

**JACKIN INTERNATIONAL HOLDINGS LTD:  
NEVER MIND THE WAFFLE,  
SCAN THIS COMPANY'S REPORTS, CAREFULLY**

Cutting through all the waffle, contained in the Interim Report of Jackin International Holdings Ltd () (Code: 630, Main Board, The Stock Exchange of Hongkong Ltd), this publicly listed company continues to do very poorly.

The Interim Report, for the 6 months, ended June 30, 2006, indicates, at Page 16, that, on a Turnover of about \$HK167.60 million, the company brought in a Bottom Line, amounting to about \$HK67.28 million.

Careful analysis, however, indicates something very different.

To begin with, the Turnover for the first half of the Current Financial Year was about 12 percent less than the Turnover for the like period in 2005.

Then, the Net Profit Attributable to Shareholders was inflated to the extent of about \$HK58.59 million, that amount of money, being an Arbitration Award, the details of which are found at Page 22 of the Interim Report, under Note 4, as follows:

***‘GAIN FROM A LEGAL CLAIM***

*‘Following the publication of the final arbitration award (the “Award”) made on 30 July 2005 in respect of the arbitration proceedings between a subsidiary of the Company (the “Subsidiary”) and a former customer, IBM Engineering Technology (Shanghai) Co. Ltd. (“IBMETC”) and the enforcement decision made by the Shanghai First Intermediate People’s Court (the “Court”) on 7 April 2006, the Subsidiary had received an aggregate sum of US\$15,360,839 (approximately HK\$118,775,743) from the Court as recovery in relation to the Award by about 8 June 2006.*

*‘The gain from a legal claim amounted to approximately HK\$58.6 million represented the proceeds from the Award less direct losses recognised in respect of the arbitration proceedings.*

*‘The Arbitration Tribunal has not yet made an award in respect of the costs of the arbitration proceedings (the “Cost”). The Subsidiary and IBMETC are now in the course of preparing their submissions in this regard. The Directors are of the opinion that the Costs can be recoverable from IBMETC. Therefore, the Costs were recognised as other receivables and included under debtors, deposits and prepayments in the condensed consolidated balance sheet.’*

After making all adjustments in respect of the Arbitration Award, the Bottom Line is reduced to about \$HK8.74 million, down about \$HK3.69 million on the 2005 figure of about \$HK12.43 million.

The 2006 Interim Results includes that amount of money that the company raised in December 2004 when it bagged nearly \$HK23 million by issuing 234,972,772 New Shares in an Open Offer to its then shareholders at the Subscription Price of 10 cents per Offer Share.

The Consolidated Balance Sheet of Jackin International for the 6 months, ended June 30, 2006, shows that Shareholders’ Funds were standing at about \$HK278.84 million.

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