



訊通控股有限公司

Info Communication
Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

3rd Quarterly Report

For The Period
Ended 31st December, 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.

FINANCIAL 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 nine months ended 31st December, 2001 together with the comparative unaudited figures for the corresponding periods in 2000 (collectively the "Relevant Periods") respectively as follows:

	Notes	Three months ended 31st December,		Nine months ended 31st December,	
		2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
Turnover	2	10,072	7,639	24,325	33,487
Other Revenue	2	11	-	49	4
Exhibition Costs		(4)	(3,158)	(4,307)	(11,481)
Printing, Postage and Paper Costs		(1,168)	(1,257)	(3,268)	(3,771)
Promotion Expenses		(425)	(1,409)	(2,820)	(5,400)
Staff Costs		(2,498)	(1,201)	(7,159)	(5,092)
Depreciation		(93)	(168)	(277)	(505)
Other Operating Expenses		(754)	(920)	(3,132)	(2,815)
Profit/(Loss) from Operations		5,141	(474)	3,411	4,427
Finance Costs		-	-	-	(1)
Profit/(Loss) on Ordinary Activities before Taxation		5,141	(474)	3,411	4,426
Taxation	3	(473)	-	(314)	(451)
Net Profit/(Loss) Attributable to Shareholders		<u>4,668</u>	<u>(474)</u>	<u>3,097</u>	<u>3,975</u>
Dividends		<u>-</u>	<u>-</u>	<u>4,500</u>	<u>4,333</u>
Earnings/(Loss) per share – Basic	4	<u>0.58 cents</u>	<u>(0.06) cents</u>	<u>0.39 cents</u>	<u>0.50 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 nine months ended 31st December, 2001 include the results of the Company and all of its subsidiaries for the three months and nine months ended 31st December, 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 nine months ended 31st December, 2000 included the results of the Company and its subsidiaries with effect from 1st April, 2000 as if the current Group structure has been in existence throughout the three months and nine months ended 31st December, 2000.

In the opinion of the Directors, the unaudited combined results prepared on the above basis present 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		Nine months ended	
	31st December		31st December	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover:				
Exhibition organisation income	7,640	5,861	19,100	22,520
Promotion and marketing income	2,410	1,758	5,173	10,919
Publication income	22	20	52	48
	<u>10,072</u>	<u>7,639</u>	<u>24,325</u>	<u>33,487</u>
Other Revenue:				
Bank interest income	11	–	11	–
Sundry income	–	–	38	4
	<u>11</u>	<u>–</u>	<u>49</u>	<u>4</u>
Total Revenue	<u>10,083</u>	<u>7,639</u>	<u>24,374</u>	<u>33,491</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. Earnings/(Loss) Per Share

The calculation of basic earnings/(loss) per share for the three months and nine months ended 31st December, 2001 is based on the respective unaudited combined profit/(loss) attributable to shareholders of approximately HK\$4,668,000 and HK\$3,097,000 (2000: HK\$(474,000) and HK\$3,975,000) 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 earnings 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 profit/(loss) from ordinary activities, there has been no movement of reserves during the three months and nine months ended 31st December, 2001 and the three months and nine months ended 31st December, 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 nine months ended 31st December, 2001 (2000: dividends/drawings of approximately HK\$4,333,000).

BUSINESS REVIEW

The year 2001 marked a significant era for the Group following its successful listing on GEM on 2nd November, 2001. The Group was the first exhibition organiser to be so listed on GEM. Approximately HK\$11.6 million (including issue of additional shares upon exercise of the over-allotment option) was raised through the issue of 80 million new shares at HK\$0.25 per share. The proceeds from listing will be used to establish strategic collaborations, joint ventures or to undertake acquisitions in the PRC, to strengthen alliance with overseas exhibition organisers and for general working capital, as detailed in the Company's prospectus which was issued on 29th October, 2001.

The Group's turnover for the three months ended 31st December, 2001 amounted to approximately HK\$10,072,000 and represented a significant growth of some 31.8% from the third quarter of 2000/2001.

During the three months ended 31st December, 2001, the Group generated exhibition organisation income of approximately HK\$7,640,000, representing a 30.4% growth from the third quarter of 2000/2001, from organising the Dongguan International Machinery & Materials Exhibition and the Dongguan International Plastics & Packaging Exhibition. The Dongguan International Machinery & Materials Exhibition and the Dongguan International Plastics & Packaging Exhibition, which have been organised by the Group since 1999, has proven to be another major success this year. A record number of exhibitors, totalling over 400 companies, participated in each of these exhibitions held between 6th and 9th December of this year.

The Group recorded net profit attributable to shareholders of approximately HK\$4,668,000 for the three months ended 31st December, 2001. This

represented substantial growth as compared with the net loss attributable to shareholders of approximately HK\$1,720,000 for the preceding six months ended 30th September, 2001 and the net loss of HK\$474,000 for the third quarter in 2000. Note that the favourable turnover and net profit performance do not take into account the encouraging response from exhibitors who have already signed up to participate in the exhibitions to be organised by the Group in the fourth quarter of 2001/2002.

PROSPECTS

In the fourth quarter of 2001/2002, 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 in the fourth quarter include:

Date	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

In particular, based on the excellent response from exhibitors who have signed up to participate in the Dongguan International Textile & Clothing Fair and the Dongguan International Footwear, Leather & Bags Industry Fair, the Group expects a substantial growth in exhibition organisation income from these two Dongguan exhibitions. The contribution to turnover and profit from the above exhibitions will be reflected in the fourth quarter.

Looking ahead in the year ending 31st March, 2003, the corporate mission of the Group is to become one of the leading Hong Kong based exhibition organisers in Asia that organises trade shows covering diversified sectors with scales that are comparable to the largest exhibitions in each respective sector. Having built up our excellent reputation and established presence in Hong Kong, Dongguan and Guangzhou, the PRC, the Group is increasingly focused

on building critical mass in organising the existing exhibitions, growing revenues and diversifying the Group's exhibition business into other sectors and into other major cities in the PRC and South East Asia.

With PRC's accession to the WTO and the expected increased flow of trade, the Group believes that there will be rapid growth in the exhibition industry in the PRC. As part of the Group's strategy to diversify and develop its presence in major cities in the PRC, the Group is in the process of finalising its plans to organise exhibitions in Shunde, Shanghai and Wuhan in the year ending 31st March, 2003. On the international front, the Group plans to expand its presence in Vietnam in the manufacturing exhibition sector and negotiations with the Group's strategic allies are currently underway.

DIRECTORS' INTERESTS IN SECURITIES

As at 31st December, 2001, the interests of the Directors in the shares of the Company 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 Director 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 (the "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 31st December, 2001.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31st December, 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 31st December, 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 interests 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 31st December, 2001.

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 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 twice since its formation in October, 2001.

By order of the Board
Leung Tin Fu
Chairman

Hong Kong, 28th January, 2002