

**EZCOM HOLDINGS LTD:
EASY COME, EASY GO ?**

It seems apparent that publicly listed Ezcom Holdings Ltd (Code: 312, Main Board, The Stock Exchange of Hongkong Ltd) is suffering what could well be a severe and chronic cash-flow problem.

If that be not the case, then, Management might be hard-pressed to explain to shareholders the reason that certain bills have gone unpaid – for nearly one year!

It was only on Tuesday, March 1, 2005, that Ezcom Holdings announced that it had raised another \$HK2.95 million by selling to a Mr Ip Cheng Kuong, 20 million New, one-cent Shares at the Premium of 14 cents per Share.

That number of shares represented about 2.83 percent of the then existing Share Capital of the company.

In the official company announcement with regard to the raising of additional funds, that document, labelled ‘Subscription For New Shares’, at Page 2, under the heading, ‘Reason for the Subscription’, the Chairman of Ezcom Holdings, Mr Kok Kin Hok, said:

‘The Company is an investment holding company and its subsidiaries are principally engaged in the trading of mobile phones and spare parts ... the Group is in preliminary discussions with certain independent third parties relating to the possible participation in certain gambling-related project 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 strength 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 ...’.

TARGET’s comment in respect of the above: Twaddle!

This is the second time in the past month or so that this company has gone to the ‘money well’ for cash, the first time, being February 16, 2005.

On that date, the company raised about \$HK9.80 million by issuing 66.70 million, New, one-cent Shares at a Premium of 14 cents per share.

That number of shares represented about 10.41 percent of the then Issued and Fully Paid-Up Share Capital of the company.

The Subscribers to the February 16 New Shares were:

Mr Li Yong Dong	30 million shares
Mr Zhang Zhi Yang	30 million shares
Ultimate Digital Ltd	6.70 million shares

All of the Subscribers to these shares were said to be unconnected persons, independent of and not connected with, and not acting in concert with, the Directors, Chief Executive and Substantial Shareholders of the company.

The reason for the issuance of those New Shares, Chairman Kok Kin Hok stated on February 16, 2005, was for exactly the same reason as was given on March 1, 2005, when the company raised \$HK2.95 million.

If Ezcom Holdings is not short of money, then, it would be interesting to learn the reason that, just recently, a subsidiary of the company, named Ezcom Technology Ltd, was sued twice on the same day, one case, being registered in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), and one case, registered in the District Court of the HKSAR.

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