



Chairman's Statement

On behalf of the board of directors (the "Directors") of Ezcom Holdings Limited (the "Company"), I am pleased to present the Annual Report 2003 of the Company and its subsidiaries (together the "Group") containing the results for the financial year ended 30th April 2003 ("FY2003").

RESULTS

Notwithstanding the outbreak of SARS, the tough worldwide market conditions and increasingly competitive environment, the Group was able to achieve a strong growth in turnover in FY2003. The consolidated turnover of the Group for the FY2003 was HK\$2,700 million, representing an increase of 82% from the consolidated turnover of HK\$1,480 million in the previous financial year ("FY2002"). The Group's operating loss after taxation was HK\$11.09 million. (FY2002: Loss of HK\$255 million). Loss per share for FY2003 amounted to 10.88 cents, representing a decrease of 96% in comparison with the adjusted loss per share of 281.49 cents for FY2002.

DIVIDENDS

No dividend was declared or paid by the Company for the financial year ended 30th April 2003 (FY2002: Nil).

BUSINESS REVIEW

During the year under review, the Group has undergone major internal changes. In November 2002, the Group has acquired 33.98% effective interests in Ezze Mobile Tech., Inc. ("Ezze Mobile"), which represented a major step in enhancing the R&D capability of the Group in telecommunications business.

In view of the poor performance of the office furniture business and the fact that the market condition is not expected to improve much in the coming years, the office furniture business has been disposed of in October 2002 in order to maximize the interests of the shareholders of the Company.

Detailed business developments of the Group in respect of the mobile phone 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 2003 amounted to HK\$2,700 million and HK\$11.09 million, representing an increase of 82% and a decrease of 96% respectively from those of FY2002.



Chairman's Statement *(continued)*

PROSPECTS

Despite the difficult market environment, the Directors believe that the growth in the demand for the mobile communication products in the PRC will continue to be strong in the near future and the outlook of the Group's business in this sector remains bright. Indeed, Ezcom has adopted "Bring Technology to Life" as its corporate slogan.

In the highly competitive market, the Group will strengthen its research and development capabilities for the Group's mobile telecommunication business, introduce new products continuously and generate more revenue; expand its existing distribution network and improve its capabilities in sales; tighten its inventory policies; and explore opportunities in pursuing stronger presence in the international market.

The Management believes that the Group with a solid technology foundation will be able to introduce products with advanced features, maintain its competitiveness in the mobile communication equipment market and improve future earnings.

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

26th August 2003