

**JESSICA PUBLICATIONS LTD:
WHO OR WHAT IS PROPPING UP THIS COMPANY'S SHARE PRICE ?**

It may be considered an interesting exercise in logic to justify a share price of 9 cents for publicly listed [Jessica Publications Ltd](#) (Code: 8137, The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd).

As at December 31, 2006, just a few months ago, Shareholders' Funds, for the first time since the company went public in on December 31, 2001, were in decidedly negative territory, the deficit, being about \$HK7 million.

For the 5 Financial Years, ended December 31, 2006, this company has recorded only one Financial Year when it reported a Net Profit Attributable to Shareholders (2005: \$HK3.43 million), the other 4 Financial Years, recording losses, ranging from \$HK14.17 million to \$HK2.73 million.

As at December 31, 2006, Jessica Publications enjoyed Net Current Liabilities of about \$HK7 million.

The Chairman of this company is Mr Ng Hung Sang () who is, also, the Chairman of publicly listed South China Holdings Ltd () (Code: 265, Main Board, The Stock Exchange of Hongkong Ltd), South China Industries Ltd () (Code: 413, Main Board, The Stock Exchange of Hongkong Ltd), South China Financial Holdings Ltd () (Code: 691, Main Board, The Stock Exchange of Hongkong Ltd) and Capital Publications Ltd () (Code: 8155, The GEM of The Stock Exchange of Hongkong Ltd).

In Mr Ng Hung Sang's Statement to Shareholders, dated February 13, 2007, he states, inter alia:

'... Loss for the year attributable to the equity holders of the Company was HK\$14.2 million (2005: profit of HK\$3.4 million), which consisted of profit from Hong Kong operations of HK\$0.9 million and a loss of HK\$15.1 million from the PRC operations. The loss was largely attributable to the increase in marketing and printing costs resulting from circulation boost strategies, disposal of a PRC subsidiary in mid 2006, and the initial investment costs of "Jessica" PRC version ...'.

Mr Ng Hung Sang, then, tells his shareholders that he expects a turnabout situation.

He ends his Statement to Shareholders with the sentence:

'Overall, the Group's aim is to achieve satisfactory returns to shareholders.'

Over the past 5 Financial Years, Jessica Publications has missed this mark by a very wide margin so that one may deduce that there is every likelihood that the company will continue along its chosen path, carved out since the 2002-Year.

The Board of Directors of Jessica Publications includes Mr Peter Ng Yuk Fung (), aged 26 years, who is the Chief Executive Officer and the son of Chairman Ng Hung Sang.

Ms Jessica Ng Yuk Mui (), aged 28 years, the daughter of Chairman Ng Hung Sang, is a Non-Executive Director of the company.

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