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EZCOM

BRING TECHNOLOGY TO LIFE

EZCOM HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 312)

SUBSCRIPTION FOR NEW SHARES AND RESUMPTION OF TRADING

SUMMARY

The board of directors of Ezcom Holdings Limited (the “Company”) wishes to announce that subscription agreements were entered into on 15 February 2005 between the Company and three (3) subscribers (the “Subscribers”), being independent third parties, pursuant to which the Company, will allot a total of 66,700,000 shares of HK\$0.01 each to the Subscribers at a price of HK\$0.15 per Subscription Share.

The price and the terms of the Subscription Agreements were arrived at after arm’s length negotiations between the Company and the Subscribers on 15 February 2005. The price of HK\$0.15 per Subscription Share represents (i) a discount of approximately 13.29% to the closing price of HK\$0.173 per Share as quoted on the Stock Exchange on 14 February 2005, being the last trading day prior to the entering into of the Subscription Agreement; (ii) a discount of approximately 15.25% to the average closing price of HK\$0.177 per Share for the five consecutive trading days up to and including 14 February 2005; (iii) a discount of approximately 24.70% to the average closing price of HK\$0.199 per Share for the ten consecutive trading days up to and including 14 February 2005; and (iv) a discount of approximately 46.81% to the average closing price of HK\$0.282 per Share for the thirty consecutive trading days up to and including 14 February 2005.

The gross proceeds from the Subscription amounted to approximately HK\$10 million. The net proceeds from the Subscription of approximately HK\$9.8 million will be applied mainly for expanding its existing business of distribution of mobile phones and strengthening its distribution network in China.

The Subscription Shares amount to approximately 10.41% of the existing issued share capital of the Company and approximately 9.43% of its issued share capital as enlarged by the Subscription.

Completion of the Subscription Agreements are conditional on the Stock Exchange granting listing of and permission to deal in the Subscription Shares and shall take place on or before 1 March 2005, or such later date as the parties may agree in writing.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Tuesday, 15 February 2005 pending release of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on Thursday, 17 February 2005.

SUBSCRIPTION AGREEMENTS DATED 15 FEBRUARY, 2005

Number of Shares to be Subscribed

66,700,000 new Shares

The Subscription Shares amount to approximately 10.41% of the existing issued share capital of the Company and approximately 9.43% of the Company's issued share capital as enlarged by issue of the Subscription Shares.

The Subscription Shares will be issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 23 September 2004. Pursuant to the said general mandate, the Company may issue 122,293,443 new Shares (representing 20% of the number of issued Shares as at 23 September 2004) and no new Share has been issued under the said general mandate as at the date hereof.

Parties

Subscribers

	Name	Number of Shares
(i)	Mr. Li Yong Dong	30,000,000
(ii)	Mr. Zhang Zhi Yang	30,000,000
(iii)	Ultimate Digital Limited	6,700,000

Ultimate Digital Limited is an investment holding company incorporated in the British Virgin Islands with limited liability and beneficially owned by Mr. Hu Qimao ("Mr. Hu") who is a merchant engaging in various businesses in the People's Republic of China.

There will be no board representation to the Company made by the Subscribers in connection with the Subscription. The Subscribers have confirmed to the Company that they have no shareholding in the Company prior to the Subscription. To the best of the Directors' knowledge, the Subscribers are not connected with each other.

All the three (3) Subscription Agreements have same terms and conditions and each of the Subscribers will pay in full the aggregate Subscription Price to the Company within 5 days after the date of the Subscription Agreements.

Independence of the Subscribers

The Subscribers and their beneficial owner (as the case may be) are not connected persons of the Company and are independent of, and not connected with, and not acting in concert with the directors, chief executives and substantial shareholders of the Company and any of its subsidiaries or any of their respective associates (as defined in the Listing Rules).

Price

The price of HK\$0.15 per Subscription Share represents:

- (i) a discount of approximately 13.29% to the closing price of HK\$0.173 per Share as quoted on the Stock Exchange on 14 February 2005, being the last trading day prior to the entering into of the Subscription Agreements;
- (ii) a discount of approximately 15.25% to the average closing price of HK\$0.177 per Share for the five consecutive trading days up to and including 14 February 2005;
- (iii) a discount of approximately 24.70% to the average closing price of HK\$0.199 per Share for the ten consecutive trading days up to and including 14 February 2005; and
- (iv) a discount of approximately 46.81% to the average closing price of HK\$0.282 per Share for the thirty consecutive trading days up to and including 14 February 2005.

The price and the terms of the Subscription Agreements were arrived at after arm's length negotiations between the Company and the Subscribers on 15 February 2005.

Completion of Subscription

Completion of the Subscription Agreements are conditional on the Stock Exchange granting listing of and permission to deal in the Subscription Shares and shall take place on or before 1 March, 2005, or such later date as the parties may agree in writing.

Reason for the Subscription

The Company is an investment holding company and its subsidiaries are principally engaged in the trading of mobile phones and spare parts.

As mentioned in the press announcements of the Company dated 18 November 2004 and 22 December 2004, the Group is in preliminary discussion with certain independent third parties relating to the possible participation in certain gambling-related projects in Macau and Hong Kong but no material terms have been finalized as at the date hereof.

The Directors consider the Subscription to be beneficial to the Company as it will strengthen the financial position and broaden the shareholders base of the Company and raise funds mainly for expanding its existing business of distribution of mobile phones and strengthening its distribution network in China. The Board considers the dilution of the percentage shareholding of the existing Shareholders by 9.43% on an enlarged basis to be acceptable. The Directors are of the view that the terms of the Subscription Agreements and the price, which were arrived at after arm's length negotiation, are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Ranking and rights of Subscription Shares

The Subscription Shares, when fully paid, will rank pari passu in all respects with the existing Shares of the Company in issue, and holders of the Subscription Shares shall be entitled to receive all dividends and distributions (if any) declared, made or paid after date of issue.

Use of proceeds

The gross proceeds from the Subscription amounted to approximately HK\$10 million. The net proceeds from the Subscription, after netting off all fees and expenses to be borne by the Company (amounting to approximately HK\$0.2 million), is approximately HK\$9.8 million (with net issue price calculated to be approximately HK\$0.147 per Subscription Share). It is the present intention of the Directors to use the net proceeds from the Subscription mainly for expanding its existing business of distribution of mobile phones and strengthening its distribution network in China.

Fund raising exercise by the Company in the past twelve months

The Company has not conducted any fund raising exercise in the past twelve months.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Changes in shareholding structure of the Company

The shareholding structures of the Company immediately before and after completion of the Subscription are as follows:

Shareholders	Immediately before completion of the Subscription Agreements		Immediately after completion of the Subscription Agreements	
	<i>number of Shares</i>	<i>%</i>	<i>number of Share</i>	<i>%</i>
All About Investments Limited (Note 1)	287,544,153	44.87	287,544,153	40.64
Anglo Express Group Limited (Note 1)	34,759,840	5.42	34,759,840	4.91
Mr. Lian Song Qing, a Director	2,400,000	0.38	2,400,000	0.34
Public Shareholders				
Subscribers				
Mr. Li Yong Dong	–	–	30,000,000	4.24
Mr. Zhang Zhi Yang	–	–	30,000,000	4.24
Ultimate Digital Limited	–	–	6,700,000	0.95
other public Shareholders	316,163,225	49.33	316,163,225	44.68
Total	<u>640,867,218</u>	<u>100.00</u>	<u>707,567,218</u>	<u>100.00</u>

Note:

1. All About Investments Limited and Anglo Express Group Limited are ultimately beneficially owned by Mr. Kok Kin Hok, Chairman and a Director. Mr. Kok is deemed interested in the Shares held by these companies.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Tuesday, 15 February 2005 pending release of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on Thursday, 17 February 2005.

DEFINITIONS

The terms used in this announcement have the following meanings unless the context otherwise requires:

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	Ezcom Holdings Limited, a company incorporated in Bermuda with limited liability and whose issued Shares are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Subscription”	the Subscription for 66,700,000 new Shares in total by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreements”	the subscription agreements dated 15 February 2005 entered into between the Company and the Subscribers in relation to the Subscription
“Subscription Shares”	66,700,000 new Shares in total to be issued by the Company pursuant to the Subscription Agreements
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
Ezcom Holdings Limited
Kok Kin Hok
Chairman

Hong Kong, 16 February 2005

The board of directors of the Company as at the date of this announcement comprises Mr. Kok Kin Hok, Mr. Lam Bing Sum and Mr. Lian Song Qing, being executive directors, Mr. Li Jianhua, Mr. Wu Tak Lung and Mr. Chu Po Tien being independent non-executive directors.

“Please also refer to the published version of this announcement in China Daily.”