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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** all your shares in Ezcom Holdings Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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**GENERAL MANDATES TO REPURCHASE**

**AND**

**TO ISSUE SHARES**

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A notice convening an Annual General Meeting of the Company to be held at Aberdeen Room, Level 3, JW Marriott Hotel, 88 Queensway, Hong Kong on 16 October 2003 at 3:30 p.m. is enclosed with the 2003 Annual Report of the Company to be despatched to shareholders of the Company together with this circular. Whether or not you intend to be present at the Annual General Meeting, please read the notice and complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible to the Company's branch registrar in Hong Kong, Abacus Share Registrars Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting or poll (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or poll concerned should you so wish.

29 August 2003

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## DEFINITIONS

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*In this circular the following expressions have the following meanings unless the context otherwise requires:*

“AGM Notice”	the notice convening the Annual General Meeting dated 26 August 2003 which is enclosed with the 2003 Annual Report of the Company
“Annual General Meeting (AGM)”	The annual general meeting of the Company to be held at Aberdeen Room, Level 3, JW Marriott Hotel, 88 Queensway, Hong Kong on Thursday, 16 October 2003 and any adjournment thereof
“Company”	Ezcom Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandates”	the Share Repurchase Mandate and the Share Issue Mandate approvals of which are to be sought at the AGM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	28 August 2003, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Securities Buy Back Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing of their own securities on the Stock Exchange
“Share Repurchase Mandate”	the proposed general mandate, approval of which is to be sought at the AGM, to the Directors to repurchase the Shares
“Share(s)”	share(s) of par value HK\$0.01 each in the capital of the Company
“Shareholder(s)”	registered holder(s) of Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers

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## LETTER FROM THE CHAIRMAN

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### **EZCOM HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

*Executive Directors:*

KOK Kin Hok (*Chairman*)

LAM Bing Sum

LIAN Song Qing

*Registered office:*

Clarendon House

Church Street

Hamilton HM 11

Bermuda

*Non-executive Directors:*

HOU Ziqiang

*Independent non-executive Directors:*

Dr YANG Shiqin

Dr LI Jianhua

WANG Shunian

*Head office and principal*

*place of business:*

Unit 1C & 1D

14/F., Tower 2

Admiralty Centre

18 Harcourt Road

Hong Kong

29 August 2003

*To the Shareholders*

Dear Sir or Madam,

### **GENERAL MANDATES TO REPURCHASE AND TO ISSUE SHARES**

#### **INTRODUCTION**

At the annual general meeting of the Company held on 29 August 2002, general mandates were granted to the Directors to exercise the powers of the Company to repurchase Shares and to issue Shares. These general mandates will lapse at the conclusion of the AGM. Ordinary resolutions will therefore be proposed at the AGM to grant new general mandates to repurchase Shares and to issue Shares in the capital of the Company.

#### **GENERAL MANDATE TO REPURCHASE SHARES**

At the AGM, an ordinary resolution will be proposed to grant to the Directors a general mandate to exercise the powers of the Company to repurchase Shares. The aggregate nominal amount of Shares to be purchased pursuant to the Share Repurchase Mandate as set out in Ordinary Resolution No. 4 of the AGM Notice shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution. An explanatory

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## LETTER FROM THE CHAIRMAN

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statement as required under the Securities Buy Back Rules is set out in the Appendix to this circular. The explanatory statement contains all information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM.

### **GENERAL MANDATE TO ISSUE SHARES**

Ordinary resolutions will be proposed at the AGM to grant to the Directors a general and unconditional mandate to exercise the powers of the Company to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date on which the resolution is passed (“Share Issue Mandate”), and to approve an extension of the Share Issue Mandate by adding to it the aggregate nominal amount of any Shares repurchased by the Company under the Share Repurchase Mandate, details of which are set out in Ordinary Resolutions No. 5 and No. 6 of the AGM Notice.

### **RECOMMENDATIONS**

The Directors consider that the granting of the General Mandates to the Directors is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that all Shareholders vote in favour of the resolutions to be proposed at the AGM relating to the granting of the General Mandates.

Yours faithfully  
On behalf of the Board  
**KOK Kin Hok**  
*Chairman*

This is an explanatory statement containing all the information reasonably necessary to enable the Shareholders to make an informed decision in relation to the proposal of the Share Repurchase Mandate as required by the Securities Buy Back Rules.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 611,467,218 fully paid-up Shares.

Subject to the passing of Ordinary Resolution No. 4 set out in the AGM Notice and on the basis that no further Shares are issued or repurchased by the Company prior to the date of the AGM, the Company will be permitted under the Share Repurchase Mandate to repurchase a maximum of 61,146,722 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting is required by law to be held or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

## **2. REASONS FOR REPURCHASES**

Although the Directors have no present intention of repurchasing any securities, they consider that the flexibility afforded by the Share Repurchase Mandate would be beneficial to the Company and its Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years. At any time in the future when securities are trading at a discount to their underlying value, the ability of the Company to repurchase securities will be beneficial to those Shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of securities repurchased by the Company and thereby resulting in an increase in net assets and / or earnings per share of the Company. Such repurchases will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws, the laws of Bermuda and any other applicable laws. The Bermuda law provides that the amount of capital paid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant Shares, or the funds of the Company that would otherwise be available for distribution or dividend or out of the proceeds of a new issue of Shares made for such purpose. The amount of premium payable over the par value of the shares on repurchase may only be paid out of either the funds of the Company that would otherwise be available for distribution or dividend or out of the share premium account of the Company. It is envisaged that the Company would derive the funds from such sources.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 30 April 2003) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do

not propose to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

#### 4. SHARE PRICES

The highest and lowest market prices for Shares recorded on the Stock Exchange during each of the previous 12 months were as follows:–

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2002</b>		
August	1.21*	0.72*
September	1.16*	0.91*
October	1.06*	0.74*
November	0.90*	0.69*
December	0.78*	0.61*
<b>2003</b>		
January	0.72*	0.32*
February	0.43*	0.29*
March	0.36*	0.24*
April	0.33	0.24
May	0.26	0.16
June	0.33	0.22
July	0.30	0.24

\* *Adjusted for the capital restructuring and the open offer of the Company with ex-date of 22 April 2003.*

#### 5. UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases under the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

#### 6. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) has any present intention to sell any Shares to the Company under the Share Repurchase Mandate in the event that the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons of the Company (as defined in the Listing Rules) that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company, in the event that the Share Repurchase Mandate is approved by the Shareholders.

#### **7. EFFECT OF TAKEOVER CODE**

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, All About Investments Limited and Anglo Express Group Limited (both of them were wholly and beneficially owned by Mr. Kok Kin Hok) which held approximately 47.03% and 5.56% (in aggregate 52.59%) of the issued share capital of the Company respectively, are the only substantial Shareholders holding more than 5% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Share Repurchase Mandate, the aggregate shareholding of All About Investments Limited and Anglo Express Group Limited in the Company would be increased to approximately 58.43% of the issued share capital of the Company. As at the Latest Practicable Date, the Directors are not aware of any consequences which will arise under the Takeover Code as a result of any purchases made under the Share Repurchase Mandate.

#### **8. SECURITIES REPURCHASES MADE BY THE COMPANY**

The Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.