
STATEMENT OF ACTIVE BUSINESS PURSUITS

This section summarises the activities and performance of the Group from 1st January 1998 to the Latest Practicable Date.

YEAR ENDED 31ST DECEMBER, 1998

Business development

- commenced direct business relationship with mobile phone manufacturers, including Siemens, Samsung, Sagem and two other international mobile phone manufacturers

Establishment of companies and offices

- In July 1998, FT-SHG was incorporated as the foothold for the Group's mobile phone distribution business in the PRC

Major models of mobile phones distributed on a non-exclusive basis

- Nortel N920
- Panasonic G450 and G600
- Sagem RC715
- Siemens S10, SL1088

Human resources

The breakdown of employees by function as at 31st December, 1998 is as follows:

Department	Hong Kong	Malaysia	The PRC	The U.K.	Total
Sales & marketing	3	19	1	1	24
Business development	–	4	–	–	4
After-sales service	1	7	–	–	8
Operations and logistics	9	13	1	–	23
Finance & administration	5	9	1	2	17
	<u>18</u>	<u>52</u>	<u>3</u>	<u>3</u>	<u>76</u>

YEAR ENDED 31ST DECEMBER, 1999

Business development

- In January 1999, Viscocom was appointed as a non-exclusive distributor of Philips range of mobile phones in Malaysia starting from 1st January, 1999 for a period of one year and Viscocom shall be entitled to an automatic right of renewal for successive periods of one year each

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- In May 1999, FT-SHG was granted a non-exclusive distributorship right to distribute Siemens S2588 model of mobile phones and related accessories in the PRC for an indefinite period of time
- In October 1999, Mobile Distribution commenced distribution of mobile phones from Siemens in Malaysia
- In December 1999, Viscocom was appointed as a non-exclusive distributor of Sagem's MC912 model of mobile phones in Malaysia for a period of one year

Establishment of companies and offices

- In March 1999, FMG opened its first customer care centre in Selangor, Malaysia
- In May 1999, FMG opened its second regional office, retail outlet and customer care centre in Penang in Malaysia
- In July 1999, FMG opened its third regional office, retail outlet and customer care centre in Kuching in Malaysia
- In July 1999, FMG opened its fourth customer care centre in downtown Kuala Lumpur in Malaysia
- In August 1999, FMG opened its fourth regional office and retail outlet, which is also the fifth customer care centre in Johor Bahru in Malaysia

Major models of mobile phones distributed on a non-exclusive basis

- Samsung SGH600 and SGH800
- Siemens C2588, SL1088 and S1088
- Sagem MC912
- Panasonic G600

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Human resources

The breakdown of employees by function as at 31st December, 1999 is as follows:

Department	Hong Kong	Malaysia	The PRC	The U.K.	Total
Sales & marketing	2	21	2	2	27
Business development	2	4	1	–	7
After-sales service	1	16	–	–	17
Operations and logistics	7	8	1	–	16
Finance & administration	7	20	1	2	30
	<u>19</u>	<u>69</u>	<u>5</u>	<u>4</u>	<u>97</u>

1ST JANUARY, 2000 TO THE LATEST PRACTICABLE DATE

Business development

- In January 2000, the non-exclusive distribution rights for Philips mobile phones were automatically renewed for one year
- In January 2000, FMG entered into its exclusive distribution agreement with Samsung in Malaysia for a period of two years with an automatic right of renewal for one further year
- In January 2000, FT-HK entered into a distribution agreement with Kyocera for distribution of its TG200 model of mobile phones and two new models on an exclusive basis in the PRC and Hong Kong for six months commencing on 1st July, 2000 and on a non-exclusive basis for Malaysia, Singapore and the Philippines for a period of one year with an automatic right of renewal for one further year
- In March 2000, Viscocom was appointed as a non-exclusive distributor of Sagem's MC920 and MC930 models of mobile phones in Malaysia for a period of one year
- In March 2000, FT-HK signed a regional e-commerce partnership agreement relating to the distribution of mobile phones and related accessories with Siemens in the Asia Pacific Region and Singapore
- In March 2000, Siemens granted FT-HK the non-exclusive distribution rights for a full range of its mobile phones covering Hong Kong, the PRC, the Philippines, Malaysia, Singapore and Australia for a period of one year with an automatic right of renewal for one further year

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- In May 2000, FT-HK signed a cooperative agreement with WAPworkz as supplemented by an amendment agreement in August 2000 whereby WAPworkz will provide assistance to First E Wap to carry on the business of providing WAP related products and services outside Singapore based on WAPworkz's technology
- In June 2000, FMS signed a distribution agreement with FT-HK to source Siemens mobile phones exclusively from FT-HK for distribution in Singapore.
- In July 2000, FT-HK signed a distribution agreement with LG for the distribution of its GSM mobile phones on a non-exclusive basis in Hong Kong, Macau and the PRC.
- In July 2000 and October 2000, FT-HK entered into a joint venture agreement and a software license agreement respectively with e-pay Limited in relation to e-pay Asia, a 70% subsidiary of the Group, to build networks of e-pay Terminals in Hong Kong, Taiwan, Singapore, the PRC, the Philippines, Japan and Korea by engaging the software developed by e-pay Limited.
- In August 2000, FT-HK started negotiations with an independent third party in Guangzhou, the PRC to provide assistance to the independent third party in setting up an Internet portal in the PRC.
- In September 2000, Freedomobile Limited launched its call centre in Leeds, the U.K. and the website *www.letstalkmobile.co.uk* came into operation.
- In September 2000, Viscocom was appointed as a non-exclusive distributor of Sagem MW936 model of mobile phones for a period of one year.
- In November 2000, FT-SHG was appointed as an exclusive distributor of Siemens' 6688 mobile phones in the PRC for a period of three months commencing from late December 2000.
- In November 2000, FAMI entered into a service agreement with Siemens whereby FAMI was appointed as an authorised local service organisation to provide certain after-sales services for Siemens cellular products in the Philippines.
- In November 2000, FAMI entered into a service agreement with Samsung whereby FAMI was appointed as a non-exclusive authorised service centre to service and repair Samsung telecommunications products in the Philippines.
- In November 2000, Viscocom was appointed as a non-exclusive distributor of Sagem MW3020 model of mobile phones for a period of one year.

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- In December 2000, FM-UK opened its second office in Chesterfield, the U.K..
- In December 2000, Visocom was appointed as a non-exclusive distributor of Sagem PW959 model of mobile phones for a period of one year.

Establishment of companies and offices

- In June 2000, First Asia Mobile, Inc. established the Group's first regional office and customer care centre in Pasig City in the Philippines

Major models of mobile phones distributed on:

Exclusive basis

- Siemens 6688
- Samsung A100, SGH-600, SGH-800, SGH-2200 and SGH-2400
- Kyocera TG200

Non-exclusive basis

- Siemens C28, C35i, S35i, M35i, 3508i, 3518i, 3568i, 1118 and SL45
- Sagem MC930, MC920, MC912, PW959, MW3020 and MW936

Human resources

The breakdown of employees by function as at the Latest Practicable Date is as follows:

Department	Hong Kong	Malaysia	The PRC	The U.K.	The Philippines	Total
Sales & marketing	6	39	2	17	7	71
Business development	2	8	3	1	2	16
After-sales service	2	21	–	7	4	34
Operations and logistics	15	18	1	1	5	40
Finance & administration	24	29	3	6	3	65
	<u>49</u>	<u>115</u>	<u>9</u>	<u>32</u>	<u>21</u>	<u>226</u>