



訊通控股有限公司

**Info Communication Holdings Limited**

(incorporated in the Cayman Islands with limited liability)

**Third Quarterly Report**  
**2002**

*For the period ended 31 December 2002*

## **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.

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This report, for which the directors of Info Communication Holdings Limited (the “Directors”) 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.

## FINANCIAL RESULTS (UNAUDITED)

The board of director (the "Board" or the "Directors") of Info Communication Holdings Limited (the "Company") is pleased to announce the unaudited financial results of the Company and its subsidiaries (collectively the "Group") for the three months and nine months ended 31 December 2002 together with the comparative unaudited figures for the corresponding period ended 31 December 2001 as follows:

	Note	Three months ended 31 December		Nine months ended 31 December	
		2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Turnover	2	<b>17,638</b>	10,072	<b>37,505</b>	24,325
Other revenue	2	<b>44</b>	11	<b>338</b>	49
Exhibition costs		<b>(3,042)</b>	(4)	<b>(8,368)</b>	(4,307)
Printing, postage and paper costs		<b>(1,666)</b>	(1,168)	<b>(4,900)</b>	(3,268)
Promotion expenses		<b>(942)</b>	(425)	<b>(3,442)</b>	(2,820)
Staff costs		<b>(3,599)</b>	(2,498)	<b>(9,014)</b>	(7,159)
Depreciation		<b>(57)</b>	(93)	<b>(165)</b>	(277)
Other operating expenses		<b>(1,521)</b>	(754)	<b>(4,239)</b>	(3,132)
Profit on ordinary activities before taxation		<b>6,855</b>	5,141	<b>7,715</b>	3,411
Taxation	3	<b>–</b>	(473)	<b>(70)</b>	(314)
Net profit attributable to shareholders		<b>6,855</b>	4,668	<b>7,645</b>	3,097
Dividend	5	<b>1,601</b>	–	<b>1,601</b>	4,500
Earnings per share – basic, in cents	4	<b>0.86</b>	0.58	<b>0.96</b>	0.39
Earnings per share – diluted, in cents	4	<b>0.83</b>	0.57	<b>0.93</b>	0.38

Notes:

**1. Basis of presentation**

The principal accounting policies adopted in preparing the unaudited consolidated results are consistent with those adopted in the latest annual accounts of the Group.

**2. Turnover and revenue**

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2002</b>	2001	<b>2002</b>	2001
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
<b>Turnover:</b>				
Exhibition organisation income	<b>16,073</b>	7,640	<b>32,265</b>	19,100
Promotion and marketing income	<b>1,559</b>	2,410	<b>4,955</b>	5,173
Publication income	<b>6</b>	22	<b>285</b>	52
	<u><b>17,638</b></u>	<u>10,072</u>	<u><b>37,505</b></u>	<u>24,325</u>
<b>Other revenue:</b>				
Bank interest income	<b>17</b>	11	<b>74</b>	11
Sundry income	<b>27</b>	–	<b>264</b>	38
	<u><b>44</b></u>	<u>11</u>	<u><b>338</b></u>	<u>49</u>
Total revenue	<u><b>17,682</b></u>	<u>10,083</u>	<u><b>37,843</b></u>	<u>24,374</u>

**3. Taxation**

Hong Kong profits tax has been provided at a rate of 16% (2001: 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. Earnings per share**

The calculation of basic earnings per share for the three months and nine months ended 31 December 2002 is based on the respective unaudited consolidated profit attributable to shareholders of approximately HK\$6,855,000 and HK\$7,645,000 (three months and nine months ended 31 December 2001: approximately HK\$4,668,000 and HK\$3,097,000) and the weighted average number of 800,640,000 (2001: 800,640,000) ordinary shares in issue during the period.

The calculation of diluted earnings per share for the three months and nine months ended 31 December 2002 is based on the unaudited consolidated profit attributable to shareholders of approximately HK\$6,855,000 and HK\$7,645,000 (three months and nine months ended 31 December 2001: approximately HK\$4,668,000 and HK\$3,097,000) and on 824,410,115 ordinary shares, being the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of the share options outstanding during the period.

**5. Dividend**

At a meeting held on 27 January 2003, the Directors declared an interim dividend of HK\$0.002 per ordinary share. This proposed dividend is not reflected as a dividend payable in the accounts for the period ended 31 December 2002, but will be reflected as an appropriation of retained earnings for the year ending 31 March 2003 (nine months ended 31 December 2001: special dividend of approximately HK\$4,500,000). The interim dividend will be payable on 28 February 2003 to shareholders whose names appear on the Register of Members of the Company on 19 February 2003. The Register of Members will be closed between 17 February 2003 and 19 February 2003 (both dates inclusive) during which no transfer of the Company's shares will be effected. To qualify for the aforesaid interim dividend, all completed transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar Tengis Limited at 28/F., BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong by 4:00 p.m. on 14 February 2003.

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### 6. Reserves

	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	As at 31 December 2002 Total <i>HK\$'000</i>	As at 31 March 2002 Total <i>HK\$'000</i>
At beginning of the period	3,517	900	5,039	9,456	5,798
Effect of the Reorganisation	-	-	-	-	300
Issue of shares through the Placing	-	-	-	-	19,354
Share issue expenses	-	-	-	-	(8,637)
Capitalisation of share premium	-	-	-	-	(7,200)
Net profit for the period/year	-	-	7,645	7,645	4,341
Special dividend paid	-	-	-	-	(4,500)
Proposed final dividend for the year ended 31 March 2002 paid	-	-	(2,802)	(2,802)	-
At end of the period/year	<u>3,517</u>	<u>900</u>	<u>9,882</u>	<u>14,299</u>	<u>9,456</u>
Representing:					
Proposed interim dividend (note 5)	-	-	1,601	1,601	-
Others	<u>3,517</u>	<u>900</u>	<u>8,281</u>	<u>12,698</u>	<u>9,456</u>
At end of the period/year	<u>3,517</u>	<u>900</u>	<u>9,882</u>	<u>14,299</u>	<u>9,456</u>

**BUSINESS REVIEW**

During the three months ended 31 December 2002, the Group organised a total of six exhibitions in Vietnam and in Shanghai, Chongqing and Dongguan of the People’s Republic of China (the “PRC”), details of which are set out below:

**Dates and venues**

**Exhibitions**

6-9 November 2002  
Ho Chi Minh International Convention  
& Exhibition Centre

Vietnam Linkage Industry Exhibition -  
Plastics, Packaging, Printing,  
Machine Tools, Metalworking,  
Automation, Food Machinery (“Linkage  
Industry Vietnam 2002 Part I”)

15-18 November 2002  
Ho Chi Minh International Convention  
& Exhibition Centre

Vietnam Industry Exhibition -  
Textile, Garment, Fabrics, Apparel  
Accessories, Leather & Shoes Technology  
 (“Linkage Industry Vietnam 2002 Part II”)

20-23 November 2002  
Shanghai Everbright Convention  
& Exhibition Centre

Shanghai Linkage Industry Exhibition

30 November to 3 December 2002  
Chongqing Technical Centre

4th China Chongqing Hi-Tech Fair –  
Chongqing International Corporate Finance  
Expo (CQICFE 2002)

5-8 December 2002  
GD Modern International  
Exhibition Centre (“GD MIEC”)

4th Dongguan International Machinery  
& Materials Exhibition  
4th Dongguan International Plastics  
& Packaging Exhibition



## INFO COMMUNICATION HOLDINGS LIMITED

The Group's turnover for the three months ended 31 December 2002 amounted to approximately HK\$17,638,000 (three months ended 31 December 2001: approximately HK\$10,072,000) and represented a significant growth of some 75.1% from the third quarter of 2001/2002. Such significant growth was principally due to the substantial increase in exhibition organisation income from approximately HK\$7,640,000 for the three months ended 31 December 2001 to approximately HK\$16,073,000 for the three months ended 31 December 2002, representing a significant growth of approximately HK\$8,433,000 or 110.4% from the third quarter of 2001/2002.

Such encouraging financial results was attributable to the Group's success in organising the newly launched linkage series of exhibitions in Shanghai, the PRC and in Vietnam. In particular the Linkage Industry Vietnam 2002 is the largest manufacturing exhibition of its kind in Vietnam and was co-organised by the Group, ES Mass Communication (M) Sdn. Bhd. and Chan Chao International Co., Ltd.

The Group successfully launched the linkage series of exhibitions in Shanghai, the PRC and in Vietnam in November 2002, which generated exhibition organisation income attributable to the Group amounting to approximately HK\$4.7 million in aggregate or representing approximately 26.6% of the Group's total turnover for the three months ended 31 December 2002.

During the three months ended 31 December 2002, the Group generated exhibition organisation income of approximately HK\$11.3 million, represented approximately 64.5% of the Group's total turnover for the three months ended 31 December 2002, from organising the existing and certain newly launched exhibitions in major cities in the PRC, which has proven to be another major success.

The Group recorded net profit attributable to shareholders of approximately HK\$6,855,000 and HK\$7,645,000 for the three months and nine months ended 31 December 2002 respectively. This represented substantial growth as compared with the net profit attributable to shareholders of approximately HK\$4,668,000 and HK\$3,097,000 for the preceding three months and nine months ended 31 December 2001.



**PROSPECTS**

In the fourth quarter of 2002/2003, the Group will organise some of its showcase exhibitions, including the Hong Kong International Machine Tool-Linkage Industry Exhibition which has been organised by the Group annually since 1989 and is the largest trade exhibition of its kind in Hong Kong. The forthcoming exhibitions, together with the proposed dates and venues, in the fourth quarter include:

**Dates and venues**

6–9 March 2003  
GD MIEC

14–17 March 2003  
Hong Kong Convention  
& Exhibition Centre (“HKCEC”)

21–23 March 2003  
HKCEC

**Exhibitions**

4th China (Dongguan) International Textiles  
& Clothing Technology & Equipment Fair

15th Hong Kong International Machine Tool-  
Linkage Industry Exhibition 2003  
11th Hong Kong International  
Plastics Exhibition  
10th Hong Kong International  
Packaging Exhibition

Sport Fair 2003

**DIRECTORS' INTERESTS IN SECURITIES**

As at 31 December 2002, the interests of the Directors in the shares of the Company (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**

<b>Name</b>	<b>Personal interests</b>	<b>Family interests</b>	<b>Corporate interests</b>	<b>Percentage of interest</b>
Mr. Leung Tin Fu ( <i>Note 1</i> )	–	–	509,840,000	63.68%
Mr. Cheng Kwok Lai ( <i>Note 2</i> )	–	6,800,000	–	0.85%
Mr. Chan Wing Sum ( <i>Note 3</i> )	4,800,000	8,000,000	–	1.60%
Mr. Kwok Kam Tim	8,000,000	–	–	1.00%

*Notes:* 1. These Shares are held by Advagate Holdings Limited, a company incorporated in the British Virgin Islands and 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.

3. These 8,000,000 Shares are owned by Ms. Lok Suet Lin, the wife of Mr. Chan Wing Sum. Mr. Chan Wing Sum is deemed to be interested in such Shares pursuant to the SDI Ordinance.

**DIRECTORS' RIGHT TO SUBSCRIBE FOR EQUITY OR DEBT SECURITIES**

Pursuant to the shares option scheme (the "Scheme") adopted by the Company on 22 October 2001 (as more particularly described in Appendix IV to the Company's prospectus dated 29 October 2001), certain Directors were granted share options during the nine months ended 31 December 2002 to subscribe for Shares, details of which were as follows:

		<b>Number of share options granted during the period and outstanding as at</b>		<b>Exercise price per Share</b>
	<b>Date of grant</b>	<b>31 December 2002</b>	<b>Option period</b>	
Mr. Cheng Kwok Lai	10 July 2002	8,000,000	10 July 2002 - 9 July 2012	HK\$0.08
Mr. Chan Wing Sum	10 July 2002	8,000,000	10 July 2002 - 9 July 2012	HK\$0.08
Mr. Kwok Kam Tim	10 July 2002	8,000,000	10 July 2002 - 9 July 2012	HK\$0.08

*Note 1:* The weighted average closing price of the Shares immediately before the date on which the options were offered is HK\$0.08.

Save as disclosed above, 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 had exercised any such right during the period.

**OUTSTANDING SHARE OPTIONS**

Save as those share options granted to the Directors as disclosed above, during the nine months ended 31 December 2002, the Company has granted options under the Scheme to four persons who are employees and consultant of the Company at the date of grant, details of which were as follows:

	Date of grant	Number of share options granted during the period and outstanding as at 31 December 2002	Option period	Exercise price per Share
Employees	10 July 2002	16,000,000	10 July 2002 – 9 July 2012	HK\$0.08
Consultant	10 July 2002	4,000,000	10 July 2002 – 9 July 2012	HK\$0.08

*Note 1:* The weighted average closing price of the Shares immediately before the date on which the options were offered is HK\$0.08.

**Valuation of share options**

The options granted to the Directors, employees and consultant of the Company are not recognised in the financial statements until they are exercised. The Directors consider that it is not appropriate to state the value of the share options granted during the period on the ground that a number of variables which are crucial for the valuation of the option value cannot be reasonably determined. Accordingly, the Directors believe that any valuation of the share options based on a great number of speculative assumptions would not be meaningful and may be misleading to the shareholders.

**SUBSTANTIAL SHAREHOLDERS' INTERESTS**

As at 31 December 2002, 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:

<b>Name</b>	<b>Number of Shares held</b>	<b>Percentage of interest</b>
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 issued share capital of the Company as at 31 December 2002.

**PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period from 1 April 2002 to the date of this announcement.

**SPONSOR'S INTERESTS**

Pursuant to a sponsorship agreement dated 26 October 2001 entered into between the Company and CSC Asia Limited ("CSC Asia"), CSC Asia receives a fee for acting as the sponsor of the Company for the purpose of Chapter 6 of the GEM Listing Rules for the period from 2 November 2001 (being the listing date) to 31 March 2004.

None of CSC Asia, its directors, employees nor their associates had any interests in the securities of the Company or any member of the Group, or 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 31 December 2002.

**COMPETING INTERESTS**

None of the Directors or the management shareholders (as defined in the GEM Listing Rules) of the Company or 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 comprises two independent non-executive Directors, namely Mr. Leung Chi Kong and Ms. Lam Tung Ming, Eileen. 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 six times since its formation in October 2001.

By order of the Board

**Leung Tin Fu**  
*Chairman*

Hong Kong, 27 January 2003