



Info Communication Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8082)



Third Quarterly Report
2006

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 risks 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 this 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 (the “GEM Listing Rules”) 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 FINANCIAL RESULTS

The Board of Directors (the "Directors") of Info Communication Holdings Limited (the "Company") announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") for the three months and nine months ended 31 December 2006 together with the comparative unaudited figures for the corresponding periods in 2005 as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and nine months ended 31 December 2006

	Note	Three months ended 31 December		Nine months ended 31 December	
		2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
Turnover	2	47,496	29,625	67,603	42,906
Other revenue	2	1,591	57	1,738	108
Exhibition costs		(6,664)	(5,555)	(13,030)	(10,491)
Printing, postage and paper costs		(1,345)	(1,227)	(3,376)	(3,176)
Promotion expenses		(2,929)	(2,674)	(6,015)	(4,985)
Staff costs		(3,681)	(3,526)	(10,738)	(8,168)
Other operating expenses		(2,917)	(2,940)	(7,588)	(5,271)
Profit before tax		31,551	13,760	28,594	10,923
Income tax	3	(3,981)	(431)	(4,049)	(431)
Profit for the period		27,570	13,329	24,545	10,492
Attributable to:					
Equity holders of the Company		27,024	12,332	23,845	9,372
Minority interests		546	997	700	1,120
		27,570	13,329	24,545	10,492
Dividend	5	10,148	8,456	10,148	8,456
Earnings per share					
– basic, in cents	4	3.20	1.46	2.82	1.11
Earnings per share					
– diluted, in cents	4	N/A	1.45	N/A	1.10

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2006

	Attributable to equity holders of the Company						Total	Minority interests	Total
	Share capital	Share premium	Capital reserve	Retained profits	Proposed dividend	Translation reserves			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 April 2005, as restated	8,456	4,552	900	11,329	1,691	-	26,928	4	26,932
Profit for the period	-	-	-	9,372	-	-	9,372	1,120	10,492
Dividend paid	-	-	-	-	(1,691)	-	(1,691)	-	(1,691)
Proposed dividend	-	-	-	(8,456)	8,456	-	-	-	-
As at 31 December 2005	8,456	4,552	900	12,245	8,456	-	34,609	1,124	35,733
As at 1 April 2006	8,456	4,552	900	9,311	1,691	-	24,910	4	24,914
Profit for the period	-	-	-	23,845	-	-	23,845	700	24,545
Translation exchange differences	-	-	-	-	-	144	144	-	144
Dividend paid	-	-	-	-	(1,691)	-	(1,691)	-	(1,691)
Proposed dividend (Note 5)	-	-	-	(10,148)	10,148	-	-	-	-
As at 31 December 2006	8,456	4,552	900	23,008	10,148	144	47,208	704	47,912

Notes:

1. Basis of preparation and accounting policies

These unaudited condensed consolidated financial statements are prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

These unaudited condensed consolidated financial statements should be read in conjunction with the Company's 2006 annual financial statements. The principal accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the Company's annual financial statements for the year ended 31 March 2006.

2. Turnover and revenue

	Three months ended		Nine months ended	
	31 December		31 December	
	2006	2005	2006	2005
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover:				
Exhibition organisation income	46,854	28,054	65,282	39,657
Promotion and marketing income	634	1,563	2,108	3,067
Publication income	8	8	213	182
	47,496	29,625	67,603	42,906
Other revenue:				
Bank interest income	37	25	130	58
Consultancy fee income	1,486	–	1,486	–
Sundry income	68	32	122	50
	1,591	57	1,738	108
Total revenue	49,087	29,682	69,341	43,014

Primary reporting format – Business segment

No business segment information has been disclosed for the periods presented as the Group is operating in a single business segment which is exhibition organisation.

3. Income tax

The provision for PRC enterprise income tax is calculated at a standard rate of 33% of the estimated assessable profits for the three months and nine months period ended 31 December 2006 (2005: 33%).

Hong Kong profits tax has been provided at a rate of 17.5% on the estimated assessable profits for the three months and nine months period ended 31 December 2006 (2005: 17.5%).

The Group did not have any significant deferred taxation which was unprovided for in respect of each of the reporting periods.

4. Earnings per share

- (a) The calculation of basic earnings per share for the three months and nine months ended 31 December 2006 is based on the respective unaudited consolidated profit attributable to the equity holders of the Company of approximately HK\$27,024,000 and HK\$23,845,000 for the three months and nine months ended 31 December 2006 respectively (three months and nine months ended 31 December 2005: approximately HK\$12,332,000 and HK\$9,372,000 respectively) and on the weighted average number of 845,640,000 ordinary shares in issue during the periods.
- (b) No diluted earnings per share for the three months and nine months ended 31 December 2006 has been presented because the exercise price of the Company's share options was higher than the average market price for the share for the respective periods.

5. Dividend

At a meeting held on 13 February 2007, the Directors declared an interim dividend of HK\$0.012 per ordinary share (three months and nine months ended 31 December 2005: interim dividend of HK\$0.01 per ordinary share). This proposed dividend is not reflected as a dividend payable in the financial statements for the period ended 31 December 2006, but will be reflected as an appropriation of retained earnings for the year ending 31 March 2007. This interim dividend will be payable on 9 March 2007 to shareholders whose names appear on the Register of Members of the Company on 2 March 2007. The Register of Members will be closed from 28 February 2007 to 2 March 2007 (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 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on 27 February 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and financial review

During the three months ended 31 December 2006, the Group organised certain exhibitions in Vietnam and in the People's Republic of China (the "PRC"), details of which are set out below:

Date and venue	Exhibition
13-16 October 2006 Shunde Exhibition Center, Guangdong, the PRC	China Shunde International Exposition for Household Electrical Appliances 2006
27-30 October 2006 Ho Chi Minh International Exhibition & Convention Centre ("HCMIECC")	6th Vietnam International Machine Tool & Automation Industry Show
8-11 November 2006 GD Modern International Exhibition Center, Houjie, Dongguan, the PRC ("GDMIEC")	8th China Dongguan International Plastics, Packaging & Rubber Exhibition, Die Casting & Foundry Exhibition
15-18 November 2006 GDMIEC	8th China Dongguan International Mould & Metalworking Exhibition
16-19 November 2006 HCMIECC	6th Vietnam International Plastics & Rubber Industry Show
24-27 November 2006 HCMIECC	6th Vietnam International Textile & Garment Industry Show

During the three months period under review, the Group's turnover has amounted to approximately HK\$47,496,000 and represented a growth of approximately HK\$17,871,000 or 60% as compared with the corresponding period in 2005. Such rapid increase was principally attributable to the full operation of 廣東訊展會議展覽有限公司 in the PRC, a wholly-owned subsidiary of the Company. In addition, the significant growth in the size of the exhibitions held in Dongguan and Vietnam also contributed notable returns to the Group.

Turnover for the nine months ended 31 December 2006 amounted to approximately HK\$67,603,000 (2005: approximately HK\$42,906,000) representing approximately 58% increase as compared with the corresponding period in 2005. The increase in turnover was mainly attributable to the successful exhibitions held during the period under review.

Profit attributable to equity holders of the Company for the nine months ended 31 December 2006 amounted to approximately HK\$23,845,000 (2005: approximately HK\$9,372,000). The increase was mainly attributable to the increase in the exhibition size and excellent response from the participants.

Prospects

Given the excellent response from the PRC's exhibitions and the market position enjoyed by the Group, the Group has identified the PRC exhibition business as a focus area for further development, as a result, a continue dedication of resources on expansion to other province in the PRC will be our aim. Directors are considering to set up a new wholly-owned foreign enterprise in Tianjin, the PRC ("WFOE"). The establishment of the new WFOE is to expand our exhibition business to the Northern China market.

Motivated by the success in organising various exhibitions in Hong Kong, the PRC, Vietnam and Malaysia, the Group is considering to further develop its geographical coverage and diversify the nature of exhibitions. The Directors are optimistic to the financial year ending 31 March 2007 and beyond, a cautious approach in managing the existing exhibitions business will be adopted, on the other hand, an aggressive manner in developing new business to other potential markets and exhibitors will be employed in order to bring in a more profitable and promising outlook to the equity holders of the Company.

The Group is in the progress of acquiring business information includes database of customers/vendors, potential exhibitors as well as market information, operations, financial and business plans in respect of the exhibition business from a business partner. The business information obtained provides the Group with sufficient ability to hold exhibitions in the PRC solely and it also creates affirmative effect to the Group's exhibition business. Directors believe that possessing the business information will strengthen the Group's core competency as well as competitive power in organising quality exhibitions.

For the rest of the year ending 31 March 2007, the Group will continue to organise its recurring exhibitions in the PRC. However, the 19th China International Linkage Industry, Mould & Die Exhibition and the 15th China Dongguan International Plastics & Packaging Exhibition will be moved to 24 April 2007 due to the late Chinese Lunar New Year. The

financial contribution from the deferral of these exhibitions will therefore be affected. In spite of the above mentioned, Directors are still confident in the overall financial results for the year ending 31 March 2007.

Set out below is a schedule of exhibitions that will be organised by the Group, together with the proposed date and venue, for the rest of the financial year ending 31 March 2007:

Proposed date and venue	Exhibition
28-31 March 2007 GDMIEC	8th China (Dongguan) International Textile & Clothing Industry Fair 8th China (Dongguan) International Footwear Machinery & Material Industry Fair

Directors' interests and short positions in the shares, underlying shares and debentures of the Company

As at 31 December 2006, the interests or short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to required standards of dealings in securities by Directors of the Company were as follows:

Long positions in shares of the Company

Number of ordinary shares beneficially held

Name of Directors	Personal interest	Family interest	Corporate interest	Total interests	Percentage of interests
Mr. Leung Tin Fu (Note 1)	–	–	509,840,000	509,840,000	60.29%
Mr. Cheng Kwok Lai (Note 2)	–	6,800,000	–	6,800,000	0.80%
Mr. Chan Wing Sum (Note 3)	4,800,000	8,000,000	–	12,800,000	1.51%
Mr. Kwok Kam Tim	8,000,000	–	–	8,000,000	0.95%

Notes:

1. These shares are held by Advagate Holdings Limited, a company incorporated in the BVI and wholly and beneficially 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 SFO.
3. The 8,000,000 shares of family interest 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 SFO.

Long positions in underlying shares of the Company

Pursuant to the share option scheme adopted by the Company on 22 October 2001 (as more particularly described in Appendix IV to the Company's prospectus), certain Directors were granted share options to subscribe for the Company's shares, details of the share options outstanding and exercisable as at 31 December 2006 were as follows:

Name of Directors	Date of grant	Number of share options outstanding and exercisable as at 31 December 2006	Exercise period	Exercise price per share
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: 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, as at 31 December 2006, none of the Directors or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings in securities by Directors of the Company.

Outstanding share options

Save as those share options granted to the Directors as disclosed above, certain share options were granted by the Company under the share option scheme to four individuals who are employees and consultant of the Company at the date of grant, details of which were as follows:

Category	Date of grant	Number of share options			Exercise period	Exercise price per share
		At 1 April 2006	Lapsed during the period	At 31 December 2006		
Employees	10 July 2002	16,000,000	(4,000,000)	12,000,000	10 July 2002 – 9 July 2012	HK\$0.08
Consultant	10 July 2002	4,000,000	–	4,000,000	10 July 2002 – 9 July 2012	HK\$0.08
		<u>20,000,000</u>	<u>(4,000,000)</u>	<u>16,000,000</u>		

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

None of the Directors, employees and consultant of the Company had exercised their share options during the nine months ended 31 December 2006.

During the nine months ended 31 December 2006, 4,000,000 options lapsed due to the resignation of employee from the Group.

No option was granted under the share option scheme during the nine months ended 31 December 2006.

Interests discloseable under the SFO and substantial shareholders

As at 31 December 2006, the following shareholders (including Directors) had interests or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Long positions in shares of the Company

Number of ordinary shares beneficially held

Name	Capacity	Nature of interest	Number of shares	Percentage of interest
Advagate Holdings Limited (<i>Note</i>)	Beneficial owner	Corporate	509,840,000	60.29%
Mr. Leung Tin Fu (<i>Note</i>)	Interest of a controlled corporation	Corporate	509,840,000	60.29%
Mr. Chung Horng-l	Beneficial owner	Personal	55,330,000	6.55%

Note: These shares are held by Advagate Holdings Limited, a company incorporated in the BVI and wholly and beneficially owned by Mr. Leung Tin Fu.

Save as disclosed above, as at 31 December 2006, the Directors were not aware of any other person who had an interest or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

Competing interests

The Directors are not aware of, as at 31 December 2006, 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.

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 nine months ended 31 December 2006.

Corporate governance practices

The Company was in compliance with all code provisions set out in the Code of Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules during the nine months ended 31 December 2006.

Directors' securities transactions

The Company has established written guidelines for the required standards of dealings in securities by Directors of the Company. Having made specific enquires of Directors of the Company, the Board is pleased to confirm that all Directors have fully complied with the required standards with respect to the securities dealings of the Company.

Audit Committee

The Company has established an audit committee ("Audit Committee") with written terms of reference based upon the guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the mandatory provisions set out in the Code on Corporate Governance Practices in the Appendix 15 of the GEM Listing Rules. The Audit Committee comprises 3 independent non-executive directors, namely Mr. Leung Chi Kong, Ms. Lam Tung Ming, Eileen and Mr. Chan Kam Fuk. Mr. Leung Chi Kong is the chairman of the Audit Committee. The Audit Committee will meet at least four times a year. 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 financial statements, and interim and quarterly reports and the connected transactions.

The Audit Committee has also reviewed the Group's unaudited results for the nine months ended 31 December 2006.

By order of the Board

INFO COMMUNICATION HOLDINGS LIMITED

Leung Tin Fu

Chairman

Hong Kong, 13 February 2007

As at the date of this report, the Board comprise the following members:

Executive Directors

Mr. Leung Tin Fu (*Chairman*)
Mr. Chan Wing Sum
Mr. Cheng Kwok Lai
Mr. Kwok Kam Tim

Independent non-executive Directors

Mr. Leung Chi Kong
Ms. Lam Tung Ming, Eileen
Mr. Chan Kam Fuk