 HK\$'000 千港元	Accumu- lated losses 累積虧損 HK\$'000 千港元	Minority interests 少數 股東權益 HK\$'000 千港元	Total equity 股本總值 HK\$'000 千港元	
		(note 15) (附註15)									
At 1 January 2004	於二零零四年 一月一日	50,121	341,071	(19)	(43,248)	64	-	(190,816)	157,173	7,531	164,704
Exercise of share options	行使購股權	152	202	-	-	-	-	-	354	-	354
Net loss for the period	期內淨虧損	-	-	-	-	-	-	(9,157)	(9,157)	(813)	(9,970)
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)	148,370	6,718	155,088
Exchange realignment	匯兌調整	-	-	-	-	15	-	-	15	-	15
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	-	-	-	-	15	-	-	15	-	15
Net loss for the period	期內淨虧損	-	-	-	-	-	-	(17,695)	(17,695)	(2,264)	(19,959)
At 31 December 2004 and 1 January 2005	於二零零四年 十二月三十一日 及二零零五年 一月一日	50,273	341,273	(19)	(43,248)	79	-	(217,668)	130,690	4,454	135,144
Available-for-sale investments	可供銷售投資	-	-	-	-	-	316	-	316	-	316
Impairment of goodwill	商譽減值	-	-	-	20,602	-	-	-	20,602	-	20,602
Net loss for the period	期內淨虧損	-	-	-	-	-	-	(29,968)	(29,968)	(2,632)	(32,600)
At 30 June 2005	於二零零五年 六月三十日	50,273	341,273	(19)	(22,646)	79	316	(247,636)	121,640	1,822	123,462

Condensed Consolidated Balance Sheet

簡明綜合資產負債表

		At 30 June 2005 於二零零五年六月三十日 (unaudited) (未經審核)		At 31 December 2004 於二零零四年十二月三十一日 (audited) (經審核)	
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元	
NON-CURRENT ASSETS		非流動資產			
Fixed assets	固定資產		3,991	4,601	
Deferred development costs	遞延發展成本		948	1,387	
Interest in a jointly-controlled entity	於一家共同控制實體權益		104	104	
Available-for-sale investments	可供銷售投資	9	81,775	–	
Long term investment	長期投資	10	–	66,681	
Deposits	按金		–	14,151	
			86,818	86,924	
CURRENT ASSETS		流動資產			
Inventories	存貨		21,822	28,197	
Accounts receivable	應收賬項	11	43,879	52,267	
Prepayments, deposits and other receivables	預付款項、按金及其他應收款		52,655	50,019	
Due from an investee company	應收一家被投資公司之款項		1,356	23,045	
Pledged time deposits	已抵押定期存款		3,138	5,141	
Cash and bank balances	現金及銀行結餘		46,463	79,857	
			169,313	238,526	

			At 30 June 2005 於二零零五年 六月三十日 (unaudited) (未經審核)	At 31 December 2004 於二零零四年 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	12	29,848	52,304
Tax payable	應繳稅項		11,525	11,670
Accrued liabilities and other payables	應計負債及其他應付款		75,927	79,953
Interest-bearing and secured bank loans	附息及有抵押銀行貸款		14,752	45,617
Current portion of finance lease payables	融資租賃應付款項之即期部分	14	232	275
			132,284	189,819
NET CURRENT ASSETS	流動資產淨值		37,029	48,707
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		123,847	135,631
NON-CURRENT LIABILITIES	非流動負債			
Finance lease payables	融資租賃應付款項	14	152	254
Deferred tax	遞延稅項		233	233
			385	487
			123,462	135,144
CAPITAL AND RESERVES	資本及儲備			
Equity attributable to equity holders of the parent	母公司股本持有人應佔股本			
Issued capital	已發行股本	15	50,273	50,273
Reserves	儲備	16	71,367	80,417
			121,640	130,690
MINORITY INTERESTS	少數股東權益		1,822	4,454
			123,462	135,144

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	
		2005 二零零五年 (unaudited) (未經審核)	2004 二零零四年 (unaudited) (未經審核)
		HK\$'000 千港元	HK\$'000 千港元
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	經營業務所得之現金流出淨額	(24,018)	(54,223)
NET CASH INFLOW FROM INVESTING ACTIVITIES	投資活動所得之現金流入淨額	22,159	35,342
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	融資活動所得之現金流入／(流出)淨額	(31,443)	10,682
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(33,302)	(8,199)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初之現金及現金等價物	44,989	57,591
Effect of foreign exchange rate changes, net	外匯匯率變動之影響淨額	—	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期終之現金及現金等價物	11,687	49,392
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	12,500	44,272
Bank overdrafts, secured	有抵押銀行透支	(813)	(18)
Time deposits with original maturity of less than three months when acquired, pledged as security for bank overdraft facilities	原定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
		11,687	49,392

Notes to Condensed Consolidated Financial Statements

1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim accounts (“Interim Accounts”) have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting”, issued by the Hong Kong Institute of Certified Public Accountants, and Appendix 16 of the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the preparation of the Interim Accounts are consistent with those used in the annual accounts for the year ended 31 December 2004 except that the Group has changed certain of its accounting policies following the adoption of new/revised Hong Kong Financial Reporting Standards (“HKFRS”) and HKASs which are effective for accounting periods commencing on or after 1 January 2005. The changes to the Group’s accounting policies and the effect of adopting these new accounting policies are set out in notes below.

Impact of adopting new/revised HKFRSs and HKASs in 2005

The major and significant effects of the adoption of the new/revised HKFRSs and HKASs on the Group’s accounting policies and amounts disclosed in the Interim Accounts are summarised as follows:

- (i) The adoption of HKAS 1 “Presentation of Financial Statement” has effected the presentation of minority interests.
- (ii) The adoption of HKFRS 2 has resulted in a change in accounting policy for employee share options and other share-based payments. Prior to this, the provision of share options and share-based payments to employees did not result in a charge to profit and loss account. Following the adoption of HKFRS 2, the fair value of share options and share-based payments at grant date are amortised over the relevant vesting periods to the profit and loss account.

However, the adoption of the HKFRS 2 has no material effect on the results for current nor prior accounting periods. Accordingly, no prior period adjustment is required.

簡明綜合財務報表附註

1. 編製基準及會計政策

未經審核簡明綜合中期賬目（「中期賬目」）乃遵照香港會計師公會頒布的香港會計準則（「香港會計準則」）第34號「中期財務申報」以及香港聯合交易所有限公司證券上市規則附錄16編製。

除本集團採納於二零零五年一月一日或之後開始會計期間生效之新訂／經修訂香港財務申報準則（「香港財務申報準則」）及香港會計準則後更改其若干會計政策外，編製中期賬目所用會計政策及計算方法，與截至二零零四年十二月三十一日止年度年度賬目所採納者貫徹一致。本集團會計政策變動及採納此等新會計政策之影響載於以下附註。

於二零零五年採納新訂／經修訂香港財務申報準則及香港會計準則之影響

採納新訂／經修訂香港財務申報準則及香港會計準則對本集團會計政策及中期賬目所披露數額之主要重大影響概述如下：

- (i) 採納香港會計準則第1號「財務報表之呈列方式」對少數股東權益之呈列方法造成影響。
- (ii) 採納香港財務申報準則第2號導致僱員購股權及其他股份付款之會計政策有變。之前，向僱員提供購股權及股份付款不會於損益表內支銷。採納香港財務申報準則第2號後，購股權及股份付款於授出日期之公平值，會按有關歸屬期於損益表攤銷。

然而，採納香港財務申報準則第2號對目前期間及過往會計期間之業績並無重大影響，故毋須作出前期調整。

- (iii) In prior periods, goodwill arising on acquisitions prior to 1 January 2001 was held in reserves in the year of acquisition and was not recognised in the income statement until disposal or impairment of the acquired business.

Upon the adoption of HKFRS 3 and HKAS 36, goodwill arising on acquisitions is no longer amortised but subject to an annual impairment review (or more frequently if events or changes in circumstances indicate that the carrying value may be impaired). Any impairment loss recognised for goodwill is not reversed in a subsequent period.

The transitional provision of HKFRS 3 have required the Group to eliminate at 1 January 2005 the carrying amounts of accumulated amortisation with a corresponding entry to the cost of goodwill. Goodwill previously eliminated against reserves remains eliminated against reserves and is not recognised in the income statement when all or part of the business to which the goodwill relates is disposed of or when a cash generating unit to which the goodwill relates becomes impaired.

- (iv) In prior periods the Group classified its investments in equity securities as long term investments which were held for non-trading purposes and were stated at cost less any impairment losses.

Upon the adoption of HKASs 32 and 39, these securities are classified as available-for-sale investments. Available-for-sale investments are those non-derivative investments in listed and unlisted equity securities that are designated as available-for-sale or are not classified in any of the other categories of financial assets as defined in HKAS 39. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

- (iii) 於過往期間，因於二零零一年一月一日前收購產生之商譽於收購年度保留於儲備內，於所收購業務出售或減值前，不會於收益表確認。

採納香港財務申報準則第3號及香港會計準則第36號後，收購產生之商譽不再攤銷，惟須每年進行減值檢測，或於出現事件或變動顯示有關賬面值可能減值之情況下，更頻密進行檢測。就商譽確認之任何減值虧損不會於往後期間撥回。

香港財務申報準則第3號之過渡條文規定，本集團須撇銷於二零零五年一月一日累積攤銷之賬面值，並於商譽成本相應入賬。之前自儲備攤銷之商譽仍會自儲備撇銷，而於出售商譽相關之全部或部分業務，或商譽相關之現金產生單位出現減值之情況下，不會於收益表確認。

- (iv) 於過往期間，本集團將其股本證券投資分類為持作非買賣用途之長期投資，按成本減任何減值虧損列賬。

採納香港會計準則第32及39號後，此等證券歸類為可供銷售投資。可供銷售投資為於上市及非上市股本證券之非衍生工具投資，而指定為可供銷售或不歸類為香港會計準則第39號所界定任何其他類別金融資產。經初步確認後，可供銷售投資按公平值計算，於售出、收集或以其他方式出售該投資，或確定該投資出現減值時，有關損益方會確認為個別股本項目，並於收益表計入早前於股本呈報之累積收益或虧損。

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques.

When the fair value of unlisted equity securities cannot be reliably measured because (1) the variability in the range of reasonable fair value estimates is significant for that investment, or (2) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost.

The Group assesses at each balance sheet date whether there is any objective evidence that an available-for-sale investment is impaired as a result of one or more events that occurred after the initial recognition of the assets ("loss events"), and that the loss event has an impact on the estimated future cash flows that can be reliably estimated.

If there is objective evidence of impairment, the cumulative loss that had been recognised directly in equity shall be removed from equity and recognised in the income statement. The amount of the loss recognised in the income statement shall be the difference between the acquisition cost and current fair value, less any impairment loss on that available-for-sale investment previously recognised in the income statement.

Certain comparative figures have been reclassified to conform with the current period's presentation.

於有系統的金融市場交投活躍之投資公平值，乃參考於結算日營業時間結束時所報市場出價釐定。交投淡靜投資之公平值則以估值方法釐定。

倘非上市股本證券之公平值因以下各項無法可靠計算：(1)該投資之合理公平值估計數字範圍之可變性重大；或(2)該範圍內多個估計數字之或然因素無法合理評估及用於估計公平值，則有關證券會按成本列賬。

本集團會於各結算日評估是否有客觀證據顯示可供銷售投資因初步確認資產後發生一項或多項對能可靠估計之預計日後現金流量造成影響之事件（「虧損事件」）而出現減值。

倘存在出現減值之客觀證據，已於股本直接確認之累積虧損將自股本剔除，並於收益表確認。於收益表確認之虧損款額為收購成本與現時公平值之差額，減就可供銷售投資早前於收益表確認之任何減值虧損。

若干比較數字已重新分類，以符合本期間之呈報方式。

2. Summary of the impact of changes in accounting policies

(a) Effect on loss after tax for the six months ended 30 June 2005 and 2004

		For the six months ended 30 June 截至六月三十日止六個月					
		2005 二零零五年			2004 二零零四年		
Effect of new policies (Increase/(decrease)) 新政策之影響 (增加/(減少))	Note 附註	Equity holders of the parent 母公司 股本持有人 HK\$'000 千港元	Minority interests 少數股東權益 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Equity holders of the parent 母公司 股本持有人 HK\$'000 千港元	Minority interests 少數股東權益 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Effect on loss after tax: HKFRS 3	對除稅後虧損之影響: 香港財務申報準則 1(iii) 第3號						
Impairment of goodwill	商譽減值	(20,602)	-	(20,602)	-	-	-
Effect on loss per share:	對每股虧損之影響:						
Basic (HK cents)	基本 (港仙)	(4.10)			NIL		
Diluted (HK cents)	攤薄後 (港仙)	N/A			N/A		

(b) Effect on income or expenses recognised directly in equity and capital transactions with equity holders for the six months ended 30 June 2005 and 2004

		For the six months ended 30 June 截至六月三十日止六個月					
		2005 二零零五年			2004 二零零四年		
Effect of new policies (Increase/(decrease)) 新政策之影響 (增加/(減少))	Note 附註	Equity holders of the parent 母公司 股本持有人 HK\$'000 千港元	Minority interests 少數股東 權益 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Equity holders of the parent 母公司 股本持有人 HK\$'000 千港元	Minority interests 少數股東 權益 HK\$'000 千港元	Total 總計 HK\$'000 千港元
HKAS 39	香港會計準則 第39號						
Available-for-sale investments	可供銷售投資	316	-	316	-	-	-

2. 會計政策變動之影響概要

(a) 對截至二零零五年及二零零四年六月三十日止六個月除稅後虧損之影響

(b) 對截至二零零五年及二零零四年六月三十日止六個月直接於股本及與股本持有人所進行資本交易中確認之收入或開支之影響

3. Segment information

(a) Business segments

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

3. 分類資料

(a) 業務分部

本集團業務分部之收入及經營虧損載列於下表。

	Banking and finance systems integration services 銀行及金融系統集成服務	Software solution for banks and public sector 銀行及公用事務界別適用之軟件解決方案	Eliminations 抵銷	Consolidated 綜合	
	2005 二零零五年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2005 二零零五年 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	71,847	55,313	-	127,160
Intersegment sales	分部間之銷售	-	-	-	-
Interest income	利息收入	376	31	-	407
Other income	其他收入	387	-	-	387
Total	總額	<u>72,610</u>	<u>55,344</u>	<u>-</u>	<u>127,954</u>
Segment results	分部業績	<u>(771)</u>	<u>(4,623)</u>	<u>-</u>	<u>(5,394)</u>
Unallocated interest income	未分配利息收入				12
Unallocated gains	未分配收益				108
Unallocated expenses	未分配開支				(5,425)
Impairment of goodwill	商譽減值				<u>(20,602)</u>
Loss from operations	經營業務之虧損				<u>(31,301)</u>

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
2004	2004	2004	2004
二零零四年	二零零四年	二零零四年	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	42,726	61,636	-	104,362
Intersegment sales	分部間之銷售	-	726	(726)	-
Interest income	利息收入	5	183	-	188
Other income	其他收入	178	-	-	178
Total	總額	<u>42,909</u>	<u>62,545</u>	<u>(726)</u>	<u>104,728</u>
Segment results	分部業績	<u>898</u>	<u>(2,099)</u>	<u>-</u>	<u>(1,201)</u>
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 operations	經營業務之虧損				<u>(10,035)</u>

(b) Geographical segments

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

(b) 地區分部

本集團地區分部之收入及經營虧損載列於下表。

		Hong Kong	Elsewhere in the PRC	Eliminations	Consolidated
		香港	其他地區	抵銷	綜合
		2005	2005	2005	2005
		二零零五年	二零零五年	二零零五年	二零零五年
		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	77	127,083	-	127,160
Intersegment sales	分部間之銷售	-	-	-	-
Total	總額	<u>77</u>	<u>127,083</u>	<u>-</u>	<u>127,160</u>
Segment results*	分部業績*	<u>(7,484)</u>	<u>(23,817)</u>	<u>-</u>	<u>(31,301)</u>
		Hong Kong	Elsewhere in the PRC	Eliminations	Consolidated
		香港	其他地區	抵銷	綜合
		2004	2004	2004	2004
		二零零四年	二零零四年	二零零四年	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>

* Disclosed pursuant to the requirements of the Listing Rules

* 根據上市規則規定披露

4. Related party transactions and connected transactions

Sale of information technology products to an investee company	向一家被投資公司銷售資訊科技產品
Reimbursement of directors' remuneration by an investee company	一家被投資公司償付董事酬金
Maintenance and consultancy fee paid to a company in which a director of the company is also director	向本公司一名董事兼任董事之公司支付保養及顧問費用
Advance to an investee company	向一家被投資公司墊款

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.

5. Loss from operations

The Group's loss from operations is arrived at after charging/(crediting):

4. 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	
2005 二零零五年	2004 二零零四年
HK\$'000 千港元	HK\$'000 千港元
7,728	-
304	-
112	132
<u>1,356</u>	<u>24,030</u>

董事認為，上述有關連人士交易及關連交易乃於本集團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方者相若。

5. 經營業務之虧損

本集團經營業務之虧損已扣除／(計入)：

Six months ended 30 June 截至六月三十日止六個月			
2005 二零零五年	2004 二零零四年		
HK\$'000 千港元	HK\$'000 千港元		
Cost of goods sold	售出貨品之成本	118,714	90,535
Depreciation	折舊	1,185	1,355
Amortization of deferred development costs	遞延發展成本攤銷	439	439
Impairment of goodwill (Write-back)/provision for bad debt	商譽減值 壞賬(撥回)／撥備	20,602	-
		<u>(2,316)</u>	<u>241</u>

6. Tax

		Six months ended 30 June	
		截至六月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Hong Kong	香港		
– overprovision in previous years	– 過往年度超額撥備	–	153
Elsewhere	其他地區		
– underprovision in previous year	– 過往年度撥備不足	(615)	–
– current period	– 本期間	(158)	–
Tax (charge)/credit for the period	本期間之稅項(支出)/抵免	<u>(773)</u>	<u>153</u>

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 (2004: 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.

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（二零零四年：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。

7. Interim dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2005 (2004: NIL).

7. 中期股息

董事不建議派付截至二零零五年六月三十日止六個月之中期股息（二零零四年：零）。

8. Loss per share

The calculation of the basic loss per share is based on the unaudited net loss attributable to equity holders of the parent for the period of HK\$29,968,000 (2004: Loss HK\$9,157,000) and on the weighted average of 502,729,644 (2004: 502,136,677) ordinary shares in issue during the period.

8. 每股虧損

每股基本虧損乃按期內母公司股本持有人應佔未經審核虧損淨額29,968,000港元（二零零四年：虧損9,157,000港元）及期內已發行普通股之加權平均數502,729,644股（二零零四年：502,136,677股）計算。

Diluted loss per share amount for periods ended 30 June 2005 and 2004 have not been disclosed as the share options outstanding during these periods had an anti-dilutive effect on the basic loss per share.

由於截至二零零五年及二零零四年六月三十日止期間尚未行使之購股權對每股基本虧損有反攤薄影響，故並無披露此等期間之每股攤薄後虧損。



9. Available-for-sale investments

9. 可供銷售投資

**At 30 June
2005**
於二零零五年
六月三十日
(unaudited)
(未經審核)
HK\$'000
千港元

Equity investment, at fair value: – listed overseas	股本投資·按公平值: – 海外上市	66,997
Unlisted equity investment, at cost	非上市股本投資· 按成本	14,778
		81,775

The equity investment as at 30 June 2005 was classified as long term investment as at 31 December 2004. Pursuant to the transitional provisions of HKAS 39, the Group has reclassified it as “available-for-sale investments” with effect from 1 January 2005.

於二零零五年六月三十日之股本投資歸類為於二零零四年十二月三十一日之長期投資。根據香港會計準則第39號之過渡條文，本集團已將其重新分類為「可供銷售投資」，自二零零五年一月一日起生效。

The equity investment listed overseas represented the Group's investment in a 14.96% interest in ChinaCast Communication Holdings Limited (“CCH”), a Company listed on the Singapore Exchange Securities Trading Limited.

海外上市股本投資即本集團於新加坡證券交易所有限公司上市公司ChinaCast Communication Holdings Limited (「CCH」) 14.96%權益之投資。

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.

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，不會出售或轉讓其於CCH任何部分股權。

The unlisted equity investment represented a 20% equity interest in Beijing Dongshi Shuangwei Education Technology Company Limited, a company registered in Mainland China, and principally engaged in the provision of portal service.

非上市股本投資指於Beijing Dongshi Shuangwei Education Technology Company Limited 20%股本權益，該公司於中國大陸註冊，主要業務為提供網站服務。

10. Long term investment

	At 30 June 2005	At 31 December 2004
	於二零零五年 六月三十日 (unaudited) (未經審核)	於二零零四年 十二月三十一日 (audited) (經審核)
	HK\$'000 千港元	HK\$'000 千港元
Investments in securities, at cost: 證券投資·按成本: Listed outside Hong Kong 香港境外上市	—	66,681
Market value of listed investment 上市投資之市值	—	78,629

11. Accounts receivable

The aged analysis of accounts receivable was as follows:

	At 30 June 2005	At 31 December 2004
	於二零零五年 六月三十日 (unaudited) (未經審核)	於二零零四年 十二月三十一日 (audited) (經審核)
	HK\$'000 千港元	HK\$'000 千港元
Current to 90 days 即期至90天	21,105	37,143
91 days to 180 days 91天至180天	8,053	2,990
181 days to 365 days 181天至365天	11,792	5,007
Over 365 days 365天以上	2,929	7,127
	43,879	52,267

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. 長期投資

	At 30 June 2005	At 31 December 2004
	於二零零五年 六月三十日 (unaudited) (未經審核)	於二零零四年 十二月三十一日 (audited) (經審核)
	HK\$'000 千港元	HK\$'000 千港元
Investments in securities, at cost: 證券投資·按成本: Listed outside Hong Kong 香港境外上市	—	66,681
Market value of listed investment 上市投資之市值	—	78,629

11. 應收賬項

應收賬項之賬齡分析如下:

	At 30 June 2005	At 31 December 2004
	於二零零五年 六月三十日 (unaudited) (未經審核)	於二零零四年 十二月三十一日 (audited) (經審核)
	HK\$'000 千港元	HK\$'000 千港元
Current to 90 days 即期至90天	21,105	37,143
91 days to 180 days 91天至180天	8,053	2,990
181 days to 365 days 181天至365天	11,792	5,007
Over 365 days 365天以上	2,929	7,127
	43,879	52,267

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

12. Accounts payable

The aged analysis of accounts payable was as follows:

		At 30 June 2005 於二零零五年 六月三十日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2004 於二零零四年 十二月三十一日 (audited) (經審核) HK\$'000 千港元
Current to 90 days	即期至90天	5,651	25,981
91 days to 180 days	91天至180天	2,354	187
181 days to 365 days	181天至365天	2,598	10,740
Over 365 days	365天以上	19,245	15,396
		29,848	52,304

13. Banking facilities

(a) As at 30 June 2005, the Group's banking facilities were secured by:

- (i) corporate guarantees executed by the Company to the extent of HK\$20,000,000 (As at 31 December 2004: HK\$20,000,000).
- (ii) the Group's time deposits amounting to approximately HK\$3,138,000 (As at 31 December 2004: HK\$5,141,000).
- (iii) the pledge of the Group's accounts receivable of 2,977,000 (As at 31 December 2004: HK\$363,000).

(b) As at 30 June 2005, the banking facilities granted to the subsidiaries were utilised to the extent of approximately HK\$4,505,000 (As at 31 December 2004: HK\$1,170,000).

12. 應付賬項

應付賬項之賬齡分析如下:

		At 30 June 2005 於二零零五年 六月三十日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2004 於二零零四年 十二月三十一日 (audited) (經審核) HK\$'000 千港元
Current to 90 days	即期至90天	5,651	25,981
91 days to 180 days	91天至180天	2,354	187
181 days to 365 days	181天至365天	2,598	10,740
Over 365 days	365天以上	19,245	15,396
		29,848	52,304

13. 銀行融資

(a) 於二零零五年六月三十日，本集團之銀行融資由以下各項作抵押:

- (i) 本公司所簽立以20,000,000港元(二零零四年十二月三十一日:20,000,000港元)為限之公司擔保。
- (ii) 本集團約3,138,000港元之定期存款(二零零四年十二月三十一日:5,141,000港元)。
- (iii) 本集團2,977,000港元應收賬之抵押(二零零四年十二月三十一日:363,000港元)。

(b) 於二零零五年六月三十日，授予附屬公司之銀行融資中，約4,505,000港元已動用(二零零四年十二月三十一日:1,170,000港元)。

14. Finance lease payables

14. 融資租賃應付款項

		At 30 June 2005 於二零零五年 六月三十日 (unaudited) (未經審核) HK\$'000 千港元	At 31 December 2004 於二零零四年 十二月三十一日 (audited) (經審核) HK\$'000 千港元
Amounts payable:	應付款項:		
Within one year	一年內	263	311
In the second year	第二年	174	232
In the third to fifth years, inclusive	第三至第五年 (首尾兩年包括在內)	—	58
Total minimum finance lease payments	融資租賃最低款項總額	<u>437</u>	601
Future finance charges	未來融資費用	<u>(53)</u>	(72)
Total net finance lease payables	融資租賃應付款項總淨額	384	529
Portion classified as current liabilities	列為流動負債之部分	<u>(232)</u>	(275)
Long term portion	長期部分	<u><u>152</u></u>	<u>254</u>

15. Share capital Shares

Authorised:	法定:
1,000,000,000 ordinary shares of HK\$0.10 each	1,000,000,000股 每股面值0.10港元 之普通股
Issued and fully paid:	已發行及繳足:
502,729,644 ordinary shares of HK\$0.10 each	502,729,644股每股面值 0.10港元之普通股

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.

15. 股本 股份

At 30 June 2005 於二零零五年 六月三十日 (unaudited) (未經審核)	At 31 December 2004 於二零零四年 十二月三十一日 (audited) (經審核)
HK\$'000 千港元	HK\$'000 千港元
<u>100,000</u>	<u>100,000</u>
<u>50,273</u>	<u>50,273</u>

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，全權酌情邀請任何僱員，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所涉及及股份之數目，最多不得超逾本公司不時經正式配發及發行之已發行股本面值之10%。購股權計劃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。

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.

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

On 30 May 2005, the limit on grant of options under the Share Option Schemes are renewed.

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，全權酌情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、專業或其他服務而已經或將會對本集團有所貢獻之任何供應商、代理商及任何其他人士，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。可能授出之購股權所涉及之股份數目，最多不得超過本公司於採納日期之已發行股本10%。

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。

於二零零五年五月三十日，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 2005 於二零零五年一月一日 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 2005 於二零零五年六月三十日 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 二零一零年一月二十日
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	48,035,000	-	1,765,000	46,270,000	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>49,855,000</u>	<u>-</u>	<u>1,765,000</u>	<u>48,090,000</u>		

As at 30 June 2005, the Company had 48,090,000 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 48,090,000 new ordinary shares of HK\$0.10 each in the Company.

於二零零五年六月三十日，本公司尚有48,090,000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48,090,000股每股面值0.10港元之新普通股。

16. Reserves

Included in the reserve is the goodwill of HK\$22,646,000 arising from the acquisition by the Group during the year ended 31 December 2000 of a 55% interest in a subsidiary.

16. 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%權益所產生之商譽22,646,000港元。

17. Capital commitments

The Group had no capital commitments as at 30 June 2005 and 31 December 2004.

17. 資本承擔

於二零零五年六月三十日及二零零四年十二月三十一日，本集團並無任何資本承擔。

18. Contingent liabilities

As at 30 June 2005, 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\$502,000 (At 31 December 2004: 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.

19. Post balance sheet event

On 19 August 2005, the Group entered into a sale and purchase agreement with an independent third party for the acquisition of 100% of the entire issued share capital of Acacia Asia Partners Limited ("Acacia") at the aggregate consideration of HK\$13,000,000.

Acacia is a company incorporated in the British Virgin Islands with limited liability which together with its subsidiary engaged principally in investment holding and the provision of IT management, online and support services as well as Internal portal and data management service to property agencies in the PRC.

18. 或然負債

於二零零五年六月三十日，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502,000港元（於二零零四年十二月三十一日：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而可根據僱傭條例獲發長期服務金之年數。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，故並無就該筆可能款項確認任何撥備。

19. 結算日後事項

於二零零五年八月十九日，本集團與一名獨立第三方就收購Acacia Asia Partners Limited（「Acacia」）全部已發行股本訂立買賣協議，總代價為13,000,000港元。

Acacia為於英屬處女群島註冊成立之有限公司，連同其附屬公司，主要業務為投資控股以及向中國之物業代理商提供資訊科技管理、網上與支援服務，以及內部網站及數據管理服務。

Management Discussion and Analysis

Financial Performance

Turnover for Technology Venture Holdings Limited ("TVH" or the "Company") and its subsidiaries (collectively the "Group") in the first half of 2005 grew 22% to HK\$127,160,000 from HK\$104,362,000.

Gross profit fell 39% to HK\$8,446,000 from HK\$13,827,000 in 2004 as a result of fierce market competition during the period and gross profit margin was further narrowed to 7% from 13% in 2004 because of the squeeze in the profit margin caused by fierce competition.

Loss attributable to shareholders grew by 227% to HK\$29,968,000 from a loss of HK\$9,157,000 in 2004.

Review Of Core Businesses

IT solutions and systems integration: TopAsia

TopAsia maintained its competitiveness in the banking and finance sector of China during the first half of the year through enhanced efficiency, quality services, comprehensive network and active cost control measures.

The Division's core business – the provision of repair and maintenance services to self-service banking facilities – was challenged when demand from postal ATMP software development fell drastically from the same period in 2004 and as several large clients had their facilities upgraded, the amount of repair and maintenance work was substantially reduced.

Nevertheless, the Division managed to achieve a comparable amount of after-sales order through its professional strengths, fast responses and dedicated services. New clients including of China Merchants Bank (CMB) Shenyang Branch and Bank of Communications Hangzhou Branch were successfully secured in the first half of the year.

管理層討論與分析

財務表現

宏昌科技集團有限公司（「宏昌」或「公司」）及其附屬公司（統稱「集團」）在二零零五年上半年之營業額上升22%，由104,362,000港元上升至127,160,000港元。

回顧期內，由於行業競爭激烈，毛利由二零零四年之13,827,000港元跌至8,446,000港元，減少39%。毛利率則由二零零四年之13%進一步收窄至7%，主要因為激烈的競爭令毛利率受壓。

股東應佔虧損上升227%，由二零零四年虧損9,157,000港元上升至29,968,000港元。

核心業務回顧

冠亞：資訊科技解決方案與系統集成
冠亞在上半年透過提升效率，提供優質的服務，加上完善的網絡及採取積極的成本控制措施，在中國的銀行及金融行業領域繼續保持競爭力。

冠亞的核心業務是為自助銀行設施提供維修及保養服務，公司在回顧期內面對重重挑戰，主因乃郵政軟件開發之需求較二零零四年同期顯著減少，以及不少大客戶進行設備更新，令維修及保養的需求大幅下降。

然而，冠亞憑藉其專業技術、快速回應及摯誠的服務態度，仍能取得與去年同期相若的售後服務訂單。上半年內，冠亞成功獲取的新客戶，包括招商銀行瀋陽分行及交通銀行杭州分行。

At the annual tender of CMB, TopAsia secured the service provider qualification for Diebold automatic teller machines (ATMs), Siemens cash dispenser, and Siemens cash deposit machines (CDMs) and automatic enquiry machines (AEMs), therefore further strengthening the niche competitiveness of the Division with the most prolific solutions in the CMB system.

Regarding sales of self-service banking products, TopAsia continued to cooperate closely with renowned manufacturers such as NCR and Diebold to clinch supplier's contracts for ATMs, CDMs and AEMs with Shanghai Bank, City Commercial Bank Hangzhou Branch and Taizhou Branch, Bank of China Jiangsu Branch, Postal Bureau of Hubei, CMB Branches in Lanzhou, Shanghai and Guangzhou.

The partnership with the world's largest supplier for storage facilities EMC continued to bring benefits to TopAsia. Two new contracts were secured in the country's most thriving eastern region – the capacity expansion solution for Jiangsu Mobile Communications and the storage equipment contract for Fujian Development Bank.

The Division also provides information management and information warehousing protection services to banking and financial institutions, and is teaming up with the Shanghai Securities Central Clearing and Registration Corporation to conduct pilot tests on such services. It is expected that the Division will be able to undertake protection services for large-scale information warehousing systems.

TopAsia's cooperation with IT stalwart UTStarcom, the inventor of "Little Smart" (or Xiaolingtong) mobile services, continues to drive the market with a 15% growth in sales during the period under review, further strengthening the Division's status as the designated provider for its IPTV peripherals.

在招商銀行一年一度的項目招標中，冠亞取得其中四個項目，包括Diebold自動櫃員機、Siemens現金提款機、Siemens現金存款機及自助查詢機，令冠亞繼續成為招商銀行最大的服務供應商，同時亦提升了冠亞在個別項目的競爭能力。

在自助銀行產品的銷售方面，冠亞繼續與知名的廠商如NCR及Diebold緊密合作，取得與上海銀行、杭州市商業銀行及台州市商業銀行、中國銀行江蘇分行、湖北郵政、招商銀行蘭州、上海及廣州分行的自動櫃員機、現金存款機及自助查詢機合約。

與全球最大的存儲設備供應商EMC公司的合作，令冠亞繼續獲益。冠亞在全國經濟最活躍的華東地區取得兩份新合約，包括江蘇省移動通信公司的擴容項目合約，以及福建興業銀行的存儲設備合約。

冠亞亦為銀行及金融機構提供數據管理及數據倉庫保安服務，正與中國證券登記結算公司上海分公司合作，進行有關服務的測試。預期冠亞將可為大型數據倉庫系統提供保安服務。

回顧期內，冠亞與UT斯達康之合作繼續推動市場的發展，銷售錄得15%的增長；UT斯達康為「小靈通」服務的發明者。有關的發展進一步確立冠亞作為UT斯達康網絡電視週邊設備指定供應商之地位。

Software: Advanced Digital Technology

The Group's software vehicle, 55%-owned Advanced Digital Technology (ADT), continued to secure industry acclaim as a leading IT enterprise with niche strengths. A renowned computer publication Computer Partner World named ADT a top 100 solution provider, and most importantly, a top 10 financial solution provider among top 500 mainland computer corporations. It was also recognized as a grade "A" taxation creditworthy enterprise by State Taxation Bureau of the Beijing City.

As the China Construction Bank is actively marketing the "銀保通" services that offers insurance products over the bank counters, ADT has won the tender for the provision of "customer services managerial system, and "branch information platform" to a number of branches. ADT will continue to further capitalize on the opportunities arising from the Bank of Construction's "銀保通" services nationwide.

In addition, the Division also secured the tender to install a front end system for Shunde Rural Credit Society 順德農村信用社, marking its first inroad into the credit society segment and paving the way for further marketing and promotions to other rural credit societies.

Despite ADT's success in industry recognition and new projects, its core business – the provision of system integration services and software development – is beleaguered with a substantial influx of competitors into the marketplace, largely because of the low capital investment entry barriers. Fierce competition has been eroding ADT's pricing and gross profit margins for the past few years.

The newcomers have been putting a severe strain on the supply of experienced information technology specialists and qualified programmers in China's banking sector information. The resulting high staff turnover rate at ADT – some 34% and 44% respectively for the two years ended 31 December 2004 – inexorably undermined ADT's project delivery capacity, and such delayed completions were inevitably translated into additional costs and reduced gross margins.

先進數碼：軟件業務

宏昌持有55%權益之先進數碼為集團之軟件業務旗艦，公司憑藉其超卓的實力，繼續得到業內認定為領先之資訊科技企業。知名電腦刊物《電腦商報》把先進數碼列入「中國電腦500強之100強方案商」，及「中國電腦500強之10強金融方案商」。先進數碼亦被北京市國家稅務總局認定為繳稅信用A級企業。

中國建設銀行正積極推廣其「銀保通」服務，此服務是透過銀行櫃位為客戶提供保險產品。先進數碼以投標的方式取得為有關服務提供「客戶服務管理系統」，及為分行提供「分行資訊平台」。在「銀保通」服務作全國性發展下，先進數碼會繼續把握當中的機會，與此服務一同成長。

此外，先進數碼亦透過投標方式，取得為順德農村信用社裝設前端系統。這是先進數碼首個涉足信用社範疇的項目，正好為未來進一步向其他農村信用社推廣宣傳邁出新一歩。

雖然先進數碼在業內得到肯定並取得不少新項目，但其核心業務—系統集成服務及軟件發展，卻面對激烈的競爭，主要由於涉足有關業務所需之投資金額不多，讓不少競爭者可湧入市場。過去數年，熾熱的競爭已令先進數碼的價格及毛利率遭受蠶食。

新加入的競爭者令有關的專才如合資格的電腦程式員供應趨於緊張，先進數碼的員工流失率因此亦見上升，截至二零零四年十二月三十一日止兩年，分別約為34%及44%，削弱了先進數碼之項目完成能力。項目推遲完成，無可避免加重成本，令毛利受壓。

Another challenge that ADT has to cope with is the higher capital requirement as its major customers, banks in China, have been demanding longer credit despite a shrinking turnover.

Online education: ChinaCast

In the reporting period, ChinaCast continued to be the Group's strategic satellite platform to permeate the education and training service sector in China, with the technological support of other TVH units. The division reported a 23.4% increase in net profit to RMB22,300,000 during the first half, largely driven by a 21% growth in student enrollment for the university distance learning segment and satisfactory stable performance for the K-12 distance learning and educational content solutions segment.

ChinaCast, recently ranked 186th among 615 listed companies in the Business Times Corporate Transparency Index in Singapore, has also signed a joint venture with Tsinghua Tongfang Co. Ltd. that has further added 20,000 students in six universities to ChinaCast's university distance learning portfolio.

The enterprise networking products and services segment, which commenced marketing operations at the end of first quarter of 2004, is moving ahead steadily. The joint venture project for the development of a post office communication network in Hunan and other adjacent provinces is progressing well.

ChinaCast also entered into a memorandum of understanding (MoU) with School of Business and Technology Corp. ("CIBT") to deliver educational programmes provided by these CIBT and their US academic partners throughout China, using ChinaCast's broadband satellite network. These CIBT will also develop selected courses to students at more than 300 ChinaCast training centers nationwide.

先進數碼面對之另一項挑戰是較高的資本要求，原因是作為公司主要客戶的國內銀行均要求給予較長的信貸期，惟營業額在期間卻持續下跌。

網上教學: ChinaCast

ChinaCast是集團在中國教育及培訓服務領域的衛星業務平台，於回顧期內繼續配合宏昌其他部門的支援，擔當策略夥伴角色。此部門在上半年錄得純利22,300,000元人民幣，增長達23.4%，主要由於大學遙距課程的招生人數上升21%，中小學遙距學習及教育內容方面亦有理想穩定的業績。

根據新加坡《Business Times》的企業透明度指數報告，ChinaCast在615家上市公司中位列186。公司與清華同方股份有限公司協議成立一家合營公司，為ChinaCast遙距課程額外再增加六所大學，共20,000名新生。

公司的企業網絡產品及服務分支於二零零四年第一季啟業，目前正穩步發展。分支為湖南及鄰近省份開發郵電通訊網絡合營項目正在順利進行中。

ChinaCast並與多間工商科技學院簽訂備忘錄，利用公司的衛星寬頻網絡為這些工商科技學院及其遍佈在中國各地的美國學術夥伴提供教學課程。這些工商科技學院並將為ChinaCast在全國超過300個培訓中心開設個別課程。

Outlook

Looking ahead, TopAsia will continue to capitalize its strengths in the self-service banking products to acquire more clients and more orders through enhanced services. More active marketing will be deployed to promote sales for NCR and Diebold products for the financial and postal sectors, especially Diebold ATMs and AEMs within the CMB system.

As financial enterprises in China have been experiencing phenomenal growth, the Division anticipates tremendous business development prospect for information warehousing and will continue to team up with relevant manufacturers to expand its presence in the sector with more applications.

Finally, TopAsia will further intensify its internal cost control management to increase capital utilization efficiency, and work towards passing the annual audit for the ISO9000 quality assurance certification in October.

On the software side, ADT plans to achieve the Ministry of Information's system integrator Level II qualification (it became a Level III enterprise in 2004). The relationship with rural credit societies is promising and may prove to be an area of quality. On the banking side, the Division's status as a designated provider to the Industrial and Commercial Bank has been further enhanced as there are fewer suppliers. It will also ride on China Construction Bank's implementation of "銀保通" services to gain more business orders.

However, as the operating environment of ADT becomes more difficult, the Group is considering various options as to the strategic development and future of ADT.

ChinaCast will continue to expand its customer base in different industry sectors. The latest success was the entry into China's energy sector through an agreement with Liaoning Xinsheng Digital Technology ("Liaoning Xinsheng") to provide a satellite-based supervisory control and data acquisition solution ("SCADA") for the Liaoning Rural Electricity project. There are also plans to extend the network to other provinces, such as Jilin and Inner Mongolia.

前景

展望未來，冠亞將繼續強化在自助銀行產品上的實力，透過提升服務，爭取更多客戶和訂單。公司將會在金融和郵電領域，尤其在招商銀行的系統內為NCR和Diebold產品，特別是Diebold的自動櫃員機和自助查詢機，進行更積極的銷售推廣。

中國的金融企業，正經歷重要的增長期，部門預期在資訊儲存範疇將湧現極為蓬勃的業務發展商機。冠亞將繼續與相關的生產商緊密合作，為金融業提供更多應用方案。

此外，冠亞將進一步加強內部成本監控的管理，銳意增強資本運用效率，務求在十月通過ISO9000質量認證的週年考核。

在軟件方面，先進數碼計劃爭取通過信息產業部系列集成二級資質（公司已在二零零四年已通過了三級資質），公司與農村信用社的合作關係良好，是一個潛力優厚的發展領域。在銀行業務方面，公司在工商銀行計劃減少供應商的前提下繼續給予先進數碼推定服務商資格，地位進一步鞏固。建設銀行計劃將「銀保通」項目在全國推廣，公司預計將會帶來更多業務。

然而，先進數碼的經營環境日趨艱困，集團正就先進數碼的策略發展和前景，考慮不同的處理方案。

ChinaCast繼續在不同的行業領域擴大客戶基礎。最新的突破，是與遼寧訊盛數碼科技簽訂協議，為遼寧郊區電力項目提供衛星監控及資訊提取方案，進軍中國能源行業。ChinaCast並打算將業務網絡擴展至吉林及內蒙古等其他省份。

The energy sector is set to be a key potential growth area for ChinaCast. The contract with Liaoning Xinsheng is expected to contribute to the Group's annual results.

Liquidity and financial resources

Net assets

At 30 June 2005, the Group recorded total assets of approximately HK\$256,131,000 which were financed by liabilities of approximately HK\$132,669,000 and total net asset to equity holders of the parent amounted to approximately HK\$121,640,000. The Group's total net asset to equity holders of the parent as at 30 June 2005 decreased by 7% to approximately HK\$121,640,000 as compared to approximately HK\$130,690,000 as at 31 December 2004.

Liquidity

The Group had total cash and bank balances of approximately HK\$49,601,000 as at 30 June 2005 (At 31 December 2004: approximately HK\$84,998,000). After deducting bank loans and overdrafts of approximately HK\$14,752,000 (2004: approximately HK\$45,617,000), the Group recorded a net cash balance of approximately HK\$34,849,000 as compared to that of approximately HK\$39,381,000 as at 31 December 2004. As at 30 June 2005, the current ratio was 1.28 (At 31 December 2004: 1.26) and the gearing ratio was 0.12 (At 31 December 2004: 0.35) which was defined as the Group's interest-bearing and secured bank loans and finance lease payables over its equity attributable to equity holders of the parent.

Charges on assets

At 30 June 2005, fixed deposits of approximately HK\$3,138,000 (At 31 December 2004: HK\$5,141,000) were pledged to banks to secure banking facilities granted.

能源行業是ChinaCast具備增長潛力的重點領域，與遼寧訊盛的合約預計可為集團的全年業績帶來業績貢獻。

流動資金及財務資源

資產淨值

於二零零五年六月三十日，本集團之資產總值約達256,131,000港元，其中包括負債約132,669,000港元及母公司股本持有人應佔資產淨值總額約121,640,000港元。本集團於二零零五年六月三十日之母公司股本持有人應佔資產淨值總額較二零零四年十二月三十一日約130,690,000港元減少7%至約121,640,000港元。

流動資金

本集團於二零零五年六月三十日之現金及銀行結餘總額約為49,601,000港元（二零零四年十二月三十一日：約84,998,000港元）。扣除銀行貸款及透支約14,752,000港元（二零零四年：約45,617,000港元）後，本集團之淨現金結餘約為34,849,000港元，而二零零四年十二月三十一日則約為39,381,000港元。於二零零五年六月三十日之流動比率為1.28（二零零四年十二月三十一日：1.26），而槓桿比率則為0.12（二零零四年十二月三十一日：0.35），為本集團之附息及有抵押銀行貸款與融資租賃應付款項除以母公司股本持有人應佔股本。

資產抵押

於二零零五年六月三十日，本集團將約3,138,000港元（二零零四年十二月三十一日：5,141,000港元）之定期存款抵押予銀行，以作為所獲授銀行貸款之抵押。

A bank loan facility to the extent of approximately HK\$9,434,000 (At 31 December 2004: approximately HK\$18,868,000) was secured by (i) a non-wholly owned subsidiary's trade receivables amounted to approximately HK\$2,977,000 (At 31 December 2004: approximately HK\$363,000) and; (ii) assets and unlimited personal guarantee provided by a non-wholly owned subsidiary's senior management.

Treasury policies

The Group generally finances its operations with internally generated resources and credit facilities provided by banks in Hong Kong. Subsidiaries in PRC use short-term borrowings in PRC to finance working capital, which amounted to HK\$9,434,000 as at 30 June 2005. 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 30 June 2005, the Company had contingent liabilities in relation to guarantees given to banks in connection with facilities granted to certain subsidiaries amounting to approximately HK\$20,000,000.

At 30 June 2005, the banking facilities granted to the subsidiaries were utilized to the extent of approximately HK\$4,505,000.

The Group had no material contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance as some 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 Hong Kong Employment Ordinance if their employment is terminated under certain circumstances.

約9,434,000港元銀行貸款融資(二零零四年十二月三十一日:約18,868,000港元)乃以下列各項作抵押:(i)一家非全資附屬公司應收貿易賬項約2,977,000港元(二零零四年十二月三十一日:約363,000港元);及(ii)一家非全資附屬公司之高級管理人員之資產及所作出無限額個人擔保。

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。於二零零五年六月三十日之金額為9,434,000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

於二零零五年六月三十日,本公司就授予若干附屬公司之融資向多家銀行給予擔保有或然負債約20,000,000港元。

於二零零五年六月三十日,授予附屬公司之銀行融資已動用約4,505,000港元。

截至結算日,本集團並無就因若干現有僱員於本集團的服務年期已屆所規定年期,合資格可在若干情況下終止受聘領取香港僱傭條例項下長期服務金而根據香港僱傭條例須支付予僱員之潛在日後長期服務金有重大或然負債。

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.

Employee and remuneration policies

As at 30 June 2005, the Group employed approximately 380 full time staff in the Mainland China and Hong Kong. The Group remunerates its employees based on their performance, working 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。

僱員及薪酬政策

於二零零五年六月三十日，本集團於中國大陸及香港聘用約380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 2005, 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 and underlying 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

於二零零五年六月三十日，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：

於本公司普通股及相關股份之好倉：

		Number of issued ordinary shares and underlying shares of HK\$0.10 each in the Company held		Personal interests		Percentage of holding	
		Capacity	持有本公司每股面值0.10港元已發行普通股及相關股份之數目	Notes	附註	持股百分比	
		身分	個人權益				
<i>Director:</i>							
<i>董事：</i>							
Mr. Chan Tze Ngon 陳子昂先生	Beneficial owner 實益擁有人	82,614,000				16.43%	
Mr. Wu Emmy 吳安敏先生	Beneficial owner 實益擁有人	5,000,000		1		0.99%	
Mr. Tang Kin Hung (Mr. Tang) 鄧健洪先生 (鄧先生)	Beneficial owner 實益擁有人	15,500,000		2		3.08%	
<i>Former Director:</i>							
<i>前董事：</i>							
Mr. Chow Siu Lam, Cliff 周少霖先生	Beneficial owner 實益擁有人	5,000,000		1		0.99%	

Note 1: These shares may be allotted and issued to him upon exercise of the share option granted to him in November 2003, details of which are set out in the note 15 (headed “Share Option Scheme”).

Note 2: The 15,500,000 shares represent (i) 10,500,000 shares owned by Mr Tang and (ii) 5,000,000 shares which may be allotted and issued to him upon exercise of the share option granted to him in November 2003, details of which are set out in Note 15 (headed “Share Option Scheme”).

附註1: 此等股份可能會因於二零零三年十一月授予彼之購股權獲行使而向彼配發及發行。有關詳情載於附註15「購股權計劃」一段。

附註2: 該15,500,000股股份指(i)鄧先生擁有之10,500,000股股份;及(ii)可能因於二零零三年十一月授予彼之購股權獲行使而向彼配發及發行之5,000,000股股份。有關詳情載於附註15「購股權計劃」一段。

Directors' Rights to Acquire Shares or Debentures

The following options were granted to directors and remained unexercised as at 30 June 2005:-

董事認購股份或債券之權利

已授予董事且於二零零五年六月三十日仍然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
Mr. Wu Emmy 吳安敏先生	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
Mr. Tang Kin Hung 鄧健洪先生	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
		10,000,000		
Other Employees In aggregate 其他僱員累計		13,870,000	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
		22,400,000	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
		24,220,000		
Total 總計		48,090,000		

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 2005.

Review by Audit Committee

The interim results have been reviewed by the Audit Committee.

CODE ON CORPORATE GOVERNANCE PRACTICES

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by this report, in compliance with Appendix 14 of the Listing Rules of the Stock Exchange of Hong Kong Limited, except that the Company's Remuneration Committee, as a Committee of the Board, was approved and set up by the Board on 3 June 2005.

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股份而獲益的權利，或行使任何該等權利；本公司或其任何控股公司及附屬公司亦無訂立任何安排，致使董事可於任何其他法人團體取得該等權利。

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，概無其他人士於本公司股份或相關股份登記擁有須根據證券及期貨條例第336條記錄在權益登記冊之權益或淡倉。

購買、出售或贖回股份

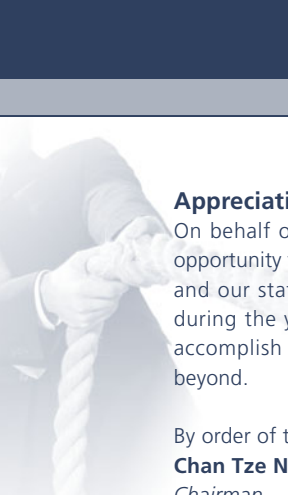
截至二零零五年六月三十日止六個月，本公司或其任何附屬公司並無購買、出售或贖回本公司股份。

經審核委員會審閱

中期業績已由審核委員會審閱。

企業管治常規守則

除作為董事會委員會之本公司薪酬委員會於二零零五年六月三日獲董事會批准及成立外，董事並不知悉，有任何資料合理顯示本公司現時或於本報告所涵蓋會計期間曾經不遵守香港聯合交易所有限公司證券上市規則附錄14之規定。



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 Ngon

Chairman

Hong Kong, 13 September 2005

致謝

本人謹代表董事會，對股東於年內的鼎力支持以及全體員工的努力和所取得成就致以衷心謝意。彼等對宏昌科技的貢獻定能推動本集團來年及今後之業務更上一層樓。

承董事會命

主席

陳子昂

香港，二零零五年九月十三日