

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 31 March 2005 and summarise below the recent development and major activities of the Group.

## RESULTS OF THE GROUP

The Group recorded turnover for the year of approximately HK\$9.7 million and net loss for the year of approximately HK\$8.0 million. Net loss for the year is mainly attributable to the impairment loss in respect of investments in securities and other investment for the year.

## DIVIDEND

The Board of Directors (the "Board") does not recommend the payment of final dividend for the year ended 31 March 2005.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

### Business review

During the year under review, the decrease in turnover by about HK\$1 million is mainly attributable to the decrease of rental income as certain properties were disposed last year. The decrease in loss for the year by about HK\$72 million was mainly due to less impairment loss in respect of investments in securities, no impairment loss in respect of goodwill attributable to subsidiaries and no loss on disposal of fixed assets were recorded for the year. The investment properties have continued to contribute to the Group. The property under development held by the Group is still in the preliminary stage and the construction work will commence only at a later stage.

敬啟者：

本人謹提呈華脈無線通信有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零零五年三月三十一日止年度之年報及在下文概述本集團近期之發展及主要業務。

## 集團業績

本集團錄得營業額約 9,700,000 港元及本年虧損淨額約 8,000,000 港元，本年度虧損淨額主要源於本年度證券投資及其他投資減值虧損。

## 股息

董事會（「董事會」）不建議派發截至二零零五年三月三十一日止年度之末期股息。

## 管理層討論及分析

於回顧年度，本集團主要從事物業投資及發展、短訊服務及通訊產品貿易等業務，同時，本集團繼續重整其業務。

### 業務回顧

於回顧期間，營業額減少約 1,000,000 港元，主要由於去年出售若干物業導致租金收入減少所致。本年度虧損減少約 72,000,000 港元主要由於本年度所錄得證券投資減值虧損較少及並無錄得附屬公司商譽減值虧損以及出售固定資產虧損。投資物業繼續為本集團作出貢獻，本集團現有發展中物業仍然處於初步階段及建築工程只會較後才展開。

## Liquidity, financial resources, pledge of assets and contingent liabilities

The Group has bank and cash balance of approximately HK\$1,567,000 as at 31 March 2005. The Group's major liabilities are bank borrowings and its bank borrowings outstanding at 31 March 2005 amounted to approximately HK\$110 million, representing an increase of approximately HK\$4 million as compared with the amounts outstanding at 31 March 2004. During the year, there is no material change in the level of bank borrowings of the Group. Due to increase of assets value, its gearing level (total liabilities over equity) changed from 2.81 at 31 March 2004 to 2.47 at 31 March 2005. The borrowings outstanding at 31 March 2005 are secured by certain properties held by the Group and denominated in Hong Kong dollar only. As at 31 March 2005, the Group has no material contingent liability. 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 financial commitments and working capital requirements.

## Employee

As at 31 March 2005, the Group had 14 staff. In addition to the 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 Board's discretion.

## 資產流動性，財務狀況，資產抵押及或然債務

本集團於二零零五年三月三十一日之銀行及現金結存約為 1,567,000 港元。本集團之主要負債為銀行貸款，其銀行貸款餘額於二零零五年三月三十一日約為 110,000,000 港元，較二零零四年三月三十一日之餘額增加約 4,000,000 港元。年內，本集團銀行借貸水平並無重大變化，由於資產值增加，其借貸比率（總負債除以股東資金）由於二零零四年三月三十一日之 2.81 改變至於二零零五年三月三十一日之 2.47。於二零零五年三月三十一日之借貸乃以本集團若干物業作為抵押及以港元結算。於二零零五年三月三十一日，本集團並無重大或然債務，連同銀行及現金結存及其他流動資產，以及本集團備用銀行信貸，本集團有充足財務資源以應付其財務承諾及營運資金需求。

## 僱員

於二零零五年三月三十一日，本集團有 14 名僱員。除底薪外，僱員會獲發按工作表現計算之獎金及享有其他員工福利。此外，根據購股權計劃，董事會可酌情向本集團若干員工授出購股權。

## Prospects

While increase of the properties value benefits the results of the Group due to Hong Kong property market was prospered, gradual shift of its business strategy from property investment and development to technology-related and communication businesses allows the Group to focus its resources on technology-related and communication businesses in an attempt to broaden its earning base and catch new opportunities in the long run. By adopting a prudent approach in its new business development and financial strategy, the Group hopes to take advantage of new business opportunities with strong market momentum and potential. It is believed that the new business strategy will bring to the shareholders greater value created from the new business in the long run.

## AUDIT COMMITTEE

The audit committee of the Company comprises three independent non-executive directors. The primary duties of the audit committee are reviewing and advising 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, 25 July 2005

## 前景

由於香港物業市場的蓬勃，本集團業績受惠於物業增值。同時，將業務策略之重點由物業投資及發展逐步轉移為科技有關及通訊業務容許本集團重點投放其資源於科技有關及通訊業務，長遠可擴大盈利基礎及捕捉新機。採納審慎態度於新業務開發及財務策略，本集團可望因科技行業強勁之市場動力及優厚潛力帶來之全新商機而受惠。吾等相信，新業務策略會長遠因新業務為股東帶來更高之投資價值。

## 審核委員會

本公司之審核委員會由三位獨立非執行董事組成，審核委員會主要進行審閱及建議本集團之財務申報程序及內部監督系統。

本人僅代表董事會同寅，對一直支持本集團之股東及辛勤工作為本集團帶來貢獻之全體員工致謝。

此致  
列位股東 台照

主席  
黎耀強

香港，二零零五年七月二十五日