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Info Communication Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8082)

THIRD QUARTERLY REPORT 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

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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 and nine months ended 31 December 2008 together with the comparative unaudited figures for the corresponding periods in 2007 as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and nine months ended 31 December 2008

	Note	Three months ended 31 December		Nine months ended 31 December	
		2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Turnover	2	41,600	50,494	61,363	74,545
Other revenue	2	738	112	950	429
Exhibition costs		(13,741)	(6,830)	(27,039)	(17,664)
Printing, postage and paper costs		(1,479)	(1,715)	(3,712)	(4,224)
Promotion expenses		(2,687)	(3,482)	(5,499)	(7,126)
Staff costs		(8,746)	(5,736)	(19,616)	(13,586)
Finance costs	4	(2,360)	–	(6,620)	–
Other operating expenses		(5,661)	(5,766)	(17,920)	(10,601)
Profit/(Loss) before tax		7,664	27,077	(18,093)	21,773
Income tax expense	3	(3,678)	(2,790)	(3,678)	(3,239)
Profit/(Loss) for the period		3,986	24,287	(21,771)	18,534
Attributable to:					
Equity holders of the Company		3,692	23,189	(22,024)	17,436
Minority interests		294	1,098	253	1,098
		3,986	24,287	(21,771)	18,534
Dividend	6	–	480	–	13,285
Earnings/(loss) per share					
Basic (HK cents per share)	5	0.38	2.73	(2.31)	2.05
Diluted (HK cents per share)	5	N/A	2.66	N/A	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2008

Attributable to equity holders of the Company

	Attributable to equity holders of the Company										
	Share capital	Share premium	Translation reserve	Capital reserve	PRC statutory reserve	Share options reserve	Retained profits	Proposed dividend	Total	Minority interests	Total equity
	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
Profit for the period	-	-	-	-	-	-	17,436	-	17,436	1,098	18,534
Translation exchange differences	-	-	509	-	-	-	-	-	509	-	509
Dividend paid	-	-	-	-	-	-	-	(4,228)	(4,228)	(934)	(5,162)
Proposed dividend	-	(4,552)	-	-	-	-	(8,733)	13,285	-	-	-
Issue of ordinary shares upon exercise of share options	400	2,800	-	-	-	-	-	-	3,200	-	3,200
Share issue expenses	-	(62)	-	-	-	-	-	-	(62)	-	(62)
Share option scheme: - value of employee services	-	-	-	-	-	496	-	-	496	-	496
Equity settled share-based transaction	-	-	-	150	-	-	-	-	150	-	150
At 31 December 2007	8,856	2,738	509	1,050	-	496	23,426	13,285	50,360	168	50,528
At 1 April 2008	8,856	2,738	1,164	900	741	598	12,681	-	27,678	69	27,747
Loss for the period	-	-	-	-	-	-	(22,024)	-	(22,024)	253	(21,771)
Translation exchange differences	-	-	223	-	-	-	-	-	223	-	223
Top-up placing and subscription	900	27,000	-	-	-	-	-	-	27,900	-	27,900
Transaction costs attribute to issue of new share	-	(882)	-	-	-	-	-	-	(882)	-	(882)
Recognition of equity settled share-based payments	-	-	-	-	-	208	-	-	208	-	208
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(287)	(287)
At 31 December 2008	9,756	28,856	1,387	900	741	806	(9,343)	-	33,103	35	33,138

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

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 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 and other revenue

Turnover and other revenue comprised the following:

	Three months ended		Nine months ended	
	31 December		31 December	
	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover:				
Exhibition organisation income	41,181	49,642	59,740	72,325
Promotion and marketing income	416	844	1,477	1,983
Publication income	3	8	146	237
	41,600	50,494	61,363	74,545
Other revenue:				
Bank interest income	19	19	63	99
Service income	–	–	20	19
Sundry income	719	93	867	311
	738	112	950	429
Total revenue	42,338	50,606	62,313	74,974

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 expense

Hong Kong profits tax has been provided at a rate of 16.5% (2007: 17.5%) on the estimated assessable profits for the period ended 31 December 2008.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2007: 33%) on estimated assessable profits arising in the PRC for the period ended 31 December 2008.

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

4. Finance cost

	For the three months ended		For the nine months ended	
	31 December 2008	2007	31 December 2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest on finance lease	1	–	4	–
Interest on other loans				
– wholly repayable within five years (note i)	2,359	–	6,616	–
	2,360	–	6,620	–

Note:

- (i) The interest expense was incurred by borrowings, equivalent to US\$20,000,000, represent US\$12,500,000 from Linden Ventures III (BVI) Limited and US\$7,500,000 from CMTF Private Equity One. The loans are charged at an interest rate of 6% per annum. They were used for the financing of the deposit for the acquisition of the mining interests as set out in the announcement of the Company dated 27 May 2008.

5. Earnings/(loss) per share

- (a) The calculation of basic earnings per share for the three months and nine months ended 31 December 2008 is based on the Group's unaudited profit/(loss) attributable to the equity holders of the Company of a profit of HK\$3,692,000 and a loss of HK\$22,024,000 (2007: approximately HK\$23,189,000 and HK\$17,436,000 respectively) and on the weighted average number of 975,640,000 and 952,730,909 ordinary shares in issue during the three months and nine months periods respectively.
- (b) No diluted earnings per share for three months and nine months ended 31 December 2008 (2007: HK\$0.0266 and nil respectively) has been presented as the share options outstanding had an anti-dilutive effect on the respective periods.

The calculation of basic earnings/(loss) per share attributable to the equity holders of the Company is based on the following data:

	For the three months ended		For the nine months ended	
	31 December		31 December	
	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit/(Loss) attributable to the equity holders of the Company	3,692	23,189	(22,024)	17,436
	<i>Number of shares</i>		<i>Number of shares</i>	
Weighted average number of ordinary shares for the purposes of basic loss per share	975,640,000	856,596,522	952,730,909	849,305,455

5

6. Dividend

The Directors do not recommend the payment of dividend nor transfer of any amount to reserves for the nine months ended 31 December 2008 (2007: special dividend HK\$0.015 per ordinary share).

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

During the three months ended 31 December 2008, the Group organised certain exhibitions in Vietnam, and in the People's Republic of China (the "PRC"), details of major exhibitions which are set out below:

Date and venue	Exhibition
30 October – 2 November 2008 SECC-Saigon Exhibition & Convention Center	8th Vietnam International Machine Tool Industry Exhibition incorporating Electricity & Energy Exhibition
11-14 November 2008 GD Modern International Exhibition Center, Dongguan, PRC	10th China Dongguan International Mould Metalworking Exhibition
19-22 November 2008 GD Modern International Exhibition Center, Dongguan, China	10th China Dongguan International Plastics, Packaging, Rubber, Diecasting Foundry Exhibition
13-16 November 2008 SECC-Saigon Exhibition & Convention Center	8th Vietnam International Plastics, Rubber Industry Exhibition
11-14 December 2008 SECC-Saigon Exhibition & Convention Center	8th Vietnam International Textile & Garment Industry and Apparel Accessories Exhibition Vietnam International Footwear & Leather Machinery & Material 2008

During the nine months period ended under review, the group recorded a turnover of approximately HK\$61,363,000 (2007: HK\$74,545,000), representing a decrease of approximately HK\$13,182,000 or 18% as compared with the corresponding nine months period in 2007. This was mainly attributable to the declining number of exhibitors as a result of competitive and challenging business environment, and the outbreak of the financial tsunami. As such, the Group entered a challenging period in its exhibition business for the period ended 31 December 2008.

The Group recorded a loss for the period attributable to the equity holders of the Company when compared with the profit of previous corresponding period, that was partially attributable to the substantial increase of exhibition costs as a result of the upgrading the overall quality of the exhibition services, especially those high-end exhibitions such as “Asia International Arts & Antiques Fair”, so as to strengthen our leading position. In addition, part of the loss was resulted from increase in staff cost and interest expenses from the loans and the associated expenses in acquiring the coal mining business in the PRC.

Future plans and prospects

The Group has committed to co-organised the China Plastic Expo in Yuyao, the PRC, namely “余姚塑料博覽會”, which is awarded one of the largest plastic fair all over South East China. As such, it would draw attention to the related professional personages of the plastic industries all over the PRC and the Directors believes this project would bring a revenue to the Group.

In order to strengthen the position as a leading exhibition in both Hong Kong and the PRC, the management of the Company has implemented a strategy by continuing to explore some profitable exhibition fairs (e.g. China home market, Food Pack and Plastics, Packaging, Rubber, Die-casting & Foundry) and cease those with low profitable and lesser demand exhibitions (e.g. Auto-parts, Automation and so on) in the coming year.

Apart from the business in exhibition organization, the Directors are optimistic about the new business in coal mining. The Directors expect that a reasonable return will be delivered to the shareholders of the Company. The Group would continually look for further investment opportunities and working on existing business.

Investment held and material acquisitions and disposals

Apart from acquiring the coal mine business as set out in Company's announcement dated 27 May 2008, the Group had not made any material acquisition or disposal during the period.

Employees and remuneration policies

As at 31 December 2008, the Group had 84 employees, including Directors. Total staff costs for the nine months ended 31 December 2008, including Directors' remuneration, amounted to approximately HK\$19,616,000 (2007: approximately HK\$13,586,000). The Group's employment and remuneration policies remained the same as detailed in the Annual Report 2008.

Charges on Group's assets and contingent liabilities

There were no charges on the Group's assets or any significant contingent liabilities as at 31 December 2008.

8

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

As at 31 December 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:

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 share options outstanding and exercisable as at 31 December 2008 were as follows:

Name of directors	Date of grant	Number of share options outstanding and exercisable as at 31 December 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
	14 August 2008	1,750,000 <i>(Note iii)</i>	14 August 2008 – 13 August 2018	HK\$0.187
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

Notes:

- (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) The closing price of the shares of the Company before the date of grant (as of 14 August 2008) was HK\$0.186.

Save as disclosed above, as at 31 December 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 corporation (within the meaning of Part XV of the SFO) which would have required 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 standards 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 two individuals who are employees of the Company at the date of grant, details of the share options outstanding and exercisable as at 31 December 2008 were as follows:

10

Category	Date of grant	Number of share options outstanding and exercisable as at 31 December 2008	Exercise period of shares of options	Exercise price per share
Employee	25 March 2008	500,000 (Note i)	25 March 2008 – 24 March 2018	HK\$0.25
Employee	14 August 2008	300,000 (Note ii)	14 August 2008 – 13 August 2018	HK\$0.187

Notes:

- (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) The closing price of the shares of the Company before the date of grant (as of 14 August 2008) was HK\$0.186.

None of the directors and employees of the Company had exercised their share options during the nine months ended 31 December 2008.

There were no share options cancelled or lapsed during the nine months ended 31 December 2008.

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

As at 31 December 2008, 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:

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 <i>(Note i)</i>	Beneficial owner	Corporate	502,000,000	51.45%
Mdm.Zhang Ze Mei <i>(Note i)</i>	Interest of a controlled corporation	Personal	502,000,000	51.45%
Linden Capital L.P. <i>(Notes i, ii)</i>	Interest of a controlled corporation	Corporate	502,000,000	51.45%
Linden GP LLC <i>(Notes ii, iii)</i>	Interest of a controlled corporation	Corporate	502,000,000	51.45%
Mr. Wong Siu Min <i>(Note iii)</i>	Interest of a controlled corporation	Personal	502,000,000	51.45%

Notes:

- (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 31 December 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.

Management contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the period.

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 nine months ended 31 December 2008.

Board practices and procedures

12

The Company has complied with Rule 5.34 of the GEM Listing Rules concerning board practices and procedures throughout the nine months ended 31 December 2008.

Competing interests

The Directors are not aware of, as at 31 December 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 nine months ended 31 December 2008.

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 Directors is pleased to confirm that all directors have fully complied with the required standards with respect to the securities dealings of the Company and there was no event of non-compliance.

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, Mr. Chan Wai Man, Mr. Kwok Kwan Hung, 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. In accordance with the provisions of the Code on Corporate Governance Practices, the terms of reference of the AC were also revised which are substantially the same as the provisions set out in the Code on Corporate Governance Practices.

The AC has also reviewed the Group's unaudited results for the nine months ended 31 December 2008.

Remuneration committee

The Company has established a Remuneration Committee ("RC") with specific terms of reference which deals clearly with its authorities and duties. The RC comprised of three members, namely Mr. Leung Chi Kong, Mr. Kwok Kwan Hung and Mr. Chan Wai Man, all of them are independent non-executive directors of the Company. The role and function of RC is to oversee board remuneration matters, including recommend the Board on the Company's policies and structure for the remuneration of the directors and senior management, determine the remuneration packages of all executive directors and senior management, review and approving their performance-based remuneration, review and approving compensation to directors and senior management in connection with any loss or termination of their office or appointment, and to ensure that no director or any of his associates is involved in deciding his own remuneration. The RC is also authorised to investigate any matter within its terms of reference and seek any information it requires from any employee and obtain outside legal or other independent professional advice at the cost of the Company if necessary.

Board of directors

The Board comprises two executive directors, including the Chairman of the Board, and three independent non-executive directors. Each of the directors has the relevant experience, competence and skills appropriate to the requirements of the business of the Company. At least one of independent non-executive directors has appropriate professional qualification or accounting or related financial management expertise. The name of independent non-executive directors are expressly identified and disclosed in all corporate communications of the Company.

By order of the Board
INFO COMMUNICATION HOLDINGS LIMITED
Chui Bing Sun
Chairman

Hong Kong, 13 February 2009

14

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

Independent non-executive Directors

Mr. Kwok Kwan Hung

Mr. Chan Wai Man

Mr. Leung Chi Kong