

CHAIRMAN'S STATEMENT

Dear Shareholders,

I hereby present the annual report of HyComm Wireless Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31st March, 2002 and summarise below the recent development and major activities of the Group for the year.

Group Results

The Group recorded turnover for the year of approximately HK\$53.4 million and net loss for the year of approximately HK\$97.8 million. Net loss for the year is mainly attributable to impairment loss in respect of investments in securities, deficit arising from the revaluation of properties, impairment loss in respect of properties under development and impairment loss in respect of goodwill attributable to subsidiaries during the year.

Dividend

The Board of Directors ("Directors") does not recommend the payment of a final dividend for the year ended 31st March, 2002.

Subscription of New Shares by a Substantial Shareholder

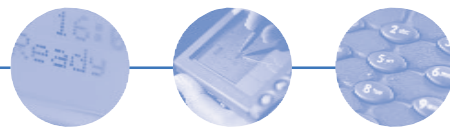
On 18th May, 2001, the Company entered into a subscription agreement with Mr. Lai Yiu Keung for subscription of 150,000,000 new shares of the Company at issue price of HK\$0.10 per share. The subscription was completed on 10th July, 2001 and the net proceeds amounting to about HK\$14.6 million have been used for redeeming the remaining outstanding 2 per cent. convertible debentures due 2003 with balance for general working capital purposes.

Management Discussion and Analysis

During the year under review, the Group was engaged in the business of property development, property investment, property management, property agency, construction and decoration services and trading of communication products while the Group continued to re-engineer its businesses.

Business review

During the year under review, the turnover attributable to the property related services and certain property development projects continued to contribute to the Group up to 30th June, 2001 when the conditions precedent in respect of the Disposal (as defined below) has been fulfilled. On 30th June, 2001, the conditions precedent in relation to a disposal agreement entered into between the Company and Mr. Lai Yiu Keung ("Mr. Lai"), a director and substantial shareholder of the Company, on 2nd June, 2000 for disposal of the entire issued share capital in five wholly owned subsidiary companies, which own certain property investment subsidiaries and property related service subsidiaries, to Mr. Lai at a minimum cash consideration of about HK\$34 million ("Disposal") have been fulfilled and the Disposal has been completed in early July 2001. Upon completion of the Disposal, the Group continues to be engaged in property investment business and development of remaining three property projects in Hong Kong. The development of remaining development projects is still in the preliminary stage and the construction work will commence only at a later stage.



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The Group's technology-related and communication investments in Hycomm Technology Incorporated, Codebank Limited and Cyberliving Holdings Limited are still retained as long-term investments.

On 20th March, 2002, an indirect wholly owned subsidiary of the Company entered into an agreement with certain vendors to acquire about 20% of the issued share capital in Megacom Holdings Limited ("Megacom") by issue of consideration shares in aggregate of 200,000,000 new shares of the Company. Megacom group is principally engaged in the advertising business in the People's Republic of China (the "PRC") covering the design, production, placing and publication of advertisements. This acquisition is completed after the year end date.

On 28th May, 2002, the Company entered into an agreement with certain vendors to acquire about 37.04% of the issued share capital in Tekson International Telecom Limited ("Tekson") by issue of consideration shares in aggregate of 400,000,000 new shares of the Company. Tekson group will participate in the provision of support services to a licensed provider of short messaging service ("SMS") and other telecommunication services in the PRC in respect of SMS business. This acquisition has not yet been completed up to the date of this report.

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Liquidity and financial resources

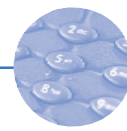
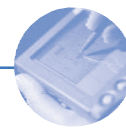
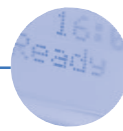
The Group has bank and cash balance of approximately HK\$1.1 million as at 31st March, 2002. The Group's bank borrowings outstanding at 31st March, 2002 amounted to HK\$114.2 million, representing a decrease of HK\$148.2 million as compared with the amounts outstanding at 31st March, 2001. With bank and cash and other current assets as well as the Group's available banking facilities, the Group has sufficient financial resources to satisfy its future financial commitments and working capital requirements.

Employee

As at 31st March, 2002, the Group had 16 staff. In addition to basic salary, employees are rewarded with performance-related bonuses, other staff welfare and also a share options scheme will be made available to certain staff of the Group at the Directors' discretionary.

Prospects

The Group will continue its business re-engineering and gradually shift its business strategy from property investment and development to technology-related businesses. By adopting a prudent approach in its new business development and financial strategy, the Group hopes to take advantage of new business opportunities in those technology-related industries with strong market momentum and potential. We expect our new business strategy will bring to the shareholders greater value.



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Audit Committee

The audit committee of the Company comprises of two independent non-executive directors. The primary duties of the audit committee are review and advice on the financial reporting process and internal control system of the Group.

On behalf of all members of the Board, I would like to express our gratitude to the shareholders for their continuing support and all staff of the Group for their hard work and contribution.

LAI YIU KEUNG

Chairman

Hong Kong, 27th August, 2002