

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31st March, 2001.

CHANGE OF NAME

Pursuant to a special resolution passed in a shareholders' meeting held on 7th November, 2000, the name of the Company was changed from Plotio Holdings Limited to HyComm Wireless Limited.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in property development for sale, leasing of investment properties, provision of property management services, construction and decoration services, property agency services and trading of communication products.

RESULTS

The results of the Group for the year ended 31st March, 2001 are set out in the consolidated income statement on page 21.

FINANCIAL SUMMARY

A financial summary of the Group is set out on pages 77 and 78.

SHARE CAPITAL, SHARE OPTIONS AND WARRANTS

Details of the share capital, share options and warrants of the Company are set out in notes 29, 30 and 31 to the financial statements, respectively.

SHARE PREMIUM AND RESERVES

Movements in the share premium and reserves of the Group and the Company during the year are set out in note 32 to the financial statements.

INVESTMENT PROPERTIES

The investment properties of the Group were revalued as at 31st March, 2001 and the resulting net deficit on revaluation amounted to approximately HK\$12,430,000.

Details of these and other movements in the investment properties are set out in note 12 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

The leasehold land and buildings of the Group were revalued as at 31st March, 2001 and the resulting net deficit on revaluation amounted to approximately HK\$466,000.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

PROPERTIES UNDER DEVELOPMENT

During the year, two of the Group's property development projects were completed and transferred to properties held for sale, all of which are situated in Hong Kong.

Details of properties under development of the Group are set out in note 15 to the financial statements.

MAJOR PROPERTIES

Particulars of the major properties of the Group are set out on pages 79 to 82.

DIRECTORS AND SERVICE CONTRACTS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Mr. Lai Yiu Keung, *Chairman*

Madam Chung Lai Ha

Mr. Lai Chi Kin

Mr. Kwok Chong, Anthony

Mr. Tang Xueyi

Mr. Cheung Kin Keung (resigned on 10th May, 2001)

Non-executive directors:

Mr. Tsui Tack Kong

Mr. Koh Tat Lee (appointed on 12th October, 2000)

Mr. Lam Hon Keung, Keith (resigned on 27th June, 2001)

Independent non-executive directors:

Mr. Ho John

Mr. Ling Kam Tong, Victor

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DIRECTORS AND SERVICE CONTRACTS *(Continued)*

In accordance with Clause 86(2) of the Company's Bye-laws, Mr. Koh Tat Lee will retire and, being eligible, offer himself for re-election.

In accordance with Clause 87(1) of the Company's Bye-laws, Messrs. Kwok Chong, Anthony and Tsui Tack Kong will retire by rotation and, being eligible, offer themselves for re-election.

The Company has entered into service contracts with certain executive directors of the Company, pursuant to which Mr. Lai Yiu Keung has agreed to act as an executive director for a term of three years commencing 1st October, 2000 and Madam Chung Lai Ha, Mr. Kwok Chong, Anthony and Mr. Lai Chi Kin have agreed to act as executive directors for a term of two years commencing 1st October, 1999.

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The terms of office of non-executive directors are the periods up to their respective retirement dates by rotation in accordance with the Company's Bye-laws.

The Company has also entered into service contracts with all independent non-executive directors of the Company for a term of three years commencing 1st January, 2000.

CONNECTED TRANSACTIONS AND DIRECTORS' INTEREST IN CONTRACTS

Saved as disclosed in notes 42 and 43 to the financial statements:

- (i) there were no other transactions which are required to be disclosed as connected transactions pursuant to the requirements of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"); and
- (ii) there were no other contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of this year or at any time during the year.

DIRECTORS' INTERESTS IN SHARES

As at 31st March, 2001, the interests of directors and their associates in the shares of the Company or any of its associated corporations within the meaning of the Securities (Disclosure of Interests) Ordinance of Hong Kong (the "SDI Ordinance") as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance were as follows:

Name of director	Type of interest	Number of shares
Mr. Lai Yiu Keung	Family (<i>Note 1</i>)	280,700,000
	Corporate (<i>Note 2</i>)	30,000,000
	Personal	9,820,000
Madam Chung Lai Ha	Family (<i>Notes 1, 2 & 3</i>)	320,520,000
Mr. Tsui Tack Kong	Personal	43,397,500

Notes:

1. These shares are beneficially held by Justwell Limited through its wholly owned subsidiary, United Man's Limited. The entire issued share capital of Justwell Limited is held by a trustee for the benefit of a discretionary trust, the beneficiaries of which include certain other family members of Mr. Lai Yiu Keung and Madam Chung Lai Ha.
2. These shares are registered in the name of Justgood Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Lai Yiu Keung.
3. Madam Chung Lai Ha is the spouse of Mr. Lai Yiu Keung and is deemed to be interested in those shares of the Company in which Mr. Lai Yiu Keung has an interest.

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DIRECTORS' INTERESTS IN SHARES *(Continued)*

In addition to the above, the following directors beneficially owned the non-voting 5% deferred shares in the following subsidiaries of the Group as at 31st March, 2001:

Name of director	Name of subsidiary	Number of non-voting 5% deferred shares
Mr. Lai Yiu Keung	Bestful Development Limited	8,000
	Billtech Limited	2,000
	Great Centre Limited	20,000
	Newborn Development Limited	10,000
	Nicecity Holdings Limited	8,000
	Oriental Gain Properties Limited	3,710
	Plotio Development (HK) Limited	9,500
	Plotio Investment (HK) Limited	9,500
	Total Busy Development Limited	40,500
Madam Chung Lai Ha	Plotio Development (HK) Limited	500
	Plotio Investment (HK) Limited	500
Mr. Tsui Tack Kong	Bestful Development Limited	2,000
	Great Centre Limited	5,000
	Nicecity Holdings Limited	2,000
	Oriental Gain Properties Limited	530
	Total Busy Development Limited	4,500

The non-voting 5% deferred shares practically carry no rights to dividends or to receive notice of or attend or vote at any general meeting of or to participate in the surplus assets of the above-mentioned companies.

Save as disclosed above, as at 31st March, 2001, none of the directors, chief executives or any of their associates had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

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DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As at 31st March, 2001, none of the directors of the Company had any personal interests in share options to subscribe for shares in the Company granted under the share option schemes of the Company.

A summary of the movements of share options granted to the directors and former directors of the Company is as follows:

Name of director	Date of grant	Exercisable period	Exercise price HK\$	Number of share options		Consideration	
				Balance at 1.4.2000	Lapsed during the year	Balance at 31.3.2001	paid to the option granted HK\$
Directors							
Mr. Lai Yiu Keung	23.12.1999	17.1.2000 to 16.1.2001	0.75	9,000,000	(9,000,000)	–	1.00
	9.3.2000	20.3.2000 to 19.3.2001	1.71	15,000,000	(15,000,000)	–	1.00
Mr. Lai Chi Kin	3.2.2000	15.2.2000 to 14.2.2001	1.86	3,000,000	(3,000,000)	–	1.00
Mr. Tang Xueyi	23.12.1999	17.1.2000 to 16.1.2001	0.75	5,000,000	(5,000,000)	–	1.00
	9.3.2000	20.3.2000 to 19.3.2001	1.71	5,000,000	(5,000,000)	–	1.00
Mr. Tsui Tack Kong	23.12.1999	17.1.2000 to 16.1.2001	0.75	4,000,000	(4,000,000)	–	1.00
Former directors							
Mr. Cheung Kin Keung	23.12.1999	17.1.2000 to 16.1.2001	0.75	10,000,000	(10,000,000)	–	1.00
	9.3.2000	20.3.2000 to 19.3.2001	1.71	10,000,000	(10,000,000)	–	1.00
Mr. Lam Hon Keung, Keith	23.12.1999	17.1.2000 to 16.1.2001	0.75	2,000,000	(2,000,000)	–	1.00

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DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES *(Continued)*

No share option was exercised by the directors and former directors to subscribe for shares in the Company during the year.

Details of the share option scheme of the Company are set out in note 30 to the financial statements.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. In addition, none of the directors, or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company or had exercised any such right during the year.

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance discloses that the following shareholders had an interest representing 10% or more of the issued share capital of the Company as at 31st March, 2001:

Name	Number of shares	Approximate percentage of issued shares held
Justwell Limited	280,700,000 <i>(Note)</i>	21.04
United Man's Limited	280,700,000 <i>(Note)</i>	21.04

Note:

These shares are registered in the name of United Man's Limited. The entire issued share capital of United Man's Limited is owned by Justwell Limited, the entire issued share capital of which is held by a trustee for the benefit of a discretionary trust, the beneficiaries of which include certain family members of Mr. Lai Yiu Keung and Madam Chung Lai Ha.

Save as disclosed above, the Company has not been notified of any other interests representing 10% or more of the issued share capital of the Company as at 31st March, 2001.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's five largest suppliers and customers accounted for less than 30% of the total purchases and total turnover of the Group for the year.

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

Other than the convertible debentures as set out in note 33 to the financial statements, the Company had no other outstanding convertible securities, options, warrants or other similar rights as at 31st March, 2001.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied throughout the year with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events are set out in note 43 to the financial statements.

AUDITORS

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

LAI YIU KEUNG

CHAIRMAN

Hong Kong, 26th July, 2001