INFO COMMUNICATION HOLDINGS LIMITED

訊通控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8082)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2010

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors of Info Communication Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Info Communication Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: 1. The information contained in this announcement is accurate and complete in all material respects and not misleading; 2. There are no other matters the omission of which would make any statement in this announcement misleading; and 3. All opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

AUDITED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 MARCH 2010

The Board of Directors (the "Directors") are pleased to announce the audited consolidated financial statements of Info Communication Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2010, together with the audited comparative figures for the year ended 31 March 2009 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2010

	Notes	**2010**	2009
		HK$'000	*HK$'000*
REVENUE	*5*	**47,796**	68,869
Other income	*6*	**5,023**	9,852
Exhibition costs		**(13,729)**	(32,600)
Printing, postage and paper costs		**(2,314)**	(5,065)
Promotion expenses		**(3,984)**	(8,373)
Employee benefits expense		**(20,652)**	(22,335)
Other operating expenses		**(17,584)**	(33,520)
LOSS FROM OPERATIONS		**(5,444)**	(23,172)
Finance costs	*7*	**(4,167)**	(8,929)
Share of result of a jointly-controlled entity	*13*	**54**	(21)
LOSS BEFORE TAX		**(9,557)**	(32,122)
Income tax expense	*8*	**(270)**	(4,042)
LOSS FOR THE YEAR	*9*	**(9,827)**	(36,164)
Attributable to:			
Equity holders of the Company		**(9,840)**	(36,136)
Minority interests		**13**	(28)
		(9,827)	(36,164)
Loss per share for loss attributable to equity holders of the Company during the year			
(expressed in HK cents per share)			
Basic	*10*	**(1.01)**	(3.76)
Diluted	*10*	**(1.01)**	(3.76)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2010

	2010	2009
	HK$'000	*HK$'000*
Loss for the year	**(9,827)**	(36,164)
Other comprehensive income for the year:		
Exchange differences on translation of financial statements of overseas subsidiaries	**6**	224
Total comprehensive loss for the year	**(9,821)**	(35,940)
Attributable to:		
Equity holders of the Company	**(9,834)**	(35,912)
Minority interests	**13**	(28)
	(9,821)	(35,940)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2010

	Notes	2010 HK$'000	2009 HK$'000
NON-CURRENT ASSETS			
Intangible assets		**–**	–
Goodwill	*11*	**–**	–
Property, plant and equipment	*12*	**3,489**	3,413
Investment in a jointly-controlled entity	*13*	**220**	166
Available-for-sale investments		**–**	–
		3,709	3,579
CURRENT ASSETS			
Trade and other receivables	*14*	**4,850**	14,747
Deposit for acquisition	*15*	**–**	156,000
Bank balances and cash		**18,698**	19,489
		23,548	190,236
CURRENT LIABILITIES			
Trade and other payables	*16*	**8,885**	14,411
Borrowings	*17*	**4,000**	156,000
Sales deposits receipt in advance		**3,395**	2,290
Obligation under finance lease		**12**	35
Tax liabilities		**1,746**	2,027
		18,038	174,763
NET CURRENT ASSETS		**5,510**	15,473
Total assets less current liabilities		**9,219**	19,052
NON-CURRENT LIABILITIES			
Obligation under finance lease		**–**	12
NET ASSETS		**9,219**	19,040
CAPITAL AND RESERVES			
Share capital		**9,756**	9,756
Reserves		**(592)**	9,242
Equity attributable to equity holders of the Company		**9,164**	18,998
Minority interests		**55**	42
TOTAL EQUITY		**9,219**	19,040

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2010

	Attributable to equity holders of the Company									
	Share capital HK$'000	Share premium HK$'000	Translation reserve HK$'000	Capital reserve HK$'000	PRC statutory reserve HK$'000	Share options reserve HK$'000	Retained profits/ (Accumulated losses) HK$'000	Total HK$'000	Minority interests HK$'000	Total HK$'000
At 1 April 2008	8,856	2,738	1,164	900	741	598	12,681	27,678	69	27,747
Exchange differences on translation of financial statements of overseas subsidiaries	–	–	224	–	–	–	–	224	–	224
Loss for the year	–	–	–	–	–	–	(36,136)	(36,136)	(28)	(36,164)
Total comprehensive income/(expense) for the year	–	–	224	–	–	–	(36,136)	(35,912)	(28)	(35,940)
New issue of ordinary shares	900	27,000	–	–	–	–	–	27,900	–	27,900
Transaction costs attributable to issue of new shares	–	(881)	–	–	–	–	–	(881)	–	(881)
Deemed disposal on a subsidiary	–	–	–	–	–	–	–	–	1	1
Recognition of equity settled share based payments	–	–	–	–	–	213	–	213	–	213
At 31 March 2009 and 1 April 2009	9,756	28,857	1,388	900	741	811	(23,455)	18,998	42	19,040
Exchange differences on translation of financial statements of overseas subsidiaries	–	–	6	–	–	–	–	6	–	6
Loss for the year	–	–	–	–	–	–	(9,840)	(9,840)	13	(9,827)
Total comprehensive income/(expense) for the year	–	–	6	–	–	–	(9,840)	(9,834)	13	(9,821)
At 31 March 2010	**9,756**	**28,857**	**1,394**	**900**	**741**	**811**	**(33,295)**	**9,164**	**55**	**9,219**

The capital reserve of the Group comprises (i) an amount of HK$600,000 representing the difference between the nominal value of the capital of the subsidiaries/businesses acquired pursuant to the Group reorganisation, and the nominal value of the shares in the Company issued in exchange therefor; and (ii) an amount of HK$300,000 representing the cost of investment in Inforchain Digital Technology Co., Ltd. ("Inforchain") acquired by the Group pursuant to the Group reorganisation in October 2001.

In accordance with the PRC laws and regulations, PRC companies require to provide statutory reserve. Statutory reserve is appropriated of 10% from net profits after tax as reported in the financial statements of the PRC subsidiaries. Provision for the statutory reserve ceases when the aggregate amount exceeded 50% of the registered capital of the PRC subsidiaries. All statutory reserves are for specific purposes and are not distributed in the form of cash dividends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

1. GENERAL

Info Communication Holdings Limited (the "Company") was incorporated in the Cayman Islands on 12 July 2001 as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its shares are listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 2 November 2001. The addresses of its registered office and principal place of business are disclosed in the section headed "Corporate information" of the Company's Annual Report.

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred as the "Group") are principally engaged in exhibition organisation, provision of promotion and marketing services and trade magazines publication.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKAS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendments)	Vesting conditions and cancellations
HKFRS 7 (Amendments)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC) – INT 9 & HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – INT 13	Customer loyalty programmes
HK(IFRIC) – INT 15	Agreements for the construction of real estate
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation
HK(IFRIC) – INT 18	Transfers of assets from customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

The adoption of the above new or revised HKFRSs has had no material effect on the consolidated financial position of the Group for the current or prior accounting periods except for the impact as described as below:

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised) Presentation of Financial statements

As a result of the adoption of HKAS 1 (Revised), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expenses are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. The change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

HKFRS 8 Operating Segments

HKFRS 8, which will replace HKAS 14 "Segment Reporting", specifies how an entity should report information about its operating segment, based on information about the components of the entity that is available to the chief operating decision maker for the purpose of allocation resources to the segments and assessing their performance. The standard also required the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. HKFRS 8 had not resulted in redesignation of the Group's reportable segments.

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective for annual periods beginning on 1 April 2009.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKFRSs (Amendments)	Improvements to HKFRSs 2010[8]
HKAS 24 (Revised)	Related Party Disclosures[6]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Rights Issues[4]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopter[3]
HKFRS 1 (Amendments)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters[5]
HKFRS 2 (Amendment)	Group cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business combinations[1]
HKFRS 9	Financial instruments[7]
HK(IFRIC) – INT 14 (Amendment)	Prepayments of a minimum funding requirement[6]
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners[1]
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instruments[5]

1 *Effective for annual periods beginning on or after 1 July 2009.*

2 *Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.*

3 *Effective for annual periods beginning on or after 1 January 2010.*

4 *Effective for annual periods beginning on or after 1 February 2010.*

5 *Effective for annual periods beginning on or after 1 July 2010.*

6 *Effective for annual periods beginning on or after 1 January 2011.*

7 *Effective for annual periods beginning on or after 1 January 2013.*

8 *Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.*

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 February 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

HKFRS 9 "Financial instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

4. SEGMENT INFORMATION

Application of HKFRS 8 Operating Segments

The Group has adopted HKFRS 8 Operating Segments with effect from 1 April 2009. HKFRS 8 is a disclosure Standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purposes of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach. The adoption of HKFRS 8 has not resulted the change of presentation.

The principal activities of the Group are exhibition organisation, provision of promotion and marketing services and trade magazines publication.

For the year ended 31 March 2010 and 2009, over 90% of the Group's revenue was derived from exhibition organisation, accordingly, no further reportable segment information is presented.

Geographical information

The following table provides an analysis of the Group's revenue by geographical markets, irrespective of the origin of the services:

	2010	2009
	HK$'000	*HK$'000*
The PRC	**21,972**	60,188
Asia (other than the PRC)	**25,824**	8,681
	47,796	68,869

5. REVENUE

An analysis of the Group's revenue for the year is as follow:

	2010	2009
	HK$'000	*HK$'000*
Exhibition organisation income	**47,074**	66,920
Promotion and marketing income	**550**	1,790
Publication income	**172**	159
	47,796	68,869

6. OTHER INCOME

	2010	2009
	HK$'000	*HK$'000*
Interest income on:		
– Bank deposits	**24**	68
– Deposit for acquisition	**4,138**	8,924
Bad debts recovery	**46**	–
Net foreign exchange gain	**33**	40
Government grant received *(Note)*	**–**	565
Sundry income	**782**	255
	5,023	9,852

Note

Government grants were received in last year from government of the PRC for subsidising the exhibition organisation of the Group. There are no unfulfilled conditions or contingencies relating to the grants.

7. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest on:		
– Borrowings wholly repayable within five years	**4,165**	8,924
– Finance lease	**2**	5
	4,167	8,929

8. INCOME TAX EXPENSE

	2010	2009
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**–**	–
PRC Enterprise Income Tax	**270**	438
	270	438
Underprovision in prior years:		
Hong Kong Profits Tax	**–**	3,604
PRC Enterprise Income Tax	**–**	–
	–	3,604
	270	4,042

Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profit for the year. No provision for Hong Kong Profits tax has been made as the Group for no assessable profit arising in Hong Kong for the year (2009: Nil).

The PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2009: 25%). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The reconciliation between the income tax expense and accounting loss at applicable tax rates:

	2010	2009
	HK$'000	*HK$'000*
Loss before tax	**(9,557)**	(32,122)
Tax at the Hong Kong Profits Tax rate of 16.5% (2009: 16.5%)	**(1,577)**	(5,300)
Tax effect of share of loss of a jointly-controlled entity	**9**	3
Tax effect of expenses not deductible for tax purpose	**72**	6,694
Tax effect of income not taxable for tax purpose	**(106)**	(1,335)
Underprovision in respect of prior years	**–**	3,604
Utilisation of tax losses previously not recognised	**(154)**	(49)
Tax effect of tax losses not recognised	**2,026**	831
Effect of different tax rates of group entities operating in jurisdictions other than Hong Kong	**–**	(406)
Tax charge for the year	**270**	4,042

Deferred tax:

At the reporting date, the Group has unused tax losses of approximately HK$4,223,000 (2009: approximately HK$4,377,000) available for offset against future taxable profits of the companies in which the losses arose. No deferred tax assets and liabilities are recognised in the financial statements as the Group and the Company did not have material temporary difference arising between the tax bases of assets or liabilities and their carrying amounts as at 31 March 2010 and 2009. Included in unrecognised estimated tax losses are losses of approximately HK$nil (2009: approximately HK$1,276,000) that will expire within 5 years. Other estimated unused tax losses of approximately HK$2,026,000 (2009: HK$3,101,000) may be carried forward indefinitely.

9. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2010	2009
	HK$'000	*HK$'000*
Cost of services provided	**20,027**	46,038
Depreciation for property, plant and equipment	**944**	888
Amortisation of intangible assets (included in other operating expenses)	**–**	–
Total depreciation and amortisation	**944**	888
Auditors' remuneration		
– Current year	**1,030**	1,145
– Underprovision in prior year	**–**	179
	1,030	1,324
Loss on deemed disposal of a subsidiary	**–**	1
Impairment loss recognised in respect of goodwill	**–**	6,800
Impairment loss recognised in respect of intangible assets	**–**	–
Impairment loss recognised in respect of trade and other receivables	**171**	1,203
Minimum lease payments operating lease in respect of land and buildings	**1,241**	1,227
Employee benefits expense:		
– Salaries and other benefits	**20,181**	21,670
– Contributions to retirement benefits scheme	**471**	452
– Equity-settled share-based payments	**–**	213
Total staff costs	**20,652**	22,335
Foreign exchange losses/(gains) net	**122**	(40)

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	2010	2009
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic and diluted loss per share (loss for the year attributable the equity holders of the Company)	**(9,840)**	(36,136)
Number of shares		
Weighted average number of ordinary shares for the purpose of diluted loss per share	**975,640,000**	959,859,178

No diluted loss per share are presented as the Company did not have any dilutive potential ordinary shares during the two years ended 31 March 2010 and 2009.

11. GOODWILL

	HK$'000
COST	
At 1 April 2008, 31 March 2009 and 31 March 2010	7,790
IMPAIRMENT	
At 1 April 2008, 31 March 2009 and 31 March 2010	7,790
CARRYING AMOUNTS	
At 31 March 2010	**–**
At 31 March 2009	–

For the year ended 31 March 2009, the Group engaged BMI Appraisal Limited, an independent qualified professional valuer to assess the recoverable amount of goodwill, and determined that goodwill associated with the Group's cash generating unit ("CGU"), was impaired by approximately HK$6,800,000. The recoverable amount of the CGU was assessed by reference to value-in-use calculation. A discount factor of approximately 17% p.a. was applied in the value-in-use model. The discount rate used is pre-tax and reflect specific risks relating to the industry.

The main factor contributing to the impairment of the CGU was the decrease in the estimated cash flow generated from the CGU. The goodwill is included in the "Exhibition organisation – Asia (other than the PRC)" segment disclosed in Note 4.

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements *HK$'000*	Furniture and equipment *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
COST				
At 1 April 2008	721	4,906	1,597	7,224
Exchange adjustments	–	2	9	11
Additions	497	1,021	547	2,065
At 31 March 2009	1,218	5,929	2,153	9,300
Exchange adjustments	–	12	1	13
Additions	647	167	530	1,344
Disposals	(497)	–	–	(497)
At 31 March 2010	**1,368**	**6,108**	**2,684**	**10,160**
DEPRECIATION				
At 1 April 2008	54	4,029	914	4,997
Exchange adjustments	–	1	1	2
Charge for the year	228	434	226	888
At 31 March 2009	282	4,464	1,141	5,887
Exchange adjustments	–	(16)	14	(2)
Charge for the year	251	428	265	944
Write rack	(158)	–	–	(158)
At 31 March 2010	**375**	**4,876**	**1,420**	**6,671**
CARRYING AMOUNTS				
At 31 March 2010	**993**	**1,232**	**1,264**	**3,489**
At 31 March 2009	936	1,465	1,012	3,413

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	20%
Furniture and equipment	20%
Motor vehicles	20%

The carrying amount of a motor vehicle includes an amount of approximately HK$136,000 (2009: HK$202,000) in respect of asset held under obligation under finance lease.

13. INVESTMENT IN A JOINTLY-CONTROLLED ENTITY

	2010	2009
	HK$'000	*HK$'000*
Share of net assets	**220**	166

Details of the jointly-controlled entity as at 31 March 2010 are set as follows:

Name of entity	Form of business structure	Place of incorporation	Principal place of operation	Class of share held	Proportion of nominal value of issued capital held by the Group	Proportion of voting power held	Principal activities
余姚市訊展會議展覽有限公司 (Yuyao Xunzhan Convention & Exhibition Co., Ltd*)	Incorporated	The PRC	The PRC	Ordinary	30%	30%	Exhibition organisation

The following amounts are the Group's share of the jointly-controlled entity that are accounted for by the equity method of accounting.

	2010	2009
	HK$'000	*HK$'000*
At 31 March		
Current assets	**229**	165
Non-current assets	**2**	1
Current liabilities	**(11)**	–
Net assets	**220**	166
Year ended 31 March		
Turnover and revenue	**1,332**	1
Expenses	**(1,278)**	(22)
Group's share of loss of a jointly-controlled entity	**54**	(21)

* English name is for identification purpose only.

14. TRADE AND OTHER RECEIVABLES

	2010	2009
	HK$'000	*HK$'000*
Trade receivables *(Note (i))*	**2,702**	2,920
Less: Impairment loss recognised	**(1,748)**	(2,162)
	954	758
Utility deposits paid and prepayments *(Note (ii))*	**1,964**	14,840
Sales deposits paid	**1,066**	742
Amount due from a related company *(Note (iii))*	**–**	40
Other receivable	**866**	–
Less: Impairment loss recognised	**–**	(1,633)
	3,896	13,989
Total trade and other receivables	**4,850**	14,747

Notes

(i) Credit terms are normally negotiable between the Group and its customers and vary for the different business activities of the Group. For the exhibition organising business, customers are normally required to pay a 50% deposit upon signing of agreements and the remaining 50% prior to the opening of exhibitions. A credit period of up to 9 months may be given to those customers who have longstanding business relationships with the Group for the remaining 50% balance, following financial assessment by the senior management and based on the established payment records of the customers. For the promotion and marketing services, the Group normally requires full payment before rendering of services and the advertising fees from placement of advertisements in newspapers and magazines are normally payable on per issue basis 30 days before the date of publication. For the publication business, customers are required to make full payment at the time of subscription to the trade magazines published by the Group.

(ii) As at 31 Mar 2009, included in other receivables is an amount of accrued interest at 6% per annum amounted to approximately US$1,144,000 (equivalent to approximately HK$8,924,000), arising from a deposit maintained with a reputable bank in the PRC for acquisition of the entire equity interest and subscription of new shares in Triumph Fund A Limited (the "Target") as detailed in Note 15. The accrued interest was fully settled by Mr. Zhao Ming (the "Vendor"), on 10 September 2009.

(iii) It was an amount due from Chan Chao International Co., Limited, a company incorporated in Taiwan, Republic of China ("Chan Chao Taiwan") amounted to approximately HK$nil (2009: HK$40,000), in which a shareholder of the Company, who was also a director of the Company's subsidiary, had beneficial interests. The amount due was unsecured, interest-free and had no fixed terms of repayment.

The aging analysis of trade receivables net of impairment loss as at the reporting date is as follows:

	2010	2009
	HK$'000	*HK$'000*
Current – 30 days	**277**	226
31 – 60 days	**76**	69
Over 60 days	**601**	463
	954	758

Included in the Group's trade receivables balance are debtors with an aggregate carrying amount of approximately HK$574,000 (2009: approximately HK$83,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Movement of impairment losses recognised

	2010	2009
	HK$'000	*HK$'000*
Balance at beginning of the year	**3,795**	2,782
Impairment losses recognised on receivables	**171**	1,203
Amount written off as uncollectible	**–**	(172)
Amount reversed during the year	**(2,173)**	(8)
Amount recovered during the year	**(45)**	(10)
Balance at end of the year	**1,748**	3,795

The Group has provided in full all receivables overdue for one year (2009: one year) because historical experience is such that receivables that are past due beyond one year are generally not recoverable.

The trade receivables are denominated in the following currencies:

	2010	2009
	HK$'000	*HK$'000*
Hong Kong dollar	**2,676**	2,896
Renminbi	**26**	24
	2,702	2,920

15. DEPOSIT FOR ACQUISITION

	2010	2009
	HK$'000	*HK$'000*
Deposit for acquisition	**–**	156,000

On 27 May 2008, Billion Station Limited ("BSL"), a wholly-owned subsidiary of the Company, announced that it had entered into a conditional sale and purchase agreement dated 18 April 2008 (the "Agreement") with a third party to acquire the entire equity interest for sale consideration of approximately HK$460,599,000 and subscription of new shares in the Target for subscription consideration of approximately HK$554,939,000 (the "Acquisition"). Pursuant to the Agreement, BSL shall pay a deposit amounted to US$20,000,000 (the "Deposit") (equivalent to approximately HK$156,000,000) as part payment of the consideration for the subscription of equity interest in the Target. The Vendor has guaranteed to BSL, for the return of the Deposit together with the accrued interest thereon at 6% per annum. Completion is subject to fulfillment of a number of conditions within 120 business days from the date of the Agreement, failing which the Target shall forthwith after such cessation and determination, refund the deposit together with interest at 6% per annum accrued thereon, to BSL.

In prior year, the Deposit was duly paid to the Target, and it was retained in a designated bank account with a reputable bank in the PRC.

On 26 May 2008, the Vendor, the Target and its subsidiary and Shanxi Puhua Deqin Metallurgy Technology Co., Limited (collectively referred to as the "Warrantors") and BSL entered into a supplementary agreement to amend, vary or modify certain terms and conditions of the Agreement.

On 15 August 2008, BSL and the Warrantors entered into the second supplemental agreement pursuant to which the date on or before which the conditions precedent for the acquisition have to be satisfied has been extended to 18 December 2008.

On 17 December 2008, BSL and the Warrantors entered into the third supplemental agreements pursuant to which the date on or before which the conditions precedent for the acquisition have to be satisfied has been extended to 30 June 2009.

On 31 March 2009, the Company announced that BSL has given notice to the Warrantors to terminate the Agreement (as supplemented by three subsequent supplemental agreements respectively dated 26 May 2008, 15 August 2008 and 15 December 2008) (collectively, the "Original Agreement").

Following the termination of the Acquisition, there has been renegotiation between BSL and the Vendor. On 26 June 2009, BSL and the Warrantors entered into memorandum of understanding (the "MOU") in relation to a potential acquisition of entire issued share capital of and subscription of new shares to be issued by the Target (the "Proposed Acquisition").

On 27 July 2009, the Company announced that the Warrantors have given notice to BSL confirming their intention not to proceed with the negotiation with BSL in relation to the Proposed Acquisition contemplated under the MOU. Negotiation in relation to the Proposed Acquisition has therefore ceased. On the same date, BSL has given notice to the Vendor and the Target for the immediate return of the Deposit together with the interest at 6% per annum accrued thereon.

On 23 September 2009, the Company announced that the Vendor has on 10 September 2009 returned the Deposit and the interest thereon to the Group.

16. TRADE AND OTHER PAYABLES

	2010	2009
	HK$'000	*HK$'000*
Trade payables	**443**	589
Other payables *(Note (ii))*	**8,442**	13,822
	8,885	14,411

The following is an aged analysis of trade payables at the reporting date:

	2010	2009
	HK$'000	*HK$'000*
0 – 30 days	**390**	215
31 – 60 days	**53**	354
Over 60 days	**–**	20
	443	589

The balances are denominated in the following currencies:

	2010	2009
	HK$'000	*HK$'000*
Hong Kong dollar	**348**	569
Renminbi	**95**	20
	443	589

Notes

(i) The average credit period given by the suppliers is of 30 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

As at the reporting date, none of the trade payables were past due. Trade and other payables are non-interest-bearing.

(ii) At 31 March 2009, included in other payables are the amounts of accrued interest expenses at a fixed rate of 6% per annum on the loans from Linden Ventures III (BVI) Limited ("Linden Ventures") and CMTF Private Equity One ("CMTF") amounted to approximately US$715,000 and approximately US$429,000 respectively (equivalent to approximately HK$5,577,000 and approximately HK$3,347,000 respectively), as detailed in Note 17.

17. BORROWINGS

	2010	2009
	HK$'000	*HK$'000*
Loan from a related party *(Note (i))*	**–**	97,500
Loan from an entity *(Note (ii))*	**–**	58,500
Loan from a director *(Note (iv))*	**4,000**	–
	4,000	156,000

Notes

(i) An unsecured fixed rate loan with Linden Ventures amounted to US$12,500,000 (equivalent to approximately HK$97,500,000) with maturity periods of three months from the drawdown date which may be extended not exceeding four months provided that BSL, Linden Ventures and the Company mutually agree in writing. The weighted average effective interest rate on the fixed rate loan is 6% per annum.

For the year ended 31 March 2009, the Group was accrued interest expenses for the year on the loan with a carrying amount of approximately HK$97,500,000.

During the year, the loan which was extended under a series of extension agreements reached maturity on 18 June 2009 on which Linden Ventures did not request accelerated repayment of the loan together with interest thereon and the terms of the loan were not changed.

(ii) An unsecured fixed rate loan with CMTF amounted to US$7,500,000 (equivalent to approximately HK$58,500,000) with maturity periods of three months from the drawdown date which may be extended not exceeding four months provided that BSL, CMTF and the Company mutually agree in writing. The weighted average effective interest rate on the fixed rate loan is 6% per annum.

For the year ended 31 March 2009, the Group was accrued interest expenses for the year on the loan with a carrying amount of approximately HK$58,500,000.

During the year, the loan which was extended under a series of extension reached maturity on 18 June 2009 on which CMTF did not request accelerated repayment of the loan together with interest thereon and the terms of the loan were not changed.

(iii) On 10 September 2009, the repayment of the above mentioned loans and outstanding accelerated interest payments as detailed in Note 16(ii) was settled by the Vendor by way of deeds of release. Accordingly, all the BSL's obligations in respect of the loans have been fully discharged and the Company has been released and discharged from all the obligations under the guarantees in relation to the loans by way of deeds of release and discharge executed under seal in favour of BSL and the Company respectively.

(iv) An unsecured fixed rate loan with TLX Holdings Limited amounted to HK$4,000,000 which is repayable at any time on demand from the drawdown date. The weighted average effective interest rate on the fixed rate loan is 3% per annum. Mr. Chui Bing Sun, was the sole shareholder of TLX Holdings Limited is also a director of the Company.

18. POST BALANCE SHEET EVENTS

Save as disclosed elsewhere in these consolidated financial statements, subsequent to the reporting date, the Group had the following material events:

On 22 April 2010, the Company entered into the Subscription Agreement with New Brilliant Investments Limited ("New Brilliant"), to issue the convertible bonds ("Convertible Bonds") at an initial principal amount of HK$10,000,000. New Brilliant is wholly owned by the Director of the Company, Mr. Chui Bing Sun ("Mr. Chui"). The Company has the option to request New Brilliant to subscribe an additional Convertible Bonds with principal value up to HK$10,000,000 by giving written notice to New Brilliant within five business days after resumption of trading of the share take place.

On 19 May 2010, the Company has exercised the Option to request Mr. Chui Bing Sun to subscribe additional Convertible Bonds of HK$10 million. The aggregate amount of Convertible Bonds subscribed by Mr. Chui was HK$20 million. The Convertible Bonds bear interest at 1.5% per annum with maturity on 31 March 2015, and are convertible into new shares at the initial conversion price equal to 80% of closing price of the shares at date of resumption of trading taking place. The closing price of the share on 19 May 2010 as quoted on the Stock Exchange was HK$0.05. Accordingly, the conversion price shall be HK$0.04. The issue of Convertible Bonds to Mr. Chui is subject to independent shareholder approval on 17 June 2010.

On 3 June 2010, the Company has entered into 8 Convertible Bonds Subscription Agreements with each of the independent third party in relation to the subscription of Convertible Bonds for an aggregate principal amount HK$30,870,000 at conversion price of HK$0.03. In addition, the Company proposed to increase the authorized share capital from HK$20,000,000 comprising 2,000,000,000 shares to HK$80,000,000 comprising 8,000,000,000 shares by the creation of additional 6,000,000,000 shares. The issue of Convertible Bonds to 8 independent third parties and increase of authorized share capital are subject to shareholder approval on 9 July 2010.

On 17 June 2010, the independent shareholders approved the issue of Convertible Bonds to Mr. Chui.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Dividends

For the year ended 31 March 2010, the Group recorded a turnover of approximately HK$47,796,000 (2009: approximately HK$68,869,000) and a net loss attributable to equity holders of the Company of approximately HK$9,840,000 (2009: approximately HK$36,136,000). The basic loss per share was HK1.01 cents (2009: HK3.76 cents).

The Directors do not recommend the payment of any final dividend in respect of the year ended 31 March 2010 (2009: Nil).

Financial and Operation Review

During the year ended 31 March 2010, the Group generated income of approximately HK$47.8 million, representing a decrease of 31% when compared with that of the prior year (2009: HK$68.9 million). The Group's loss for the year was HK$9,827,000, representing a decrease of 73% when compared with that of the prior year (2009: Loss of HK$36,164,000).

Exhibition Organisation Business

During the year under review, the exhibition organisation business still faced significant challenges from various competitive environments such as industrial competition from other countries, costs pressures and reduction in profit margin following the financial tsunami in late 2008. The Directors has explored various opportunities to introduce other exhibition fairs during the year and the number of exhibitions also increased as compared with that of last year. However, due to the reduction of exhibitors in this year, the revenue of the Group was reduced as a result.

In order to maintain its competitiveness during this difficult period, the Group exercised stringent cost control to various divisions during the year and successfully reduced the exhibition cost by HK$18,871,000 or 58% as compared with that of last year. Meanwhile, the staff costs decreased by approximately HK$1,683,000 or 8% when compared with that of the prior year. Other operating expenses decreased by approximately HK$15,936,000 or 48% as compared to previous year as there was one substantial acquisition in prior year where relevant professional fees amounting to HK$7,000,000 was incurred. Moreover, an impairment loss was recognised in respect of goodwill of approximately HK$6,800,000 in last year.

Consequently, the net loss attributable to equity holders of the Company for the year ended 31 March 2010 was decreased by 73% to approximately HK$9,840,000 from HK$36,136,000 in last year.

During the year under review, the Group organised a number of exhibitions in major cities in the People's Republic of China (the "PRC") including Hong Kong. The majority of these exhibitions are for customers in printing, packaging and industrial sectors.

Other Investments

In line with the Group's diversified investment strategy for exploring new opportunities with business growth and achieving shareholder's value creation, the Group has entered into an acquisition transaction in respect of a coal mining interest in the PRC in the financial year ended 31 March 2009. The acquisition was subsequently terminated on 31 March 2009 due to unfavourable market situation caused by the financial tsunami in late 2008. However, following termination of the agreement, the Group commenced negotiations with a view to reaching revised terms for the acquisition of the mining interest but no concrete agreement was reached eventually. In September 2009, the deposit paid together with interest accrued thereon were returned and applied directly to settle certain borrowings raised previously for this transaction.

Resumption of Trading

Trading of the Company's shares was suspended since 26 June 2009 due to delay in publication of the Company's annual results for the year ended 31 March 2009 and subsequent quarterly results up to quarter ended 30 September 2009. In relation to this, the Company has finally published its annual results and subsequent quarterly results on 7 January 2010 and 12 February 2010 respectively and, by then, accomplished the requirements under the GEM listing rules. As another condition for the resumption of trading imposed by the Stock Exchange, the Company also engaged SG CPA Limited, an independent firm of certified public accountants, to perform certain agreed upon procedures on the Company's key procedures, systems and controls to evaluate the effectiveness of the system of the internal controls of the Group. According to the report on the Internal Control Review issued by SG CPA Limited, based on the findings of the works performed by SG CPA Limited, there is no evidence that there is any material weakness of the Company's financial reporting system and internal control system over key operating cycles. Consequently, trading of the Company's shares was successfully resumed on 19 May 2010.

Future Prospects

Operations and New Investments

In the foreseeable future, the Group will still foresee adverse operating conditions in its exhibitions business segment and those non-performing business will also be streamlined and restructured. At the same time, the Group will also keep on seeking potential opportunities for in order to sustain business growth and achieving shareholder's value creation. The Directors is of the view that new investment opportunities will broaden its revenue basis and thus enhancing earnings for the Group and the shareholder as a whole.

Capital Structures and Financial Position

Moreover, given that the weakening of the financial position of the Group following the poor performance of the major business segment in previous years, the Group will implement measures to improve the capital structure and financial position of the Group. Certain of these measures were implemented after the financial year end and prior to the date of this announcement through the issuing of convertible bonds to connected person and independent third parties respectively. Details of which have been disclosed in various announcements dated 22 April 2010, 18 May 2010, 19 May 2010, 30 May 2010, 3 June 2010 and 18 June 2010.

Liquidity and Financial Resources

The Group generally finances its daily operations from internally generated cash flows and fund raised in capital raising exercise. As at 31 March 2010, the Group had net assets of approximately HK$9,219,000 (2009: HK$19,040,000). The Group's cash and bank balances and total assets as at 31 March 2010 amounted to approximately HK$18,698,000 (2009: HK$19,489,000) and HK$27,257,000 (2009: HK$193,815,000) respectively. The current ratio is 1.31 (2009: 1.09).

The Group also has an obligation under finance lease amounted to approximately HK$12,000 (2009: HK$47,000) and other borrowings amounted to approximately HK$4,000,000 (2009: HK$156,000,000). The gearing ratio, as defined as the total borrowing to the shareholders' equity is 44% (2009: 821%). This position is significantly improved as compared with the position as at 31 March 2009 where there was an interest bearing loan of HK$156,000,000 for a proposed acquisition of a mining interest and resulted in a high gearing ratio of 821%. The proposed acquisition was subsequently terminated on 28 July 2009 and the loan has been repaid fully.

The total equity of the Group is reduced from approximately HK$19 million in 2009 to HK$9 million. The Group also recorded a negative reserve of approximately HK$592,000 as at 31 March 2010 (2009: HK$9,242,000). These conditions indicated that the financial position of the group is not satisfactory as at 31 March 2010 due to the unsatisfactory performance of the major business segments. As a result, with a view to improve the financial and cash position of the Group, the Company issued certain convertible bonds to one director of the Company, being a connected person, and certain independent third parties respectively subsequent to the year end date. These issues of convertible bonds have not been issued at the date of this announcement and, if completed, the Group will raise an aggregate gross proceed of approximately HK$50.9 million. Such issues of convertibles bonds are subject to the approval of shareholders or independent shareholders approval at extraordinary general meetings. Taking into account the fund to be raised from the issue of convertible bonds, cash on hand and recurring cash flows from its existing and future businesses, the current financial position of the Group is considered healthy. The Board is of the view that a healthy financial position for the Group is a solid foundation for continuing business growth and expansion, while there is sufficient financial resources for future investment.

Employees and Remuneration Policies

The Group recognises the importance of training to its staff. In addition to on-the-job training, the Group regularly provides external training to its staff to enhance technical or product knowledge.

As at 31 March 2010, the Group had 80 (2009: 85) employees, including Directors. Total staff costs for the year under review, including Directors' remuneration, amounted to approximately HK$20,652,000 (2009: approximately HK$22,335,000). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of the performance and experience of individual employees. The Group also provides provident fund schemes and medical insurance scheme for its employees.

The Group has adopted a share option scheme pursuant to which the Directors may grant options to individuals including Directors, employees or consultant of the Group to acquire shares of the Company. The Directors consider that the share option scheme assists in the recruitment and retention of high caliber executives and employees.

Charges on Group's Assets

As at 31 March 2010, a motor vehicle with net book value of approximately HK$136,000 was held under finance lease (2009: HK$202,000).

Contingent Liabilities

There was no significant contingent liabilities as at 31 March 2010.

Foreign Exchange Exposure

The Group's transactions are mainly denominated in Hong Kong dollar and Renminbi ("RMB"). Therefore, the Group is exposed to RMB exchange risk. The Group has not implemented any foreign currency hedging policy at the moment. However, continuous monitoring on the foreign exchange exposure is carried out by the management and the management will consider to hedge the foreign exchange exposure if it is significant to the Group.

Significant Investment Held and Material Acquisitions and Disposals

There were no significant investment held or material acquisitions and disposals of subsidiaries in the course of the financial year ended 31 March 2010.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

Model Code for Securities Transactions by Directors

The Company has established written guidelines for the required standard of dealings in securities by directors of the Company on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of directors of the Company and the directors confirmed that they have fully complied with the required standard with respect to the securities dealings of the Company and there was no event of non-compliance.

Board Practices and Procedures

The Company has complied with Rule 5.34 of the GEM Listing Rules concerning board practices and procedures throughout the year ended 31 March 2010.

Competing Interests

The Directors are not aware of, as at 31 March 2010, any business or interest of each of the Directors, management shareholders (as defined in the GEM Listing Rules) and their respective associates that competes or may compete with business of the Group or any other conflicts of interest which any such person has or may have with the Group.

Purchase, sale or redemption of the Company's listed securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2010.

Audit Committee

The Company has established an Audit Committee ("AC") with specific terms of reference explaining its role and authorities delegated by the Board. The AC consists of three independent non-executive directors, Mr. Chan Wai Man, Mr. Leung Chi Kong, and Mr. Siu Hi Lam, Alick who together have sufficient accounting and financial management expertise, legal and business experience to discharge their duties.

The AC's principal duties include reviewing the Group's financial controls, internal control and risk management systems, reviewing and monitoring integrity of financial statements and reviewing annual, interim and quarterly financial statements and reports before submission to the Board and considering and recommending the appointment, re-appointment and removal of external auditors of the Company. The AC meets with the external auditors and the management of the Group to ensure that the audit findings are addressed properly. The AC is authorised to take independent professional advice at Company's expense, if necessary.

The AC has reviewed the annual, interim and quarterly results of the Company for the year ended 31 March 2010 and was content that the accounting policies of the Group are in accordance with the generally accepted accounting practices in Hong Kong.

Remuneration Committee

The Company has established a Remuneration Committee ("RC") with specific terms of reference which deals clearly with its authorities and duties. The RC comprised of three members, namely Mr. Leung Chi Kong, Mr. Siu Hi Lam, Alick and Mr. Chan Wai Man, all of them are independent non-executive directors of the Company.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Group's policy and structure in relation to the remuneration of directors and senior management and reviewing the specific remuneration packages of all executive directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

Compliance with the Code on Corporate Governance Practices

Save the Company has not been able to publish its quarterly results for the three months ended 30 June 2009 and the interim results for the six months ended 30 September 2009 during the year under review within the time limit as prescribed under the GEM Listing Rules and therefore not in compliance with paragraph C.1.3 of the Code on Corporate Governance Practices (the "CG Code") and no separation of roles of Chairman and Chief Executive Officer pursuant to Code provision A.2.1, the Company has complied with the CG Code.

Annual General Meeting

The Annual General Meeting ("AGM") of shareholders of the Company will be held upon despatch of the Annual Report. The notice of AGM will be published and despatched to the shareholders in due course.

Publication of annual report on the GEM website

The announcement of the Company contains all the information required by the GEM Listing Rules will be published on the GEM website in due course.

By order of the Board
INFO COMMUNICATION HOLDINGS LIMITED
Chui Bing Sun
Chairman

Hong Kong, 23 June 2010

As at the date of this announcement, the executive Directors are Mr. Chui Bing Sun, Mr. Lee Chi Shing, Caesar and Mr. Kwok Kwan Hung and the independent non-executive Directors are Mr. Chan Wai Man, Mr. Leung Chi Kong and Mr. Siu Hi Lam, Alick.

This announcement will appear and remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.infocommunication.com.hk.