



訊通控股有限公司

Info Communication
Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Interim Report

For The Period
Ended 30th September, 2001

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

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

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

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

This report, for which the directors of Info Communication Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Info Communication Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: 1. The information contained in this report is accurate and complete in all material respects and not misleading; 2. There are no other matters the omission of which would make any statement in this report misleading; and 3. All opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

INTERIM RESULTS (UNAUDITED)

The board of director (the “Board” or the “Directors”) of Info Communication Holdings Limited (Note 1) (the “Company”) is pleased to announce the unaudited financial results of the Company and its subsidiaries (collectively the “Group”) for the three months and six months ended 30th September, 2001 together with the comparative unaudited figures for the corresponding periods in 2000 (collectively the “Relevant Periods”) respectively as follows:

	Note	Three months ended 30th September,		Six months ended 30th September,	
		2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
Turnover	2	2,549	14,108	14,252	25,848
Other Revenue	2	9	4	38	4
Exhibition Costs		(1,585)	(2,601)	(4,302)	(8,322)
Printing, Postage and Paper Costs		(853)	(2,016)	(2,060)	(2,514)
Promotion Expenses		(1,425)	(2,609)	(2,394)	(3,991)
Staff Costs		(2,042)	(2,178)	(4,692)	(3,891)
Depreciation		(93)	(168)	(184)	(337)
Other Operating Expenses		(1,449)	(1,210)	(2,378)	(1,895)
(Loss)/Profit from Operations		(4,889)	3,330	(1,720)	4,902
Finance Costs		-	-	-	(1)
(Loss)/Profit on Ordinary Activities before Taxation		(4,889)	3,330	(1,720)	4,901
Taxation	3	-	(306)	-	(451)
Net (Loss)/Profit Attributable to Shareholders		(4,889)	3,024	(1,720)	4,450
Dividends		4,500	4,333	4,500	4,333
(Loss)/Earning per share					
- Basic	4	<u>(0.61) cents</u>	<u>0.38 cents</u>	<u>(0.21) cents</u>	<u>0.56 cents</u>

Notes:

1. Group reorganisation and basis of presentation

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 12th July, 2001. Pursuant to a group reorganisation (the "Reorganisation") in preparation for the listing of the Company's shares (the "Shares") on GEM, the Company acquired the entire issued share capital of Infosky Group Limited and became the holding company of the subsidiaries comprising the Group on 22nd October, 2001. Further details of the Reorganisation are set out in the Company's prospectus dated 29th October, 2001. The Shares were listed on GEM on 2nd November, 2001.

The unaudited combined results of the Group for the three months and six months ended 30th September, 2001 include the results of the Company and all of its subsidiaries for the three months and six months ended 30th September, 2001.

The comparative unaudited combined results of the Group have been prepared using the merger basis of accounting. Under this basis, the Company has been treated as the holding company of its subsidiaries prior to the date of their acquisition pursuant to the Reorganisation. Accordingly, the unaudited combined results of the Group for the three months and six months ended 30th September, 2000 included the results of the Company and its subsidiaries with effect from 1st April, 2000 as if the current Group structure had been in existence throughout the three months and six months ended 30th September, 2000.

In the opinion of the Directors, the unaudited combined results prepared on the above basis present more fairly the results of the Group as a whole.

The principal accounting policies adopted in preparing the unaudited combined results conform with accounting principles generally accepted in Hong Kong.

All significant intra-group transactions and balances within the Group are eliminated on combination.

2. Turnover and Revenue

	Three months ended 30th September,		Six months ended 30th September,	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover:				
Exhibition organisation income	1,538	7,581	11,460	16,659
Promotion and marketing income	995	6,508	2,763	9,161
Publication income	16	19	29	28
	<u>2,549</u>	<u>14,108</u>	<u>14,252</u>	<u>25,848</u>
Other Revenue:				
Sundry income	9	4	38	4
Total Revenue	<u>2,558</u>	<u>14,112</u>	<u>14,290</u>	<u>25,852</u>

3. Taxation

Hong Kong profits tax has been provided at a rate of 16% (2000: 16%) on the estimated assessable profits for the periods.

No provision for deferred taxation has been made as the Group had no material potential liabilities arising on timing differences as at the balance sheet dates.

4. (Loss)/Earning Per Share

The calculation of basic (loss)/earning per share for the three months and six months ended 30th September, 2001 is based on the respective unaudited combined (loss)/profit attributable to shareholders of approximately HK\$(4,889,000) and HK\$(1,720,000) (2000: HK\$3,024,000 and HK\$4,450,000) and the weighted average number of 800,640,000 (2000: 800,640,000) ordinary shares outstanding and on the Reorganisation of the Group is deemed to have been in issue since 1st April, 2000.

Diluted earning per share for the Relevant Periods was not disclosed as there were no dilutive potential ordinary shares.

5. Transfer to/from Reserves

Save for the net loss from ordinary activities, there has been no movement of reserves during the three months and six months ended 30th September, 2001 and the three months and six months ended 30th September, 2000 respectively.

INTERIM DIVIDENDS

On 3rd August, 2001, an indirect wholly owned subsidiary of the Company, Global Challenge Limited, declared a special dividend of approximately HK\$4,500,000 to its shareholders whose names appeared on the register of members as at 31st July, 2001, and Mr. Leung Tin Fu, a director of the Company, was the sole shareholder of Global Challenge Limited as at that date. The special dividend was fully paid in October 2001. Save for the said special dividend, the Directors do not recommend the payment of any interim dividend for the six months ended 30th September, 2001 (2000: dividends/drawings of approximately HK\$4,333,000).

BUSINESS OBJECTIVE REVIEW

As this interim report covers activities up to 30th September, 2001 only, all business objectives stated in the paragraph headed "Strategy" under the section headed "Statement of business objectives" of the Company's prospectus which was issued on 29th October, 2001 are still in progress and no further update is applicable.

BUSINESS REVIEW

The year 2001 marked a significant era for the Group following its successful listing on GEM on 2nd November, 2001.

During the six months ended 30th September, 2001, the Group organised a total of 3 and 4 exhibitions respectively in Hong Kong and in Guangzhou and Dongguan of the PRC, details of which are set out below:

Date	Exhibition	Venue
19th – 22nd April, 2001	Asian Watch, Clock and Equipment Fair*	Hong Kong International Trade and Exhibition Centre
28th – 31st May, 2001	South China International Machinery & Materials Exhibition	Guangzhou Foreign Trade Centre
	South China International Plastics & Packaging Exhibition	
	Mould & Die South China	
18th – 20th July, 2001	Dongguan International Exhibition of IT Solutions for Manufacturing Enterprises & IT Strategy Symposium	Dongguan Dong Cheng Centre
27th – 29th July, 2001	Health Food, Drugs & Auxiliary Products Expo	Hong Kong Convention and Exhibition Centre
	Hong Kong Beauty & Skincare Expo	

* *This exhibition was organised by the Hong Kong Watch Manufacturer Association Limited. The Group acted as the co-organiser.*

For the six months ended 30th September, 2001, the Group recorded a total turnover of approximately HK\$14,252,000, representing a decrease of approximately HK\$11,600,000 or 45% as compared to the Group's total turnover for the corresponding six months ended 30th September, 2000 which amounted to approximately HK\$25,848,000. Such decrease was principally attributable to the fact that, during the six months ended 30th September, 2000, the Group generated promotion and marketing income of approximately HK\$5,260,000

from two non-recurrent marketing assignments, and exhibition organisation income of approximately HK\$6,244,000 from the organisation of three non-recurrent exhibitions, namely Hong Kong International e-Commerce Expo, e-Life and Xiamen International Plastics & Packaging Exhibition.

Loss attributable to shareholders of the Group for the six months ended 30th September, 2001 amounted to approximately HK\$1,720,000 whereas the Group's profit attributable to shareholders amounted to HK\$4,450,000 for the six months ended 30th September, 2000. The decrease in profit of the Group for the first half of the financial year as compared to the corresponding period last year was mainly due to the aforementioned decrease in the Group's turnover.

PROSPECTS

Over the second half of the financial year, the Group will organise some of its showcase exhibitions, with extensive promotional campaign already underway. In particular, the Group will organise the following 9 exhibitions, which the dates, venues and themes have been confirmed, throughout the six months ending 31st March, 2002:

Date	Exhibition
6th – 9th December, 2001	Dongguan International Machinery & Materials Exhibition Dongguan International Plastics & Packaging Exhibition
10th – 13th January, 2002	Dongguan International Surface Finishing Exhibition Dongguan International Coating Exhibition
6th – 9th March, 2002	Dongguan International Textile & Clothing Fair Dongguan International Footwear, Leather & Bags Industry Fair
22nd – 25th March, 2002	Hong Kong International Machine Tool-Linkage Industry Exhibition Hong Kong International Plastics Exhibition Hong Kong International Packaging Exhibition

Based on the Group's past success in organising the aforesaid exhibitions together with the excellent response from exhibitors who have already signed up to participate in these exhibitions, the Group expects these exhibitions to generate substantial revenue and satisfactory financial returns in the second half of the financial year ending 31st March, 2002.

In the short run, the Group is optimistic about the opportunities arising from China's accession to the World Trade Organisation and believes that rapid growth will occur in the exhibition industry in the PRC as a result. Furthermore, as recently outlined in the Chief Executive's Policy Address, the expected increase in demand of exhibition facilities has necessitated the planned construction of a new multi-purpose convention and exhibition centre near the Chek Lap Kok International Airport. The Directors believe that the Group is well positioned to take advantage of the tremendous growth potential in the exhibition industry in Hong Kong in the medium term.

DIRECTORS' INTERESTS IN SECURITIES

As at 2nd November, 2001, the date of listing of the Shares on GEM, the interests of the Directors in the Shares as recorded in the register required to be kept under Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows: –

Number of Shares of the Company

Name	Personal interests	Family interests	Corporate interests	Percentage of voting power
Mr. Leung Tin Fu (<i>Note 1</i>)	–	–	509,840,000	63.68%
Mr. Chan Wing Sum	4,800,000	–	–	0.60%
Mr. Kwok Kam Tim	8,000,000	–	–	1.00%
Mr. Cheng Kwok Lai (<i>Note 2</i>)	–	6,800,000	–	0.85%

Notes: 1. These Shares are held by Advagate Holdings Limited, a company wholly owned by Mr. Leung Tin Fu.

2. These Shares are owned by Ms. Cheng Mei Ching, the wife of Mr. Cheng Kwok Lai. Mr. Cheng Kwok Lai is deemed to be interested in such Shares pursuant to the SDI Ordinance.

SHARE OPTION SCHEME

The Company has conditionally adopted the Share Option Scheme (the "Scheme") whereby the Directors may at their discretion grant options to (i) any director, employee or consultant of the Group or a company in which the Group holds an equity interest or a subsidiary of such company ("Affiliate"); or (ii) any discretionary trust whose discretionary objects include any director, employee or consultant of the Group or an affiliate; or (iii) a company beneficially owned by any director, employee or consultant of the Group or an Affiliate; or (iv) any person or entity whose service to the Group or business with the Group contributes or is expected to contribute to the business or operation of the Group to subscribe for Shares.

Since the adoption of the Scheme, the Company has not granted any option under the Scheme to its Directors and employees.

DIRECTORS' RIGHT TO SUBSCRIBE FOR EQUITY OR DEBT SECURITIES

None of the Directors or their spouse or children under the age of 18 was granted by the Company or any of its subsidiaries any right to subscribe for equity or debt securities of the Company or any body corporate, or had exercised any such right as at 2nd November, 2001.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

Subsequent to the listing of the Shares on GEM on 2nd November, 2001, the following entity had or deemed to have interest of ten percent or more of the issued share capital of the Company, as recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name	Number of shares held	Percentage of voting power
Advagate Holdings Limited (<i>Note</i>)	509,840,000	63.68%
Mr. Leung Tin Fu (<i>Note</i>)	509,840,000	63.68%

Note: Advagate Holdings Limited is wholly owned by Mr. Leung Tin Fu.

Save as disclosed above, the Company has not been notified of any other interests representing ten percent or more of the entire issued share capital of the Company as at 2nd November, 2001.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

None of the members of the Group had purchased, sold or redeemed any of the Shares during the period from 2nd November, 2001 (being the listing date) to the date of this report.

SPONSOR'S INTERESTS

Pursuant to a sponsorship agreement dated 26th October, 2001 between the Company and CSC Asia Limited ("CSC Asia"), CSC Asia will be retained as the sponsor of the Company for the purpose of Chapter 6 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") for the period from 2nd November, 2001 (being the listing date) to 31st March, 2004.

None of CSC Asia, its directors, employees nor associates had any shareholding interest in the securities of the Company or any member of the Group nor have any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for the securities of the Company or any member of the Group as at 2nd November, 2001 (being the listing date).

COMPETING INTERESTS

None of the Directors nor the management shareholders (as defined in the GEM Listing Rules) of the Company nor their respective associates had any interest in a business which competed or might compete with business of the Group.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The audit committee has 2 members, namely Mr. Leung Chi Kong and Ms. Lam Tung Ming, Eileen, both being independent non-executive directors. Mr. Leung Chi Kong is the chairman of the audit committee. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group and to review the Company's annual reports and accounts, and half yearly and quarterly reports. The audit committee has met once since its formation in October, 2001.

By order of the Board
Leung Tin Fu
Chairman

Hong Kong, 13th November, 2001