



EXTENDING OUR BUSINESS VISION



Info Communication Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8082)

FIRST QUARTERLY REPORT 2008

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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 ended 30 June 2008 together with the comparative unaudited figures for the corresponding period in 2007 as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended 30 June 2008

	Note	Three months ended 30 June	
		2008 HK\$'000	2007 HK\$'000
Turnover	2	12,975	13,830
Other income	3	137	116
Exhibition costs		(9,390)	(8,924)
Printing, postage and paper costs		(1,186)	(1,314)
Promotion expenses		(1,988)	(1,946)
Staff costs		(4,216)	(2,992)
Finance costs	4	(1,899)	-
Other operating expenses		(7,863)	(2,597)
Loss before tax		(13,430)	(3,827)
Income tax expense	7	-	(449)
Loss for the period		(13,430)	(4,276)
Attributable to:			
Equity holders of the Company		(13,415)	(4,276)
Minority interests		(15)	-
		(13,430)	(4,276)
Dividends	8	-	-
Loss per share			
Basic (HK cents per share)	5	(1.48)	(0.51)
Diluted (HK cents per share)	5	(1.48)	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2008

Attributable to equity holders of the Company

	Share capital	Share premium	Translation reserve	Capital reserve	PRC statutory reserve	Share options reserve	Retained profits/ (Accumulated losses)	Proposed dividend	Total	Minority interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2007	8,456	4,552	-	900	-	-	14,723	4,228	32,859	4	32,863
Exchange differences arising on translation of foreign operations	-	-	299	-	-	-	-	-	299	-	299
Net income recognised directly in equity	-	-	299	-	-	-	-	-	299	-	299
Loss for the period	-	-	-	-	-	-	(4,276)	-	(4,276)	-	(4,276)
Total recognised income/ (expenses) for the period	-	-	299	-	-	-	(4,276)	-	(3,977)	-	(3,977)
At 30 June 2007	8,456	4,552	299	900	-	-	10,447	4,228	28,882	4	28,886
At 1 April 2008	8,856	2,738	1,164	900	741	598	12,681	-	27,678	69	27,747
Exchange differences arising on translation of foreign operations	-	-	365	-	-	-	-	-	365	-	365
Net income recognised directly in equity	-	-	365	-	-	-	-	-	365	-	365
Loss for the period	-	-	-	-	-	-	(13,415)	-	(13,415)	(15)	(13,430)
Total recognised income/ (expenses) for the period	-	-	365	-	-	-	(13,415)	-	(13,050)	(15)	(13,065)
Recognition of equity settled share-based payments	-	-	-	-	-	14	-	-	14	-	14
Issue of new shares	900	27,000	-	-	-	-	-	-	27,900	-	27,900
Transaction costs attributable to issue of new shares	-	(882)	-	-	-	-	-	-	(882)	-	(882)
At 30 June 2008	9,756	28,856	1,529	900	741	612	(734)	-	41,660	54	41,714

Note:

1. Basis of preparation and significant 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 2008 annual financial statements. The 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 2008.

2. Turnover

An analysis of the Group's turnover for the three months ended 30 June 2008 is as follow:

	Three months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
Exhibition organisation income	12,375	13,213
Promotion and marketing income	466	586
Publication income	134	31
	12,975	13,830

3. Other income

	Three months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
Interest income on bank deposits	26	48
Service income	20	16
Sundry income	91	52
	137	116

4. Finance costs

	Three months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
Interest on finance lease	1	–
Interests on other loans		
– wholly repayable within five years	1,898	–
	1,899	–

5. Loss per share

The calculation of basic loss per share for the three months ended 30 June 2008 was based on the Group's unaudited loss attributable to the equity holders of the Company of approximately HK\$13,415,000 (2007: approximately HK\$4,276,000) and on the weighted average number of 906,409,231 ordinary shares (2007: 845,640,000 ordinary shares) in issue during the period.

The calculation of diluted loss per share attributable to the equity holders of the Company is based on the following data:

	Three months ended 30 June 2008
	HK\$'000
Loss attributable to the equity holders of the Company	(13,415)
Weighted average number of ordinary shares for the purposes of basic loss per share	906,409,231
Deemed issue of ordinary shares for no consideration	1,200,617
Weighted average number of ordinary shares for the purposes of diluted loss per share	907,609,848

6. Segment information

No business segment information (primary segment information) has been disclosed as the Group is operating in a single business segment which is the exhibition organisation.

7. Income tax expense

Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) on the estimated assessable profit for the three months ended 30 June 2008. No provision for Hong Kong Profits Tax has been made for the period ended 30 June 2008 as there was no assessable profits for the period (2007: HK\$449,000).

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2007: 33%) on estimated assessable profits arising in the PRC. No provision for the PRC Enterprise Income Tax has been made for the period ended 30 June 2008 as there was no assessable profits for the period (2007: Nil).

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

8. Dividends

The Directors do not recommend the payment of a dividend nor transfer of any amount to reserves for the three months ended 30 June 2008 (2007: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business and financial review

During the three months ended 30 June 2008, the Group organised certain exhibitions in the People's Republic of China (the "PRC") including Hong Kong, details of some major exhibitions are set out below:

Date and venue	Exhibition
28 April – 1 May 2008 Asia World-Expo, Chek Lap Kok, Hong Kong	Hong Kong International Auto Parts & Accessories Fair
23-26 May 2008 Asia World-Expo, Chek Lap Kok, Hong Kong	Asia International Arts & Antiques Fair (AIAA 2008)
10-13 June 2008 Guangdong Modern International Exhibition Centre, Dongguan, the PRC	20th China Dongguan International Linkage Industry, Mould & Die Exhibition 16th China Dongguan International Plastics & Packaging Exhibition

During the three months period under review, the Group continued to organise a number of well-known exhibitions in Hong Kong and in the PRC, in particular, the Asia International Arts & Antiques Fair 2008. The concurrent exhibitions had received satisfactory responses from all the exhibitors as well as the visitors.

The Group's turnover for the three months period amounted to approximately HK\$12,975,000, represented a minor reduction of approximately HK\$855,000 compared to the corresponding period in 2007. The decrease was mainly attributable to the direct challenges in the exhibition service sector in terms of quick development of exhibition industries in nearby countries.

Loss attributable to equity holders of the Company for the three months ended 30 June 2008 was approximately HK\$13,415,000 (2007: HK\$4,276,000), the losses was mainly resulted from the rising exhibition and staff costs, interest expenses from the loans and the associated expenses in acquiring the coal mining business in the PRC.

Prospects

In order to discover new sources of business growth and further broaden the Group's revenue base, during the three months period under review, the Group has entered into energy business of mining, sales and distributions of coal by acquiring equity interests of a mining business in the PRC. In the rest of the financial year ending 31 March 2009, the newly acquired mining business will be operated side by side with the Group's core business of exhibition organisation with the Directors best efforts.

The Directors consider that, owing to the rapid growth of the economy in China, there has been a strong demand of coal consumptions by primary industries, such as power, metallurgy, building material, chemical and so on, this in turns will further increase the demand of coal. Coal is one of the main natural energy resources. As the prices of oil and natural gas have reached successively new high records, it provides rooms for the rise of coal price. The position of coal as basic energy will be uplifted. The Directors expected that the demand of coal will remain robust and the coal price will keep at a high level.

In addition, the PRC Government has been aware of the importance of energy saving and the reduction in green house effect gases emission, which will accelerate the consolidation of the coal industry. It will in turn improve the centralisation of coal industry in the PRC and therefor enhance the competitive advantages of large-scale coal enterprises.

The Directors are cautiously optimistic about the new business in coal mining, as the overall business environment is on an upward trend, the Directors expect that a reasonable returns will be delivered to the shareholders of the Company in the rest of the financial year ending 31 March 2009.

Set out below is a schedule of the exhibitions that will be organised by the Group, together with their proposed date and venue, for the three months ending 30 September 2008:

Proposed date and venue	Exhibition
16-19 July 2008 Putra World Trade Centre, Kuala Lumpur, Malaysia	19th Malaysia International Rubber, Plastic, Mould & Die Industry Technology Exhibition
23-26 July 2008 Putra World Trade Centre, Kuala Lumpur, Malaysia	19th Malaysia International Sign & Digital Printing 19th Malaysia International Food Processing & Packaging Exhibition
25-27 July 2008 Asia World-Expo, Chek Lap Kok, Hong Kong	Hong Kong International Pet & Aqua Accessory Expo 2008
3-6 September 2008 Suzhou International Expo Centre, Suzhou, PRC	5th Suzhou International Linkage Industry Exhibition: East China International Machine Tool & Mold Technology Exhibition East China International Plastics, Packaging & Rubber Technology Exhibition

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

As at 30 June 2008, the interests or short positions of the directors and chief executives 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 "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 Exchange pursuant to the required standard of dealings by directors of the Company were as follows:

Interests in shares of the Company

Number of ordinary shares beneficially held

Name of directors	Personal interest	Family interest	Total interests	Percentage of interests
Mr. Cheng Kwok Lai	6,800,000	–	6,800,000	0.70%
Mr. Kwok Kam Tim	8,000,000	–	8,000,000	0.82%

Interests 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 share options outstanding and exercisable as at 30 June 2008 were as follows:

	Name of directors	Date of grant	Number of share options outstanding and sexercisable as at 30 June 2008	Exercise period	Exercise price per share
	Mr. Lee Chi Shing, Caesar	14 December 2007	8,000,000 <i>(Note i)</i>	14 December 2007 – 13 December 2017	HK\$0.28
10	Mr. Kwok Kwan Hung	15 February 2008	800,000 <i>(Note ii)</i>	15 February 2008 – 14 February 2018	HK\$0.33
	Mr. Leung Chi Kong	15 February 2008	500,000 <i>(Note ii)</i>	15 February 2008 – 14 February 2018	HK\$0.33
	Mr. Chan Wai Man	15 February 2008	500,000 <i>(Note ii)</i>	15 February 2008 – 14 February 2018	HK\$0.33

Note

- (i) The closing price of the shares of the Company before the date of grant (as of 14 December 2007) was HK\$0.27.
- (ii) The closing price of the shares of the Company before the date of grant (as of 15 February 2008) was HK\$0.33.
- (iii) There were no share options exercised, cancelled or lapsed during the three months ended 30 June 2008.

Save as disclosed above, as at 30 June 2008, 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 corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the 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 Exchange pursuant to the required standard of dealings 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 an employee of the Company, details of the share options outstanding and exercisable as at 30 June 2008 were as follows:

Category of participant	Date of grant	Number of share options outstanding as at 30 June 2008	Exercise period	Exercise price per share	Options exercisable at the end of the period
Employee	25 March 2008	500,000	25 March 2008 – 24 March 2018	HK\$0.25	–

Note

- (i) Options granted to the employee has vesting period of six months and one year of 250,000 each. The closing price of the shares of the Company immediately before the date of grant (as of 25 March 2008) was HK\$0.25.
- (ii) There were no share options exercised, cancelled or lapsed during the three months ended 30 June 2008.
- (iii) No option were granted under the share option scheme during the three months ended 30 June 2008.

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

As at 30 June 2008, the following shareholders 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:

Interests in shares of the Company

Number of ordinary shares beneficially held

Name	Capacity	Nature of interest	Number of shares	Percentage of interest
TLX Holdings Limited (Note i)	Beneficial owner	Corporate	502,000,000	51.45%
Mdm. Zhang Ze Mei (Note i)	Interest of a controlled corporation	Personal	502,000,000	51.45%
Linden Capital L.P. (Notes i, ii)	Interest of a controlled corporation	Corporate	502,000,000	51.45%
Linden GP LLC (Notes ii, iii)	Interest of a controlled corporation	Corporate	502,000,000	51.45%
Mr. Wong Siu Min (Note iii)	Interest of a controlled corporation	Personal	502,000,000	51.45%

Note

- (i) These shares are held by TLX Holdings Limited, a company incorporated in the British Virgin Islands and beneficially owned as to 50% each by Madam Zhang Ze Mei and Linden Capital L.P.
- (ii) Linden Capital L.P. is controlled by its general partner Linden GP LLC.
- (iii) Linden GP LLC is controlled by Mr. Wong Siu Min.

Save as disclosed above, as at 30 June 2008, 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 had interests of 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.

Model code for securities transactions by directors

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the three months ended 30 June 2008.

Board practices and procedures

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The Company has complied with Rule 5.34 of the GEM Listing Rules concerning board practices and procedures throughout the three months ended 30 June 2008.

Competing interests

The Directors are not aware of, as at 30 June 2008, 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 the Company's listed securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three month ended 30 June 2008.

Audit committee

The Company has established an audit committee ("AC") with specific terms of reference explaining its role and authorities delegated by the Directors. The AC consists of three independent non-executive directors, namely Mr. Kwok Kwan Hung, Mr. Chan Wai Man and Mr. Leung Chi Kong, who together have sufficient accounting and financial management expertise, legal and business experience to discharge their duties and none of them is a former partner of the external auditors of the Company.

The AC has reviewed the Group's unaudited results for the three months ended 30 June 2008.

By order of the Board

INFO COMMUNICATION HOLDINGS LIMITED

Chui Bing Sun

Chairman

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Hong Kong, 5 August 2008

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

Executive Directors

Mr. Chui Bing Sun (*Chairman*)

Mr. Lee Chi Shing, Caesar

Mr. Cheng Kwok Lai

Mr. Kwok Kam Tim

Independent Non-Executive Directors

Mr. Leung Chi Kong

Mr. Kwok Kwan Hung

Mr. Chan Wai Man