

INTERNATIONAL CAPITAL NETWORK HOLDINGS LTD :
BUYER BEWARE !

With Net Assets of about \$HK1 million, comprising, mainly, some motor cars (bought on the never-never plan), with 5 customers, accounting for about 78 percent of last Year's Turnover, and with the Founders, trying to cash in part of their chips, so to speak, International Capital Network Holdings Ltd has come to The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd.

Designated GEM Stock Code 8004, International Capital Network, which describes itself as being a '*business development and corporate advisory services*' entity, operating out of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), this Company has pitched a 56-million Share Offer of one-cent shares at a Premium of between 59 cents per share and 99 cents per share.

At the same time, the 3 Founders of the Company – Ms Leung Yuk Kit, Ms Cecilia Chu Oi Wan and Mr Michael Lui Bing Kin – have decided to take this opportunity to sell 24 million of their own shares on the same basis, pocketing the proceeds from the share sales.

The money, raised by the Company in this exercise, is to be deployed as follows:

1. \$HK2.40 million to be used to establish offices;
2. \$HK12 million to be used to recruit new staff members;
3. \$HK5.60 million to be used for the development of new financial services;
4. \$HK2.40 million to be used for the expansion of alliance networks;
5. \$HK2.70 million to be used to enhance the company's website;
6. \$HK2 million '*for the improvement of public awareness*' (of what is undefined); and,
7. \$HK1.20 million to be used to boost the Company's Working Capital Account.

This Company is a 9-man army, according to the Prospectus at Page 81.

It first saw the light of day on April 12, 2000 and commenced business activities about 3 months later.

For the period April 12, 2000 through to July 31, 2000, the Company had no Turnover, but managed to incur \$HK71,422 in losses.

For the period, August 1, 2000 to July 31, 2001, the Company's activities resulted in the following:

	August 1, 2000 to July 31, 2001
Turnover	\$HK5,019,991
Cost of Services Provided	(\$HK288,000)
Gross Profit	\$HK4,731,991
Bank Interest Income	\$HK45,464
Administrative Expenses	(\$HK2,302,230)
Profit before Taxation	\$HK2,475,225

Taxation	(\$HK400,000)
Net Profit Attributable to Shareholders	\$HK2,075,225

In respect of the above, Page 30 of the Prospectus makes this ... [CLICK TO ORDER FULL ARTICLE](#)

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