TECHNOLOGY VENTURE HOLDINGS LIMITED
(宏昌科技集團有限公司)*

(incorporated in Bermuda with limited liability)

(Stock Code: 61)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

The directors (the "Directors") of Technology Venture Holdings Limited (the "Company") announce the audited results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2004 together with comparative figures for the corresponding period in 2003 as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 December 2004

	Notes	**2004** *HK$'000*	2003 *HK$'000*
TURNOVER	*2*	**237,841**	261,692
Cost of sales		**(210,676)**	(225,408)
Gross profit		**27,165**	36,284
Other income		**1,816**	1,789
Selling and distribution expenses		**(11,627)**	(9,693)
Administrative expenses		**(37,118)**	(34,827)
Other operating expenses		**(9,468)**	(8,562)
LOSS FROM OPERATING ACTIVITIES		**(29,232)**	(15,009)
Finance costs		**(523)**	(725)
LOSS BEFORE TAX		**(29,755)**	(15,734)
Tax	*3*	**(175)**	1,974
LOSS BEFORE MINORITY INTERESTS		**(29,930)**	(13,760)
Minority interests		**3,077**	(1,622)
NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		**(26,853)**	(15,382)
LOSS PER SHARE	*4*		
Basic		**HK$0.05**	HK$0.03
Diluted		**N/A**	N/A

Notes:

1. **Accounting policies**
The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, hereinafter collectively referred to as the new HKFRSs, which are generally effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

2. **Turnover and income**
Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered. All significant intra-Group transactions have been eliminated on consolidation.

* *for identification purpose only*

3. Taxation

	Group 2004 *HK$'000*	2003 *HK$'000*
Current:		
Elsewhere	**1,415**	1,764
Overprovision in prior year	**(1,240)**	(3,738)
Tax charge/(credit) for the year	**175**	(1,974)

No Hong Kong profits tax has been provided (2003: Nil) as the Group had no assessable profits arising in Hong Kong during the year. Taxes on profits assessable 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.

4. Loss per share

The calculation of basic loss per share is based on the net loss from ordinary activities attributable to shareholders for the year of HK$26,853,000 (2003: HK$15,382,000) and the weighted average of 502,434,781 (2003: 501,209,644) ordinary shares in issue during the year.

Diluted loss per share amounts for the years ended 31 December 2004 and 2003 have not been disclosed as the share options outstanding during these years had an anti-dilutive effect on the basic loss per share for these years.

5. Segment information

(a) Business segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments.

2004

	Banking and finance systems integration services *HK$'000*	**Software solution for banks and the public sector** *HK$'000*	**Eliminations** *HK$'000*	**Consolidated** *HK$'000*
Segment revenue:				
Sales to external customers	**78,270**	**159,571**	**–**	**237,841**
Intersegment sales	**–**	**820**	**(820)**	**–**
Interest income	**194**	**213**	**–**	**407**
Other income	**178**	**657**	**–**	**835**
Total	**78,642**	**161,261**	**(820)**	**239,083**
Segment results	**(5,314)**	**(6,527)**	**–**	**(11,841)**
Unallocated interest income				**235**
Unallocated gains				**339**
Unallocated expenses				**(17,965)**
Loss from operating activities				**(29,232)**
Finance costs				**(523)**
Loss before tax				**(29,755)**
Tax				**(175)**
Loss before minority interests				**(29,930)**
Minority interests				**3,077**
Net loss from ordinary activities attributable to shareholders				**(26,853)**

2003

	Banking and finance systems integration services *HK$'000*	Software solution for banks and the public sector *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Segment revenue:				
Sales to external customers	111,412	150,280	–	261,692
Intersegment sales	–	960	(960)	–
Interest income	521	35	–	556
Other income	440	7	–	447
Total	112,373	151,282	(960)	262,695
Segment results	(4,513)	3,427	–	(1,086)
Unallocated interest income				704
Unallocated gains				82
Unallocated expenses				(14,709)
Loss from operating activities				(15,009)
Finance costs				(725)
Loss before tax				(15,734)
Tax				1,974
Loss before minority interests				(13,760)
Minority interests				(1,622)
Net loss from ordinary activities attributable to shareholders				(15,382)

(b) *Geographical segments*

2004

	Hong Kong *HK$'000*	**Elsewhere in the PRC** *HK$'000*	**Eliminations** *HK$'000*	**Consolidated** *HK$'000*
Segment revenue:				
Sales to external customers	**430**	**237,411**	**–**	**237,841**
Intersegment sales	**–**	**820**	**(820)**	**–**
Total	**430**	**238,231**	**(820)**	**237,841**

2003

	Hong Kong *HK$'000*	Elsewhere in the PRC *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Segment revenue:				
Sales to external customers	237	261,455	–	261,692

6. Loss from operating activities

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

	2004 *HK$'000*	2003 *HK$'000*
Cost of inventories sold and services provided	**210,676**	225,408
Depreciation	**2,700**	3,678
Provision for doubtful debts	**8,589**	8,192
Amortisation of deferred development costs	**879**	370

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

The Group reported a turnover of HK$237,841,000 in 2004 compared with HK$261,692,000 last year. Gross profit dropped to HK$27,165,000 from HK$36,284,000 in 2003. The declines were primarily attributable to fierce competition, ADT's scaling down in the business with ICBC due to the market's slow response to Topasia launch of the new Data Warehouse application in 2004. Profit margin was down by 3 percentage points to at 11% from 14% in 2003. Loss attributable to shareholders was HK$26,853,000, up from HK$15,382,000 last year.

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2004 (2003: Nil).

REVIEW OF CORE BUSINESSES

IT solutions and systems integration: TopAsia

TopAsia continued to target at the growing banking and finance sector of China, with the provision of repair and maintenance services to self-service banking facilities as the core operation. 2004 was a year for solid business development for TopAsia.

TopAsia achieved encouraging business growth with Bank of China (BOC) and China Postal Bureau when it successfully secured after-sales repair and maintenance servicing tenders for almost 400 automatic teller machines (ATM) for BOC branches in Henan, Shaanxi, Chongqing and Zhejiang.

At the annual tender of China Merchants Bank (CMB), TopAsia secured the service provider position for three of six service requests for ATMs, automatic deposit machines and automatic enquiry machines, and also two product dealerships for Diebold ATMs and revolving cash deposit and withdrawal machines, therefore making it the largest service provider and product dealer for CMB.

The development of a standard ATMP software for its ATM system was a key focus for China Postal Bureau in 2004. TopAsia's superb expertise in the technology allowed it to win the tenders in 11 provinces, including Anhui, Hubei, Hunan, Shaanxi and Zhejiang.

TopAsia continued to lead in the marketing and sales of ATMs in China. Orders in the amount of RMB40 million were obtained from Postal Bureaus of Hubei and Zhejiang, BOC Jiangsu Branch, CMB Shenzhen Branch, Bank of Shanghai and Nanjing City Commercial Bank.

TopAsia's cooperation with renowned mainland IT stalwart UTStarcom, the inventor of "Little Smart" (or Xiaolingtong) mobile services, has been very successful. Orders in the amount of RMB26 million were secured for the provision of peripherals to Little Smart facilities and multi-media workstations.

Software: Advanced Digital Technology

The Group's software vehicle, 55%-owned Advanced Digital Technology (ADT), has won further recognition as a leading IT enterprise for its software prowess. It was named as China top 100 software company for 2004 and a top 100 solution provider among top 500 mainland computer corporations in Computer Partner World's CPW 500 poll and a creditworthy enterprise in 2004 by Beijing Zhongguancun Sci-Tech Guaranty Co., Ltd. and Zhongguancun Business Advancement Institute.

Importantly, the division's president Ms Fan Liming was named one of the Top 10 Prominent Personalities in Financial Technology as a recognition for her outstanding contribution.

ADT also passed the Gold Enterprise Accreditation for CISCO, further strengthening its competitiveness in network construction. In the data centralization process for China Construction Bank (CCB). ADT has succeeded in broadening its market share in data transfer, front office system, information interface, and other niche business segments. Its cooperation with CCB has been expanded to 24 branches, further extending its influence in integrated data network and services.

Significant progress was also made in respect of the outsourcing service to Japanese market, with a revenue growth of 50% in 2004.

Online education through ChinaCast

In 2004, ChinaCast continued to be the Group's strategic investment to develop the education and training service business in China, with the technological support of other TVH units. The K-12 distance learning and educational content solutions segment continues to be ChinaCast's principal revenue contributor.

The university distance learning solutions segment shows a satisfactory and promising performance. In addition to the existing eight universities which are already generating revenues, two more universities have been signed up with student enrolment phase in progress.

The enterprise networking products and services segment, which commenced marketing operations at the end of first quarter of 2004, also progressed well. The first major enterprise customer, Taikang Life Insurance Co., Ltd. is in beta testing and full commercial service is expected very soon.

OUTLOOK

Looking ahead at 2005, TopAsia will continue to control cost, develop business, enhance profitability and improve operating performance. The segment will focus its efforts primarily on further broadening the client base for self-service products and services, enlarging the scope of services and also expanding the geographical reach. The segment will also build on its relationship with major banks, including Industrial and Commercial Bank of China, Agriculture Bank of China, BOC, CCB and Bank of Communication to attain its 10% growth target in new customers.

TopAsia will also accelerate the development of its data intergration business. It will continue to work with Ascential and strengthen cooperation with ETL in product research and sales, including the development of complementary software solutions to enhance market competitiveness. It will continue to team up with EMC to push sales of large capacity storage and contingency back-up systems to enterprises in the financial, securities and government sectors.

Through further leveraging on the cooperation with UTStarcom, TopAsia aims to better capitalize on business development opportunities for multi-media and telecommunication sectors, and to supply a large range of peripherals and products. A sales target of RMB50 million has been set by TopAsia for this year.

ADT's impressive credentials will help drive its business development efforts. The very strong ties with CCB will help generate more business in integrated data network and services.

ChinaCast will step up its efforts in the insurance and banking sector as its project with Taikang serves as a good springboard for further inroads. Additional strategic sales opportunities in these sectors as well as in other key sectors have been identified and it is expected that an additional 2-3 major customers will be secured within the first half of 2005. ChinaCast is currently ramping up its sales, marketing and customer support staff to meet the demands of the market.

Expansion of ChinaCast's satellite network operations center in Beijing is in progress to pave way for the delivery of the latest DirecWay satellite hub upgrade to enable two-way broadband satellite services that are essential for the growing the enterprise market in 2005.

LIQUIDITY AND FINANCIAL RESOURCES

Net assets

As at 31 December 2004, the Group recorded total assets of approximately HK$325,450,000 which were financed by liabilities of approximately HK$190,306,000 and equity of approximately HK$130,690,000. The Group's net asset value as at 31 December 2004 decreased by 17% to approximately HK$130,690,000 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$84,998,000 as at 31 December 2004 (2003: approximately HK$108,303,000). After deducting bank loans and overdrafts of approximately HK$45,617,000 (2003: approximately HK$39,339,000), the Group recorded a net cash balance of approximately HK$39,381,000 as compared to that of approximately HK$68,964,000 as at 31 December 2003. As at 31 December 2004, the current ratio was 1.26 (2003: 1.37) and the gearing ratio was 0.35 (2003: 0.26) which was defined as the Group's interest-bearing and secured bank loans and finance lease payables over its total equity.

Charges on assets
At 31 December 2004, fixed deposits of approximately HK$5,141,000 (2003: HK$16,470,000) were pledged to banks to secure banking facilities granted.

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$45,617,000 as at 31 December 2004. 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 United States dollars ("US dollars").

Contingent liabilities
At 31 December 2004, 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.

As at 31 December 2004, the banking facilities granted to the subsidiaries were utilized to the extent of approximately HK$1,170,000.

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.

Foreign exchange exposure
The Group mainly earns revenue and incurs costs in US dollars and Hong Kong dollars. Foreign exchange exposure of the Group 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 31 December 2004, the Group employed approximately 360 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.

PURCHASE, SALE OR REDEMPTION OF SHARES
Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

CODE OF BEST PRACTICE
None of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the year ended 31 December 2004 in compliance with the then applicable Code of Best Practice ("Code") as set out in Appendix 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year under review. In the opinion of the Directors, this meets the same objective as the Code.

To comply with the Code, the Company set up an audit committee (the "Committee") on 12 June 1999 with written terms of reference for the purpose of reviewing and providing supervision on the financial report process and internal control of the Group. The Committee comprises the three independent non-executive Directors of the Company.

PUBLICATION OF ANNUAL RESULTS ON THE INTERNET WEBSITE OF THE STOCK EXCHANGE
A results announcement containing the information required by paragraphs 45(1) to 45(3) of Appendix 16 to the Listing Rules will be published on the website of the Stock Exchange in due course.

By order of the Board
Chan Tze Ngon
Chairman

Hong Kong, 26 April 2005

As at the date of this announcement, Mr. Chan Tze Ngon, Mr. Wu Emmy and Mr. Tang Kin Hung are the Executive Directors of the Company. Mr. Lo Siew Kiong, John, Mr. Fu Yan Yan and Ms. Wang Xi Ling are the Independent Non-executive Directors of the Company.

"Please also refer to the published version of this announcement in International Herald Tribune."