

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 2006 and summarise below the recent development and major activities of the Group.

Results of the Group

During the year ended 31 March 2006, the Group recorded turnover for the year of approximately HK\$12.7 million and profit for the year of approximately HK\$36.1 million. Profit for the year is mainly attributable to the surplus arising on revaluation of investment properties and profit on disposal of investment properties during the year.

Dividend

The Board of Directors (the "Board") does not recommend the payment of final dividend for the year ended 31 March 2006.

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.

Business Review

During the period under review, the increase in turnover by about HK\$3 million is mainly attributable to the increase of rental income by about HK\$1 million and increase in income from short message services by about HK\$2 million. The record of profit for the year of about HK\$36.1 million was mainly due to the surplus arising on revaluation of investment properties and profit on disposal of investment properties during the year. The investment properties have continued to contribute to the Group. The properties held by the Group are still in the preliminary planning stage and any 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」)截至二零零六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。

本集團業績

截至二零零六年三月三十一日止年度，本集團錄得營業額約港幣12,700,000元及本年度溢利約港幣36,100,000元，本年度溢利主要源於本年度投資物業重估增值及出售投資物業溢利。

股息

董事會(「董事會」)不建議派發截至二零零六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。

業務回顧

於回顧期間，營業額增加約港幣3,000,000元，主要由於物業租賃增加約港幣1,000,000元及短訊服務收入增加約港幣2,000,000元所致。本年度錄得溢利約港幣36,100,000元主要由於本年度投資物業重估增值及出售投資物業溢利。投資物業繼續為本集團作出貢獻，本集團現有物業仍然處於初步計劃階段及任何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 balances of approximately HK\$282,000 as at 31 March 2006. The Group's major liabilities are bank borrowings and its bank borrowings outstanding at 31 March 2006 amounted to approximately HK\$104 million, representing a decrease of approximately HK\$6 million as compared with the amounts outstanding at 31 March 2005. 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 attributable to the shareholders of the Company) changed from 1.89 at 31 March 2005 to 1.20 at 31 March 2006. The borrowings outstanding at 31 March 2006 are secured by certain properties held by the Group and denominated in Hong Kong dollar only. As at 31 March 2006, 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 2006, 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

本集團於二零零六年三月三十一日之銀行及現金結存約為港幣 282,000 元。本集團之主要負債為銀行貸款及其銀行貸款餘額於二零零六年三月三十一日約為港幣 104,000,000 元，較二零零五年三月三十一日之餘額減少約港幣 6,000,000 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（總負債除以本公司權益股東應佔資金）由於二零零五年三月三十一日之 1.89 改變至於二零零六年三月三十一日之 1.20。於二零零六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。於二零零六年三月三十一日，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

於二零零六年三月三十一日，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 continually prospered, gradual shift of its business strategy from property investment and development to technology-related and communication businesses is still a long term goal of the Group to attempt to broaden its earning base and catch new opportunities in the long run. The Group will focus on such direction to bring to the shareholders greater value.

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 2006

前景

由於香港物業市場的繼續蓬勃，本集團業績受惠於物業價值增加。同時，將業務策略由物業投資及發展逐步轉移為科技有關及通訊業務仍然是本集團一項長遠目標，以期長遠可擴大盈利基礎及捕捉新機。本集團將會重點投放於該方向以期為股東帶來更高之價值。

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，二零零六年七月二十五日