

INFO COMMUNICATION HOLDINGS LTD :
THE 25-CENT PLACEMENT PRICE IS LIKELY TO DROP TO 2 CENTS

If Info Communication Holdings Ltd can ride out the present economic storm, sweeping the world, it appears to have a chance in competing, successfully, with some of the big boys in the world of exhibition organising.

Because that is what this Company does – and it seems to be doing a fairly creditable job, too.

However, the chances are that it is headed for a fall in the Current Financial Year, by a careful look at the data, provided by the Company in its Placing Prospectus.

Info Communication is one of the latest batch of companies to seek a listing on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd. It is designated as Stock Code Number 8082.

The Company Placed 80 million, one-cent shares at a Premium of 24 cents per share. It raised a total of \$HK11.50 million, net of expenses (the Lead Manager of the Placement, CSC Securities (HK) Ltd, charged a Commission of 5 percent for its hard work).

This Company describes itself as being a one-stop exhibition organiser shop in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

It specialises in arranging exhibitions in the industrial sector – metals, plastics, packaging, textiles, garments, clothing machinery, etc.

The money, raised from the 80-million Share Placement, is to be used between now and March 2004 as follows, Page 85 of the Prospectus states:

1. \$HK8 million to strengthen alliances with overseas exhibition organisers;
2. \$HK3 million to establish strategic alliances, collaborations, joint ventures, etc; and,
3. \$HK500,000 to be used as General Working Capital.

The Company, since 1989, has organised, on an annual basis, an aggregate of 10 exhibitions, 4 exhibitions in the HKSAR and 6 exhibitions in the PRC, proper.

For the past 2 Financial Years, Info Communication has been making profits (TARGET assumes that, in the past, it did not make profits otherwise, no doubt, such figures would have been included in the Prospectus):

	Financial Year ended March 31	
	<i>All Figures are Denominated in \$HK'000</i>	
	2000	2001
Turnover	33,051	53,511
Other Revenue	20	5
Exhibition Costs	(9,661)	(18,310)
Printing, Postage and Paper Costs	(4,321)	(6,666)
Promotion Expenses	(4,886)	(7,245)
Staff Costs	(7,756)	(8,251)
Depreciation	(360)	(673)
Other Operating Expenses	(3,264)	(3,284)
Profit from Operations	2,823	9,087

Financing Costs	(5)	(1)
Profit before Taxation	2,818	9,086
Taxation	(320)	(833)
Net Profit Attributable to Shareholders	2,498	8,253

The Company, as at August 31, 2001, had no debt and, by the look of the above table, the Company has been operated, for at least the past 32 months, without the assistance of bank borrowings

... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.