

**INFOSERVE TECHNOLOGY CORPORATION :
BIG BROTHER WATCHES OVER THIS COMPANY**

Considering that the company is, now, 10 years old, its financial record is terrible.

And so, once again, enter Stage Right, The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd: To the rescue.

The Company is Infoserve Technology Corporation, now known as GEM Stock Code Number 8077.

Infoserve pitched its story on December 28, 2001 in an effort to raise about \$HK42 million, net of expenses, by Placing 64.20 million, one-cent shares at a Premium of 78 cents a share.

This Company describes itself as follows:

'... a communications and Internet access and related services provider targeting at small and medium-sized enterprises principally in five Asian markets comprising Taiwan, Hong Kong (the Hongkong Special Administrative Region [HKSAR]), the PRC (the People's Republic of China), Japan and Singapore and in the United States. The Group also offers VPN (Virtual Private Network, a network that functions as if it were private although it exists on public wires) and other solutions services through its own network to customers in Taiwan, Hong Kong, Japan, Singapore and the United States. Presently, the Group provides its services mainly in the Taiwan market.' (Page One of the Prospectus)

The roots of Infoserve go back to 1992 when a Mr Tsai Jenp Luh, also known as Mr Phil J.L. Tsai, founded Infoserve Technology Corporation in Taiwan.

At that time, Infoserve was aimed at providing international facsimile, store-and-forward services to small and medium-sized enterprises in Taiwan.

About 5 years later, Infoserve branched out to provide Internet access services in Taiwan, and, in 1996, it installed an island-wide network system for its 56 kilo bits per second dial-up service.

In May 2000, Infoserve launched its Internet Protocol-based VPN on a trial basis in Taiwan.

And that is, just about, where the Company is today.

Over the years, Infoserve has done very well – at losing money.

Lots and lots of money, in fact.

The following table is taken from Page 138 of the Prospectus and is self explanatory:

	Financial Year ended December 31		Five Months to May 31
	1999	2000	2001
	All Figures are Denominated in \$US'000		
Turnover	23,848	29,588	11,900
Network Operation and Telecommunications Costs	(11,614)	(21,348)	(9,465)

Advertising and Promotion Expenses	(369)	(2,120)	(151)
Staff Costs	(5,548)	(10,407)	(6,045)
Operating Lease Rental for Machinery and Equipment	(85)	(2,723)	(1,654)
Occupancy Expenses	(1,139)	(2,214)	(1,767)
Depreciation of Fixed Assets	(1,021)	(2,213)	(1,236)
Amortisation of Goodwill	Nil	(391)	Nil
Provision for Impairment in Value of Goodwill	Nil	(3,512)	Nil
Other Operating Expenses	(2,387)	(5,418)	(2,113)
Profit/Loss from Operations	1,685	(20,758)	(10,531)
Interest Income	18	878	387
Interest Expense	(382)	(738)	(274)
Exchange Gain/(Loss), Net	21	241	(34)
Profit/(Loss) before Taxation	1,342	(20,377)	(10,452)
Taxation	(284)	(68)	(14)
Profit/(Loss) Attributable to Shareholders	1,058	(20,445)	(10,466)

For the 5 months, ended October 31, 2001, the situation with regard to the Company's profitability worsened, with Infoserve, losing another ... [CLICK TO ORDER FULL ARTICLE](#)

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