

## Chairman's Statement

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On behalf of the board of directors (the “Directors”) of Ezcom Holdings Limited (the “Company”), I am pleased to present the Annual Report 2002 of the Company and its subsidiaries (together the “Group”) containing the results for the financial year ended 30th April 2002 (“FY2002”).

### RESULTS

Notwithstanding the tough worldwide market conditions and increasingly competitive environment, the Group was able to achieve a strong growth in turnover and a positive EBITDA\* in FY2002. The consolidated turnover of the Group for the FY2002 was HK\$1,480 million, representing an increase of 97% from the consolidated turnover of HK\$753 million in the previous financial year (“FY2001”). The Group’s operating loss before taxation was HK\$218 million. (FY2001: Loss of HK\$24 million). Loss per share for FY2002 amounted to 5.63 cents, compared to the adjusted loss per share of 0.69 cents for FY2001.

### DIVIDENDS

No dividend was declared or paid by the Company for the financial year ended 30th April 2002 (FY2001: Nil).

### BUSINESS REVIEW

During the year under review, the Group has undergone major internal changes. In November 2001 and March 2002, the Group has acquired an aggregate 90% effective interests in Ezcom Technology Limited (“Ezcom Tech”), which laid a major milestone in the Group’s history in diversification into telecommunications business.

The results of Ezcom Tech for the period from 1st April 2001 to 30th April 2002 exceeded the expectation of the Directors as its own turnover and profit after taxation amounted to HK\$1.67 billion and HK\$108 million respectively. With proven track record, it is expected that this business will continue to contribute profits to the Group in the foreseeable future. Detailed business developments of the Group in respect of the mobile phone business and office furniture related business are described in the “Management Discussion and Analysis” section prepared by the management team. The Group’s turnover and loss attributable to shareholders for the year ended 30th April 2002 amounted to HK\$1,480 million and HK\$255 million, representing an increase of 97% and 1,126% respectively from those of 2001.

In view of the poor performance of the office furniture business for FY2002 and the fact that the market condition is not expected to improve much in the coming years, the Board is considering different solutions in order to maximize the interests of the shareholders of the Company.

### PROSPECTS

The Group believes that the mobile communication industry in the PRC will continue to grow at a fast pace in the near future and the outlook of the profitability of the Group's business in this sector is excellent. Indeed, Ezcom has adopted "Bring Technology to Life" as its corporate slogan. Accordingly, the Board will explore opportunities in expanding its existing distribution network and in acquiring advanced technology and research and development capabilities for the Group's mobile telecommunication business. The Directors believe that the Group with a solid technology foundation and an advantageous position in the PRC market will be able to generate better operating results from its mobile communication business and a competitive economic return for our shareholders.

### APPRECIATION

Last but not least, I would like to thank our shareholders, customers and suppliers for their strong support and our management team and all staff for their hard work during the past year.

By Order of the Board

**KOK Kin Hok**

*Chairman*

5th August 2002

\* *EBITDA represents earnings before interest, tax, depreciation, minority interest, amortisation, loss on disposal of subsidiaries and long-term investments and impairment losses on leasehold land, land use rights and buildings. The computation of the Group's EBITDA may not be comparable to similarly titled measures of other companies.*