



訊通控股有限公司

**Info Communication Holdings Limited**

(Incorporated in the Cayman Islands with limited liability)

**First Quarterly Report**

**2002**

*For the period ended 30 June 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.**

**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 (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.

**UNAUDITED CONSOLIDATED RESULTS***For the three months ended 30 June 2002*

The board of directors (the “Board” or the “Directors”) of Info Communication Holdings Limited (the “Company”) is pleased to announce the unaudited results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 30 June 2002 together with comparative figures for the period ended 30 June 2001 as follows:

		<b>Three months ended</b>	
		<b>30 June</b>	
		<b>2002</b>	2001
	<i>Note</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
<b>Turnover</b>	2	<b>9,294</b>	11,703
<b>Other revenue</b>	2	<b>134</b>	29
<b>Exhibition costs</b>		<b>(2,002)</b>	(2,718)
<b>Printing, postage and paper costs</b>		<b>(1,602)</b>	(1,206)
<b>Promotion expenses</b>		<b>(625)</b>	(969)
<b>Staff costs</b>		<b>(3,125)</b>	(2,650)
<b>Depreciation</b>		<b>(54)</b>	(91)
<b>Other operating expenses</b>		<b>(1,075)</b>	(929)
		<hr/>	<hr/>
<b>Profit on ordinary activities</b>			
<b>before taxation</b>		<b>945</b>	3,169
<b>Taxation</b>	3	<b>–</b>	(240)
		<hr/>	<hr/>
<b>Net profit attributable to shareholders</b>		<b>945</b>	2,929
		<hr/>	<hr/>
<b>Dividends</b>	5	<b>–</b>	–
		<hr/>	<hr/>
<b>Earnings per share</b>			
Basic	4	<b>0.12 cents</b>	0.37 cents
		<hr/>	<hr/>

Notes:

**1. Basis of preparation**

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**

Turnover and revenue comprise the following:

	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2002</b>	<b>2001</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Turnover:</b>		
Exhibition organisation income	7,455	9,922
Promotion and marketing income	1,568	1,768
Publication income	271	13
	<hr/>	<hr/>
	<b>9,294</b>	11,703
	<hr/>	<hr/>
<b>Other revenue:</b>		
Bank interest income	35	–
Sundry income	99	29
	<hr/>	<hr/>
	<b>134</b>	29
	<hr/>	<hr/>
Total revenue	<b>9,428</b>	11,732
	<hr/>	<hr/>

**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 ended 30 June 2002 is based on the respective unaudited consolidated profit attributable to shareholders of approximately HK\$945,000 (2001: approximately HK\$2,929,000) and the weighted average number of 800,640,000 (2001: 800,640,000) ordinary shares in issue during the period.

No diluted earnings per share has been disclosed as there were no dilutive potential ordinary shares in existence for the three month period ended 30 June 2002 and 2001.

**5. Dividends**

No dividends had been paid or declared by the Company during the period (2001: Nil).

**6. Transfer to/from reserves**

Save for the net profit attributable to shareholders, there has been no movement of reserves during the three month period ended 30 June 2002 and 2001.

**BUSINESS REVIEW**

During the three months ended 30 June 2002, the Group organised a total of five exhibitions in Guangzhou and Dongguan, the PRC, details of which are set out below:

<b>Date</b>	<b>Exhibition</b>	<b>Venue</b>
27-30 May 2002	South China International Machinery & Materials Exhibition	Guangzhou Foreign Trade Centre, China
	South China International Plastics & Packaging Exhibition	
	Mould & Die South China 2002	
20-23 June 2002	Dongguan International Coating Exhibition	Dongguan International Convention & Exhibition Centre
	Dongguan International Surface Finishing Exhibition	

## INFO COMMUNICATION HOLDINGS LIMITED

For the three months ended 30 June 2002, the Group recorded a total turnover of approximately HK\$9,294,000, representing a decrease of approximately HK\$2.4 million or 20.5% as compared to the corresponding three months ended 30 June 2001 which amounted to approximately HK\$11,703,000. Such decrease was principally attributable to the fact that, during the three months ended 30 June 2001, the Group generated exhibition organisation income of approximately HK\$1.2 million from a non-recurrent exhibition, namely Asia Watch, Clock and Equipment Fair, which was jointly organised by the Group and the Hong Kong Watch Manufacturer Association Limited. During the period, the Group also launched two new exhibitions, namely Dongguan International Coating Exhibition and Dongguan International Surface Finishing Exhibition. Although these two new exhibitions were well received by exhibitors and visitors, they commanded lower profit margin as they were in their early stage of the exhibition life cycle.

Net profit attributable to shareholders for the three months ended 30 June 2002 amounted to approximately HK\$945,000, representing a decrease of 67.7% as compared with that of approximately HK\$2,929,000 for the three months ended 30 June 2001. Such decrease was attributable to the aforementioned decrease in the Group's turnover and the increase in staff costs and corporate expenses.

### **Future plans and prospects**

In the short run, the Group remains optimistic about the opportunities arising from China's accession to the World Trade Organisation and believes that rapid growth will persist in the exhibition industry in the PRC as a result. Furthermore, as outlined in the Chief Executive's Policy Address towards the end of 2001, 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.

Looking ahead in the year ending 31 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 major cities in the PRC and Asia. In particular, the Group will organise exhibitions in Shunde, Shanghai and Wuhan in the year ending 31 March 2003. On the international front, the Group has finalised its negotiations with the Group's strategic allies and will expand its presence in Vietnam in the manufacturing exhibition sector in late 2002.

For the rest of the year ending 31 March 2003, the Group will organise over 20 exhibitions in Hong Kong, the PRC and Vietnam, further details of these exhibitions including their themes, proposed dates and venues are set out in the 2002 Annual Report. The Group believes that these exhibitions will generate substantial revenue and satisfactory financial returns in the year ending 31 March 2003.

### DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2002, the interests of the Directors and their respective associates in the securities 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 in the Company

Name	Personal interests	Family interests	Corporate interests	Percentage of interest
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 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.

## SHARE OPTION SCHEME

Pursuant to the share option scheme (the "Scheme") adopted by the Company on 22 October 2001, 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 (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 of the Company during such period as may be determined by the Directors (which shall not be more than ten years from the date of issue of the relevant options).

The Company has not granted any option under the Scheme during the period.

## 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 had exercised any such right during the period.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 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:

Name	Number of shares held	Percentage of interest
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 30 June 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 Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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 30 June 2002.

## **COMPETING INTERESTS**

The Directors are not aware of, as at 30 June 2002, any business or interest of each of the Directors, management shareholders (as defined in the GEM Listing Rules) and their respective associates that competes or may compete with business of the Group or any other conflicts of interest which any such person has or may have with 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 four times since its formation in October, 2001.

By order of the Board

**Leung Tin Fu**

*Chairman*

Hong Kong, 13 August 2002